

The Ontario Securities Commission

OSC Bulletin

March 19, 2010

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

The Ontario Securities Commission

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Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

MARCH 19, 2010

CURRENT PROCEEDINGS

BEFORE

ONTARIO SECURITIES COMMISSION

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

The Harry S. Bray Hearing Room
Ontario Securities Commission
Cadillac Fairview Tower
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20 Queen Street West
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Mary G. Condon	—	MGC
Margot C. Howard	—	MCH
Kevin J. Kelly	—	KJK
Paulette L. Kennedy	—	PLK
David L. Knight, FCA	—	DLK
Patrick J. LeSage	—	PJL
Carol S. Perry	—	CSP
Charles Wesley Moore (Wes) Scott	—	CWMS

SCHEDULED OSC HEARINGS

March 22 –
April 16, 2010

10:00 a.m.

Rene Pardo, Gary Usling, Lewis Taylor Sr., Lewis Taylor Jr., Jared Taylor, Colin Taylor and 1248136 Ontario Limited

s. 127

M. Britton/J.Feasby in attendance for Staff

Panel: JDC/KJK

March 22, 2010

10:00 a.m.

Nest Acquisitions and Mergers, IMG International Inc., Caroline Myriam Frayssignes, David Pelcowitz, Michael Smith, and Robert Patrick Zuk

s. 37, 127 and 127.1

C. Price in attendance for Staff

Panel: CSP

March 22, 2010

11:30 a.m.

Chartcandle Investments Corporation, CCI Financial, LLC, Chartcandle Inc., PSST Global Corporation, Stephen Michael Chesnowitz and Charles Pauly

s. 127 and 127.1

S. Horgan in attendance for Staff

Panel: CSP

March 22, 2010

2:00 p.m.

Paladin Capital Markets Inc., John David Culp and Claudio Fernando Maya

s. 127

C. Price in attendance for Staff

Panel: DLK

March 25, 2010
10:00 a.m.

Carlton Ivanhoe Lewis, Mark Anthony Scott, Sedwick Hill, Leverage Pro Inc., Prosporex Investment Club Inc., Prosporex Investments Inc., Prosporex Ltd., Prosporex Inc., Prosporex Forex SPV Trust, Networth Financial Group Inc., and Networth Marketing Solutions

s. 127 and 127.1

H. Daley in attendance for Staff

Panel: CSP

March 25, 2010
10:00 a.m.

Wilton J. Neale, Multiple Streams of Income (MSI) Inc., and 360 Degree Financial Services Inc.

s. 127 and 127.1

H. Daley in attendance for Staff

Panel: CSP

March 25, 2010
10:00 a.m.

Albert Leslie James, Ezra Douse and Dominion Investments Club Inc.

s. 127 and 127.1

H. Daley in attendance for Staff

Panel: CSP

March 25, 2010
10:00 a.m.

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., Networth Financial Group Inc., Networth 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

s. 127

H. Daley in attendance for Staff

Panel: CSP

March 25-26,
2010

10:00 a.m.

Gold-Quest International, 1725587 Ontario Inc. carrying on business as Health and Harmony, Harmony Club Inc., Donald Iain Buchanan, Lisa Buchanan and Sandra Gale

s. 127

H. Craig in attendance for Staff

Panel: JEAT

March 29;
March 31 –
April 9, 2010

10:00 a.m.

March 30, 2010

2:30 p.m.

March 30, 2010

2:30 p.m.

Shane Suman and Monie Rahman

s. 127 and 127(1)

C. Price in attendance for Staff

Panel: JEAT/PLK

Anthony Ianno and Saverio Manzo

s. 127 and 127.1

A. Clark in attendance for Staff

Panel: CSP

April 5, 2010

10:00 a.m.

Teodosio Vincent Pangia

s. 127

A. Heydon in attendance for Staff

Panel: PJL/CSP

April 12, 2010

9:00 a.m.

Brilliant Brasilcan Resources Corp., York Rio Resources Inc., Brian W. Aidelman, Jason Georgiadis, Richard Taylor and Victor York

s. 127

H. Craig in attendance for Staff

Panel: DLK

April 12, 2010
9:00 a.m.
York Rio Resources Inc., Brillante Brasilcan Resources Corp., Victor York, Robert Runic, George Schwartz, Peter Robinson, Adam Sherman, Ryan Demchuk, Matthew Oliver, Gordon Valde and Scott Bassingdale

s. 127

H. Craig in attendance for Staff

Panel: DLK

April 12, 2010
9:15 a.m.
Peter Robinson and Platinum International Investments Inc.

s. 127

M. Boswell in attendance for Staff

Panel: DLK

April 12, 2010
9:30 a.m.
Uranium308 Resources Inc., Michael Friedman, George Schwartz, Peter Robinson, and Shafi Khan

s. 127

M. Boswell in attendance for Staff

Panel: DLK

April 12, 2010
9:45 a.m.
Innovative Gifting Inc., Terence Lushington, Z2A Corp., and Christine Hewitt

s. 127

M. Boswell in attendance for Staff

Panel: DLK

April 12, 2010
10:00 a.m.
Abel Da Silva

s. 127

M. Boswell in attendance for Staff

Panel: DLK

April 13, 2010
2:30 p.m.
Axcess Automation LLC, Axcess Fund Management, LLC, Axcess Fund, L.P., Gordon Alan Driver and David Rutledge, Steven M. Taylor and International Communication Strategies

s. 127

M. Adams in attendance for Staff

Panel: TBA

April 13, 2010
2:30 p.m.
M P Global Financial Ltd., and Joe Feng Deng

s. 127(1)

April 14; April 23 - 30, 2010
M. Britton in attendance for Staff

10:00 a.m.
Panel: DLK/MCH

April 21, 2010
10:00 a.m.
Tulsiani Investments Inc. and Sunil Tulsiani

s. 127

M. Vaillancourt/T. Center in attendance for Staff

Panel: JEAT

April 21, 2010
10:00 a.m.
Maple Leaf Investment Fund Corp. and Joe Henry Chau

s. 127

M. Vaillancourt/T. Center in attendance for Staff

Panel: JEAT

May 10 – June 2, 2010
10:00 a.m.
Sextant Capital Management Inc., Sextant Capital GP Inc., Sextant Strategic Opportunities Hedge Fund L.P., Otto Spork, Robert Levack and Natalie Spork

s. 127

S. Kushneryk in attendance for Staff

Panel: PJL/MCH

May 31 – June 4, 2010	Lyndz Pharmaceuticals Inc., James Marketing Ltd., Michael Eatch and Rickey McKenzie	July 9, 2010	Hillcorp International Services, Hillcorp Wealth Management, Suncorp Holdings, 1621852 Ontario Limited, Steven John Hill, Daryl Renneberg and Danny De Melo
10:00 a.m.	s. 127(1) and (5)	10:00 a.m.	s. 127
	J. Feasby in attendance for Staff		A. Clark in attendance for Staff
	Panel: TBA		Panel: CSP
June 4, 2010	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	July 9, 2010	Global Energy Group, Ltd. And New Gold Limited Partnerships
10:00 a.m.	s. 127	11:30 a.m.	s. 127
	C. Price in attendance for Staff		H. Craig in attendance for Staff
	Panel: PJL/CSP		Panel: CSP
June 21, 2010	Rezwealth Financial Services Inc., Pamela Ramoutar, Chris Ramoutar, Justin Ramoutar, Tiffin Financial Corporation, Daniel Tiffin, 2150129 Ontario Inc. and Sylvan Blackett	September 13, 2010	Irwin Boock, Stanton Defreitas, Jason Wong, Saudia Allie, Alena Dubinsky, Alex Khodjiants Select American Transfer Co., Leasesmart, Inc., Advanced Growing Systems, Inc., International Energy Ltd., Nutrione Corporation, Pocketop Corporation, Asia Telecom Ltd., Pharm Control Ltd., Cambridge Resources Corporation, Compushare Transfer Corporation, Federated Purchaser, Inc., TCC Industries, Inc., First National Entertainment Corporation, WGI Holdings, Inc. and Enerbrite Technologies Group
10:00 a.m.	s. 127(1) and (5)	9:00 a.m.	s. 127 and 127.1
	A. Heydon in attendance for Staff		H. Craig in attendance for Staff
	Panel: TBA		Panel: JEAT
June 28, 2010	Shallow Oil & Gas Inc., Eric O'Brien, Abel Da Silva, Gurdip Singh Gahunia aka Michael Gahunia and Abraham Herbert Grossman aka Allen Grossman	September 13 – 24, 2010	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
10:00 a.m.	s. 127(7) and 127(8)	10:00 a.m.	s. 127
	M. Boswell in attendance for Staff		S. Kushneryk in attendance for Staff
	Panel: TBA		Panel: TBA
June 29, 2010	Oversea Chinese Fund Limited Partnership, Weizhen Tang and Associates Inc., Weizhen Tang Corp., and Weizhen Tang		
10:00 a.m.	s. 127 and 127.1		
	M. Britton in attendance for Staff		
	Panel: TBA		

September 13-24, 2010	Sulja Bros. Building Supplies, Ltd., Petar Vucicevich, Kore International Management Inc., Andrew Devries, Steven Sulja, Pranab Shah, Tracey Banumas and Sam Sulja	TBA	Microsourceonline Inc., Michael Peter Anzelmo, Vito Curalli, Jaime S. Lobo, Sumit Majumdar and Jeffrey David Mandell
October 4-19, 2010			s. 127
10:00 a.m.	s. 127 and 127.1		J. Waechter in attendance for Staff
	J. Feasby in attendance for Staff		Panel: TBA
	Panel: TBA		
October 18 – November 5, 2010	Irwin Boock, Stanton Defreitas, Jason Wong, Saudia Allie, Alena Dubinsky, Alex Khodjiaints 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	TBA	Frank Dunn, Douglas Beatty, Michael Gollogly
10:00 a.m.			s. 127
			K. Daniels in attendance for Staff
			Panel: TBA
		TBA	Juniper Fund Management Corporation, Juniper Income Fund, Juniper Equity Growth Fund and Roy Brown (a.k.a. Roy Brown-Rodrigues)
			s. 127 and 127.1
			D. Ferris in attendance for Staff
			Panel: TBA
		TBA	Merax Resource Management Ltd. carrying on business as Crown Capital Partners, Richard Mellon and Alex Elin
March 7, 2011	Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Ciavarella and Michael Mitton		s. 127
10:00 a.m.			H. Craig in attendance for Staff
	s. 127		Panel: TBA
	H. Craig in attendance for Staff	TBA	Gregory Galanis
	Panel: TBA		s. 127
TBA	Yama Abdullah Yaqeen		P. Foy in attendance for Staff
	s. 8(2)		Panel: TBA
	J. Superina in attendance for Staff		
	Panel: TBA		

TBA	<p>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</p> <p>s. 127</p> <p>C. Price in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p>MRS Sciences Inc. (formerly Morningside Capital Corp.), Americo DeRosa, Ronald Sherman, Edward Emmons and Ivan Cavric</p> <p>s. 127 and 127(1)</p> <p>D. Ferris in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p>Biovail Corporation, Eugene N. Melnyk, Brian H. Crombie, John R. Miszuk and Kenneth G. Howling</p> <p>s. 127(1) and 127.1</p> <p>J. Superina, A. Clark in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p>Imagin Diagnostic Centres Inc., Patrick J. Rooney, Cynthia Jordan, Allan McCaffrey, Michael Shumacher, Christopher Smith, Melvyn Harris and Michael Zelyony</p> <p>s. 127 and 127.1</p> <p>J. Feasby in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p>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</p> <p>s. 127</p> <p>M. Boswell in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p>Gold-Quest International, Health and Harmony, Iain Buchanan and Lisa Buchanan</p> <p>s. 127</p> <p>H. Craig in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p>FactorCorp Inc., FactorCorp Financial Inc. and Mark Twerdun</p> <p>s. 127</p> <p>C. Price in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p>Goldpoint Resources Corporation, Lino Novielli, Brian Moloney, Evanna Tomeli, Robert Black, Richard Wylie and Jack Anderson</p> <p>s. 127(1) and 127(5)</p> <p>M. Boswell in attendance for Staff</p> <p>Panel: TBA</p>
		TBA	<p>Coventree Inc., Geoffrey Cornish and Dean Tai</p> <p>s. 127</p> <p>J. Waechter in attendance for Staff</p> <p>Panel: TBA</p>
		TBA	<p>IBK Capital Corp. and William F. White</p> <p>s. 127</p> <p>M. Vaillancourt in attendance for Staff</p> <p>Panel: TBA</p>

TBA **Lehman Cohort Global Group Inc., Anton Schnedl, Richard Unzer, Alexander Grundmann and Henry Hehlsinger**

s. 127

H. Craig in attendance for Staff

Panel: JEAT/CSP/SA

TBA **Goldbridge Financial Inc., Wesley Wayne Weber and Shawn C. Lesperance**

s. 127

C. Johnson in attendance for Staff

Panel: TBA

TBA **Maple Leaf Investment Fund Corp., Joe Henry Chau (aka: Henry Joe Chau, Shung Kai Chow and Henry Shung Kai Chow), Tulsiani Investments Inc., Sunil Tulsiani and Ravinder Tulsiani**

s. 127

M. Vaillancourt/T. Center in attendance for Staff

Panel: TBA

TBA **Borealis International Inc., Synergy Group (2000) Inc., Integrated Business Concepts Inc., Canavista Corporate Services Inc., Canavista Financial Center Inc., Shane Smith, Andrew Lloyd, Paul Lloyd, Vince Villanti, Larry Haliday, Jean Breau, Joy Statham, David Prentice, Len Zielke, John Stephan, Ray Murphy, Alexander Poole, Derek Grigor and Earl Switenky**

s. 127 and 127.1

Y. Chisholm in attendance for Staff

Panel: TBA

TBA **Norshield Asset Management (Canada) Ltd., Olympus United Group Inc., John Xanthoudakis, Dale Smith and Peter Kefalas**

s. 127

P. Foy in attendance for Staff

Panel: DLK/MCH

ADJOURNED SINE DIE

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 Salveggi, 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

1.1.2 OSC Notice – OSC Investor Advisory Panel Request for Applications

ONTARIO SECURITIES COMMISSION NOTICE

OSC INVESTOR ADVISORY PANEL REQUEST FOR APPLICATIONS

The Ontario Securities Commission (OSC or Commission) is inviting applications for membership on its newly created Investor Advisory Panel. The intention is that the Panel will contribute an investor perspective to the policy- and rule-making process of the Commission. This notice describes the Panel's overall purpose and the application and selection process for members.

Mandate

The Panel will provide comments in response to public requests for comment by the Commission on proposed rules, policies, concept papers and discussion drafts. The Panel will also provide commentary on the OSC's proposed annual Statement of Priorities and will consider specific issues at the request of the Commission.

Fulfilling the mandate

The Panel may consult with and seek input from investors and organizations representing investors. The Panel will receive funding of up to \$50,000 per year for consultation and for professional services to assist in drafting comment letters, if required.

The Panel will have administrative support in the Office of the Secretary to the Commission. The Office of the Secretary to the Commission will serve as the general liaison between the Panel and the Commission and will serve as the Secretary to the Panel.

The Panel will meet at least quarterly in Toronto. It will report annually to the Commission on its activities for the preceding year, which will include a written report and presentation by the Panel Chair to the Commission.

The Commission will review the activities and mandate of the Panel periodically and may amend, affirm or rescind the mandate following its review. There will be a formal assessment of the Panel's effectiveness before the end of the Panel's first term.

Composition

The Panel will consist of seven members, including a Chair of the Panel, with a range of relevant experience, skills, knowledge and perspectives.

Members of the Panel will serve a term of two years, which may be extended by the Chair of the Commission for one additional term.

Compensation

Panel members will be compensated for their time and effort in meeting the Panel's mandate as follows:

- Attending meetings of the Panel: \$275 per meeting for members; \$550 per meeting for the Chair of the Panel; up to a maximum of 12 meetings per year.
- Meeting preparation or post-meeting follow-up work: \$275 per day for members; \$550 per day for the Chair of the Panel; up to a maximum of three days of work per meeting.
- Travel and other expenses, subject to certain limits.

Qualifications and Experience

Panel members must have a working knowledge of capital markets and the Commission's regulatory responsibilities. They should also have a specific skill set that would assist the Panel in fulfilling its mandate and a demonstrated ability to be a productive member of a collaborative team.

Panel members should have qualifications, skills or experience in one or more of the following areas:

- Involvement in a community-based organization with a demonstrated commitment to advancing public policy, preferably relating to the financial well-being of Ontarians;
- Involvement in an investor or consumer association with experience representing views of Ontarians;

- Professionals with experience advising investors, such as lawyer or accountant;
- Institutional investors from the pension sector or other buy side;
- Household financial advisers; or
- Market or academic researchers.

Weight will be given to individuals with a demonstrated ability to consult with Ontarians to support the Panel's mandate of consulting with and seeking input from investors and organizations representing investors.

The Chair of the Panel should have the following additional qualifications:

- Leadership in one or more of the following areas: investor or consumer issues, shareholder rights, securities law reform, investor education or public policy;
- A thorough understanding of the capital markets, the Commission's regulatory responsibilities, and securities regulation and policies; and
- Strong interpersonal skills, including a demonstrated ability to effectively manage the Panel's mandate and deliver collaborative work products.

All Panel members must be able to meet the time commitments required by the Panel's work and have flexibility to meet during business hours in downtown Toronto.

Selection Process

Panel members will be selected in part to ensure that the Panel reasonably represents a broad range of investors. A selection committee consisting of three Part-time Commissioners will interview short-listed candidates. The Chair of the Commission will appoint the Chair of the Panel and the other Panel members based on the recommendations of the selection committee.

When the members of the Panel have been selected, the Commission will publish a notice in the OSC Bulletin and on its website. The Commission will also publish the Panel's Terms of Reference on its website.

How to Apply

Apply in writing indicating your qualifications, skills and areas of relevant experience. You may also attach your resume. Submit your application by **April 30, 2010** to:

John P. Stevenson – Secretary to the Commission
Ontario Securities Commission
20 Queen Street West
Suite 1900, Box 55
Toronto, Ontario M5H 3S8
Fax: (416) 593-2318
E-mail: jstevenson@osc.gov.on.ca

Collection and Use of Personal Information

The personal information requested as part of the application process is being collected and used by the OSC to evaluate the suitability of all potential candidates for appointment by the Chair of the OSC to the OSC's Investor Advisory Panel. Our authority for collecting personal information comes from section 3.11 of the *Securities Act* (Ontario).

Additional personal information may be required from candidates who are considered for appointment to the Panel. Candidates who are short-listed will be contacted to confirm their interest and, at that time, will be asked to provide the names of three contact persons who can provide references. They may also be asked to provide additional disclosure with respect to potential conflicts of interest.

Personal information may also be collected from the organizations referred to in the candidate's application and from the references that have been provided. This information will only be used to evaluate candidates' suitability and to verify the information they have provided.

Questions

Please direct any questions relating to the application process or the collection, use or disclosure of personal information requested as part the application process to John P. Stevenson, Secretary to the Commission, at jstevenson@osc.gov.on.ca or (416) 593-8145.

The Ontario Securities Commission is committed to equal opportunity. We encourage applications from qualified women, men, visible minorities, aboriginal peoples, and persons with disabilities.

March 19, 2010

1.1.3 OSC Staff Notice 24-702 – Regulatory Approach to Recognition and Exemption from Recognition of Clearing Agencies

**OSC STAFF NOTICE 24-702
REGULATORY APPROACH TO RECOGNITION
AND EXEMPTION FROM RECOGNITION OF
CLEARING AGENCIES**

On February 24, 2010, the Ontario Lieutenant Governor in Council proclaimed in force, effective March 1, 2011, the amendments to sections 21.2 of the *Securities Act* (Ontario) (the Act) that were enacted by section 2 of Schedule 20 to the *Budget Measures Act, 2005 (No. 2)*. New subsection 21.2(0.1) of the Act will prohibit clearing agencies from carrying on business in Ontario unless they are recognized by the Commission as a clearing agency. To assist market participants with this new requirement, OSC Staff are publishing in Chapter 1 of this Bulletin OSC Staff Notice 24-702 – *Regulatory Approach to Recognition and Exemption from Recognition of Clearing Agencies*. We encourage all entities operating, or intending to operate, in Ontario as a clearing agency to contact Staff listed in the Notice as soon as possible with any questions regarding the new recognition requirement.

March 19, 2010

**ONTARIO SECURITIES COMMISSION
STAFF NOTICE 24-702**

**REGULATORY APPROACH TO RECOGNITION
AND EXEMPTION FROM RECOGNITION OF
CLEARING AGENCIES**

I Introduction

Section 21.2¹ of the *Securities Act* (Ontario) (the Act) prohibits clearing agencies from carrying on business in Ontario unless they are recognized by the Commission as a clearing agency or are exempt from the requirement to be recognized by order of the Commission.² Staff of the Ontario Securities Commission (we or Staff) are publishing this notice to set out Staff's regulatory approach to an application for recognition as a clearing agency or exemption from the recognition requirement. We will use this approach when evaluating the requests and making recommendations to the Commission regarding whether to recognize or exempt an applicant and the appropriate regulation for entities desiring to carry on business as a clearing agency in Ontario.

II The Regulatory Framework for Clearing Agencies

Subsection 21.2(0.1) of the Act provides that "no person or company shall carry on business in Ontario as a clearing agency unless the person or company is recognized by the Commission under this section as a clearing agency". The term "clearing agency" is defined in subsection 1(1) of the Act as follows:

"clearing agency" means a person or company that,

- (a) acts as an intermediary in paying funds or delivering securities, or both, in connection with trades and other transactions in securities,
- (b) provides centralized facilities for the clearing of trades and other transactions in securities, including facilities for comparing data respecting the terms of settlement of a trade or transaction, or
- (c) provides centralized facilities as a depository of securities,

but does not include,

- (d) the Canadian Payments Association or its successors,
- (e) a stock exchange or a quotation and trade reporting system,
- (f) a registered dealer, or
- (g) a bank, trust company, loan corporation, insurance company, treasury branch, credit union or caisse populaire that, in the normal course of its authorized business in Canada, engages in an activity described in clause (a), but does not also engage in an activity described in clause (b) or (c);"³

A clearing agency that seeks to operate in Ontario will be required to either apply for recognition under subsection 21.2(0.1) of the Act or apply for an exemption under section 147 of the Act. Generally, we would recommend to the Commission that a clearing agency that performs certain key functions or provides certain facilities, such as central depository, central counterparty, multilateral netting and/or guarantor functions, be recognized and subject to the Commission's full clearing agency regulation and oversight discussed in Part II(a) of this notice (full regulation).

Depending on the circumstances, Staff may recommend to the Commission that a clearing agency be granted an exemption from recognition pursuant to section 147 of the Act. For example, we may consider this approach for an entity that provides limited services or facilities and does not present significant risks to the capital market. We may also consider this approach for a foreign-based clearing agency that intends to operate in Ontario if the clearing agency is subject to an appropriate regulatory

¹ As amended in 2005 by section 2 of Schedule 20 – *Securities Act* – of the *Budget Measures Act*, 2005 (No. 2), S.O. 2005, c. 31 (Bill 18). The amendments were proclaimed on February 24, 2010 by Order in Council to be in force as of March 1, 2011. See *Ontario Gazette* of Saturday, March 6, 2010, Vol. 143-10, page 435.

² In this notice, we refer to this requirement as the "recognition requirement".

³ The definition "clearing agency" in subsection 1(1) of the Act was amended in 2006 by section 144 of the *Securities Transfer Act*, 2006, S.O. 2006, c. 8 (Bill 41), which came into force on January 1, 2006.

and oversight regime in a foreign jurisdiction. A clearing agency that is granted an exemption would generally be subject to certain terms and conditions discussed in more detail in Part II(b) of this notice.⁴

(a) Recognition of Clearing Agency

An application for recognition should include a detailed description of the business operations of the clearing agency and how the clearing agency meets specified criteria that deal with the following:

- Governance
- Fees
- Access
- Rules and rulemaking
- Due process
- Risk management
- Systems and technology
- Financial viability and reporting
- Operational reliability
- Protection of assets
- Outsourcing
- Information sharing and regulatory cooperation

The detailed criteria are attached to this notice as Appendix A. Staff consider the criteria to be characteristics that a clearing agency must have in order to carry on business in Ontario.

A recognition order issued by the Commission under section 21.2 will be subject to terms and conditions that are determined based on the criteria, the operations of the clearing agency, and other relevant factors. Generally, if a clearing agency is recognized it will be required to:

- file rules, procedures and other similar instruments for approval by the Commission
- file financial statements
- file annual reports containing information relating to its participants, risk controls and risk management, and other items
- comply with Staff's Automation Review Program⁵
- be subject to oversight reviews conducted by Staff
- comply with the terms and conditions.

(b) Exemption from Recognition

A clearing agency may request an exemption from the recognition requirement pursuant to section 147 of the Act in certain circumstances. For example, an entity may perform limited activities which do not present significant risk to the Ontario capital markets, such that full regulation may not be warranted. Depending on the nature of the functions performed by the clearing agency and the risks arising from such functions, we may recommend that the exemption be subject to certain terms and conditions. The specific terms and conditions may vary depending on the operations of the clearing agency, its risk controls, the

⁴ A Commission order, including any terms and conditions contained in the order, forms part of Ontario securities law. See definition "Ontario securities law" in subsection 1(1) of the Act.

⁵ The Automation Review Program (ARP) provides a mechanism for any specified market infrastructure entity to follow a formal methodology in identifying and managing information technology risk. For a copy of the ARP, please see (2002) 25 OSCB 6789.

methods of access for its participants, and any regulatory regime to which it is already subject. Whether a clearing agency is recognized or is exempted from recognition, there will be terms and conditions to enable the Commission to have access to information on its operations and the trading and clearing activity of Ontario participants.

We discuss below two circumstances in which we may be prepared to recommend an exemption from recognition: foreign-based clearing agencies and matching service utilities. An application for an exemption should include a detailed description of the operations of the clearing agency and how the clearing agency meets the specified criteria in Appendix A.

(i) *Foreign-based clearing agencies*

A foreign-based clearing agency that is carrying on business or intends to carry on business in Ontario would be required to apply either for recognition or for an exemption from recognition. A foreign-based clearing agency that offers to provide its services or facilities to a person or company resident in Ontario would be considered to be carrying on business in Ontario.⁶ Depending on the circumstances, Staff may recommend to the Commission that a foreign-based clearing agency be granted an exemption from recognition pursuant to section 147 of the Act if the clearing agency does not pose significant risk to the Ontario capital markets and is subject to an appropriate regulatory and oversight regime in a foreign jurisdiction. We recognize that some foreign-based clearing agencies are already subject to a regulatory regime in their country of origin (home jurisdiction). Full regulation, similar to that applied to domestic clearing agencies, may be duplicative and inefficient when imposed in addition to the regulation of the home jurisdiction. However, where the regulatory regime of the home jurisdiction is not comparable to that of Ontario, the Commission may consider it necessary to impose additional requirements.

The foreign-based clearing agency should establish at the time of application that it meets the criteria in Appendix A. The application should explain how the clearing agency meets each criterion and provide a detailed description of the regulatory regime of the home jurisdiction and the regulatory requirements imposed on the clearing agency in its home jurisdiction.

The following terms and conditions may be considered:

- ongoing compliance with home jurisdiction regulation and oversight
- prior notice of material changes to the application
- periodic reporting of information relating to operational activities
- access restrictions
- financial reporting
- information sharing arrangements
- home jurisdiction's adherence to CPSS-IOSCO standards for securities settlement systems and/or central counter-parties⁷
- submission to non-exclusive jurisdiction

(ii) *Matching service utilities*

One type of entity that may be considered by Staff to have limited activities is a "matching service utility" (MSU) governed by National Instrument 24-101—*Institutional Trade Matching and Settlement* (NI 24-101). An MSU is a provider of centralized automated services and facilities for the institutional trade matching process, i.e., it facilitates the clearing of trades executed by or on behalf of institutional investors, where multiple parties such as a dealer, investment manager and custodian are required to provide information to confirm and agree to the terms and settlement instructions of a trade. An MSU is subject to certain reporting and other requirements under NI 24-101. Depending on the circumstances, Staff may be prepared to recommend an exemption subject to terms and conditions.

⁶ We note that electronic access in Ontario to a clearing agency's systems and facilities will generally indicate that it is "carrying on business" in Ontario, even if the clearing agency has no physical presence in Ontario. This is similar to the approach used by Staff for foreign-based stock exchanges. See OSC Staff Notice 21-702 *Regulatory Approach for Foreign-Based Stock Exchanges*, dated October 31, 2003.

⁷ See *Recommendations for securities settlement systems - Report of the Committee on Payment and Settlement Systems and Technical Committee of the International Organization of Securities Commissions*, dated November 2001; and *Recommendations for Central Counterparties - Report of the Committee on Payment and Settlement Systems and Technical Committee of the International Organization of Securities Commissions*, dated November 2004.

IV Application Process

The application process for both recognition and exemption from recognition as a clearing agency is similar. The clearing agency must file an application, detailing, for example, its history, business and regulatory structure (if any), and addressing how it meets the specific criteria as outlined in Appendix A. Where specific criteria in Appendix A may not be relevant to an applicant because of the nature or scope of its clearing agency activities, its specific structure, the products it clears or settles, or its regulatory environment, the application should explain in reasonable detail why the criteria are not relevant.

After discussing the application with the applicant, Staff will seek the Commission's approval to publish the application, together with a draft order, for a 30 day comment period. Publication will occur in the OSC Bulletin and on the OSC website. Once all issues raised during the comment process are resolved, Staff will submit the order for approval to the Commission in the form of the published order, as amended in response to the comment process.

V OSC Staff Contact

The following Staff may be contacted to discuss this notice or the application process:

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Dated: March 19, 2010

Appendix A

Criteria for Recognition and Exemption from Recognition as a Clearing Agency

Responses to the criteria in this Appendix A must address, where applicable, the following:

- (i) Describe how the clearing agency meets each criterion. Where a specific criterion may not be relevant because of the nature or scope of the clearing agency's activities, please explain in reasonable detail why it is not relevant.
- (ii) Where an application for an exemption is being made by a foreign clearing agency, describe the requirements, if any, that are imposed by the applicable regulator in the clearing agency's jurisdiction (the foreign regulator) in each area.
- (iii) Describe how the oversight of the foreign clearing agency by the foreign regulator ensures ongoing compliance with the criteria.

PART 1 GOVERNANCE

1.1 The governance structure and governance arrangements of the clearing agency ensures:

- (a) effective oversight of the clearing agency;
- (b) the clearing agency's activities are in keeping with its public interest mandate;
- (c) fair, meaningful and diverse representation on the governing body (Board) and any committees of the Board, including a reasonable proportion of independent directors;
- (d) a proper balance among the interests of the owners and the different entities seeking access (participants) to the clearing, settlement and depository services and facilities (settlement services) of the clearing agency;
- (e) the clearing agency has policies and procedures to appropriately identify and manage conflicts of interest;
- (f) each director or officer of the clearing agency, and each person or company that owns or controls, directly or indirectly, more than 10 percent of the clearing agency is a fit and proper person; and
- (g) there are appropriate qualifications, limitation of liability and indemnity provisions for directors and officers of the clearing agency.

PART 2 FEES

2.1 All fees imposed by the clearing agency are equitably allocated. The fees do not have the effect of creating unreasonable barriers to access.

2.2 The process for setting fees is fair and appropriate, and the fee model is transparent.

PART 3 ACCESS

3.1 The clearing agency has appropriate written standards for access to its services.

3.2 The access standards and the process for obtaining, limiting and denying access are fair and transparent. A clearing agency keeps records of

- (a) each grant of access including, for each participant, the reasons for granting such access, and
- (b) each denial or limitation of access, including the reasons for denying or limiting access to an applicant.

PART 4 RULES AND RULEMAKING

4.1 The clearing agency's rules are designed to govern all aspects of the settlement services offered by the clearing agency, and

- (a) are not inconsistent with securities legislation,

- (b) do not permit unreasonable discrimination among participants, and
- (c) do not impose any burden on competition that is not necessary or appropriate.

- 4.2 The clearing agency's rules and the process for adopting new rules or amending existing rules should be transparent to participants and the general public.
- 4.3 The clearing agency monitors participant activities to ensure compliance with the rules.
- 4.4 The rules set out appropriate sanctions in the event of non-compliance by participants.

PART 5 DUE PROCESS

- 5.1 For any decision made by the clearing agency that affects an applicant or a participant, including a decision in relation to access, the clearing agency ensures that:
 - (a) an applicant or a participant is given an opportunity to be heard or make representations; and
 - (b) the clearing agency keeps a record of, gives reasons for, and provides for appeals or reviews of, its decisions.

PART 6 RISK MANAGEMENT

- 6.1 The clearing agency's settlement services are designed to minimize systemic risk.
- 6.2 The clearing agency has appropriate risk management policies and procedures and internal controls in place.
- 6.3 Without limiting the generality of the foregoing, the clearing agency's services or functions are designed to achieve the following objectives:
 - 1. Where the clearing agency acts as a central counterparty, it rigorously controls the risks it assumes.
 - 2. The clearing agency minimizes principal risk by linking securities transfers to funds transfers in a way that achieves delivery versus payment.
 - 3. Final settlement occurs no later than the end of the settlement day. Intraday or real-time finality is provided where necessary to reduce risks.
 - 4. Where the clearing agency extends intraday credit to participants, including a clearing agency that operates net settlement systems, it institutes risk controls that, at a minimum, ensure timely settlement in the event that the participant with the largest payment obligation is unable to settle.
 - 5. Assets used to settle the ultimate payment obligations arising from securities transactions carry little or no credit or liquidity risk. If central bank money is not used, steps are to be taken to protect participants in settlement services from potential losses and liquidity pressures arising from the failure of the cash settlement agent whose assets are used for that purpose.
 - 6. If the clearing agency establishes links to settle cross-border trades, it designs and operates such links to reduce effectively the risks associated with cross-border settlements.
- 6.4 The clearing agency engaging in activities not related to settlement services carries on such activities in a manner that prevents the spillover of risk to the clearing agency that might affect its financial viability or negatively impact any of the participants in the settlement service.

PART 7 SYSTEMS AND TECHNOLOGY

- 7.1 For its settlement services systems, the clearing agency:
 - (a) develops and maintains,
 - (i) reasonable business continuity and disaster recovery plans,
 - (ii) an adequate system of internal control,

- (iii) adequate information technology general controls, including controls relating to information systems operations, information security, change management, problem management, network support, and system software support;
- (b) on a reasonably frequent basis, and in any event, at least annually, and in a manner that is consistent with prudent business practice,
 - (i) makes reasonable current and future capacity estimates,
 - (ii) conducts capacity stress tests to determine the ability of those systems to process transactions in an accurate, timely and efficient manner,
 - (iii) tests its business continuity and disaster recovery plans; and
- (c) promptly notifies the regulator of any material systems failures.

7.2 The clearing agency annually engages a qualified party to conduct an independent systems review and prepare a report in accordance with established audit standards regarding its compliance with section 7.1(a).

PART 8 FINANCIAL VIABILITY AND REPORTING

8.1 The clearing agency has sufficient financial resources for the proper performance of its functions and to meet its responsibilities and allocates sufficient financial and staff resources to carry out its functions as a clearing agency in a manner that is consistent with any regulatory requirements.

PART 9 OPERATIONAL RELIABILITY

9.1 The clearing agency has procedures and processes to ensure the provision of accurate and reliable settlement services to participants.

PART 10 PROTECTION OF ASSETS

10.1 The clearing agency has established accounting practices, internal controls, and safekeeping and segregation procedures to protect the assets that are held by the clearing agency.

PART 11 OUTSOURCING

11.1 Where the clearing agency has outsourced any of its key functions, it has appropriate and formal arrangements and processes in place that permit it to meet its obligations and that are in accordance with industry best practices. The outsourcing arrangement provides regulatory authorities with access to all data, information, and systems maintained by the third party service provider required for the purposes of regulatory oversight of the agency.

PART 12 INFORMATION SHARING AND REGULATORY COOPERATION

12.1 For regulatory purposes, the clearing agency cooperates by sharing information or otherwise with the Commission and its staff, self-regulatory organizations, exchanges, quotation and trade reporting systems, alternative trading systems, other clearing agencies, investor protection funds, and other appropriate regulatory bodies.

1.2 Notices of Hearing

1.2.1 Albert Leslie James et al. – ss. 127, 127.1

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

AND

**ALBERT LESLIE JAMES, EZRA DOUSE
AND DOMINION INVESTMENTS CLUB INC.**

**NOTICE OF HEARING
(Sections 127 and 127.1)**

TAKE NOTICE THAT the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to sections 127 and 127.1 of the Ontario *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") at the offices of the Commission at 20 Queen Street West, 17th Floor Hearing Room on March 25, 2010 at 10:00 a.m., or as soon thereafter as the hearing can be held, to consider:

- (i) whether, pursuant to s. 127(5) of the Act, that the temporary order made January 15, 2010 against the above noted Respondents be continued to the conclusion of the hearing on the merits.
- (ii) whether, in the opinion of the Commission, it is in the public interest, pursuant to ss. 127 and 127.1 of the Act to order that:
 - (a) trading in any securities by the Respondents cease permanently or for such period as is specified by the Commission;
 - (b) the acquisition of any securities by the Respondents is prohibited permanently or for such other period as is specified by the Commission;
 - (c) any exemptions contained in Ontario securities law do not apply to the Respondents permanently or for such period as is specified by the Commission;
 - (d) the Respondents be reprimanded;
 - (e) Albert Leslie James, Ezra Douse (the "Individual Respondents") resign one or more positions that they hold as a director or officer of any issuer, registrant or investment fund manager;
 - (f) the Individual Respondents be prohibited from becoming or acting as a director or officer of any issuer, a registrant or investment fund manager;
 - (g) the Respondents be prohibited from becoming or acting as a registrant, as an investment fund manager or as a promoter;
 - (h) the Respondents each pay an administrative penalty of not more than \$1 million for each failure by that Respondent to comply with Ontario securities law;
 - (i) each of the Respondents disgorge to the Commission any amounts obtained as a result of non-compliance by that Respondent with Ontario securities law;
 - (j) the Respondents be ordered to pay the costs of the Commission investigation and the hearing; and,
- (iii) whether to make such further orders as the Commission considers appropriate.

BY REASON OF the allegations as set out in the Statement of Allegations of Staff of the Commission dated March 11, 2010 and such additional allegations as counsel may advise and the Commission may permit;

AND BY REASON OF the evidence filed with the Commission and the testimony heard by the Commission;

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

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

DATED at Toronto this 12th day of March, 2010

“John Stevenson”

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

AND

**ALBERT LESLIE JAMES, EZRA DOUSE
AND DOMINION INVESTMENTS CLUB INC.**

STATEMENT OF ALLEGATIONS

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

I. Overview

1. During 2007 and 2008, two separate but related foreign exchange ("forex") investment schemes were conceived and promoted to Ontario investors, one under the name of Prosporex and the other under the name Dominion. Both of the forex schemes involved persons holding insurance licences issued by the Financial Services Commission of Ontario ("FSCO") and their associates. This proceeding relates to the "Dominion" scheme, defined within.
2. These Respondents were involved in the Dominion forex scheme.
3. Both of the forex schemes were structured as "investment clubs". Individual investors signed investment contracts and pooled their funds with the funds of others, with the pooled funds to be invested by third party forex brokers in foreign exchange transactions. The investors were to share the resulting investment gains or losses.
4. Both of the forex investment schemes utilized multi-level or pyramid marketing techniques whereby investors were compensated to recruit others to purchase forex investment contracts. In both of the forex schemes false promises and unrealistic forward looking statements about investment returns were made to the investors so as to persuade them to purchase the forex investment contracts.
5. Approximately \$26 million in total was directed to both of the forex schemes; few if any investors received a return on their invested capital. The vast majority of the \$26 million was borrowed from AGF Trust Company ("AGF Trust") pursuant to applications for RSP loans facilitated by the FSCO – licensed insurance agency. The Respondents knew or ought to have known that the forex investment was not an RSP eligible product. The Dominion scheme concerns approximately \$1.5 million of the total raised.

II. The Respondents

6. Albert Leslie James ("James") is an individual residing in the Province of Ontario. James has never been registered by the Commission in any capacity.
7. Ezra Douse ("Douse") is an individual residing in the Province of Ontario and has never been registered by the Commission in any capacity.
8. Dominion Investments Club Inc. ("Dominion") is an Ontario company which was incorporated on June 11, 2008 by James, Douse, James' then wife Noni James ("Noni") and David Whitely ("Whitely"). It has never been registered by the Commission in any capacity.
9. Dominion sold the forex investment to Ontario investors; it is one of the two investment schemes referred to in paragraphs 1 through 3.
10. Prior to the incorporation of Dominion, James, Noni and Whitely had sold forex investments to investors through an unincorporated entity called "Dominion Investments".

Other Relevant Entities

11. James, Douse and Dominion came into contact with Wilton J. Neale ("Neale") and his licensed insurance agency 360 Degree Financial Services Inc. ("360°") in or about the Summer of 2008.
12. James, Douse and Dominion utilized Neale, 360° and 360°'s relationship with AGF Trust in order to increase their sales of forex investments, contrary to the public interest and contrary to Ontario securities law.

III. Background Information

13. Prior to incorporating Dominion, James and Douse had both been investors in a forex investment club called Prosporex Investment Club Inc. ("Prosporex"), which is the second of the two forex investment schemes referred to in paragraphs 1 through 3 of this Statement of Allegations and is the subject of a separate, related, proceeding.
14. James, Noni and Whitely established a forex investment club of their own modeled on Prosporex and had engaged in the sale of forex investments to investors. Their forex club was called Dominion Investments, an unincorporated proprietorship. Dominion Investments originally took in funds from fifteen customers who invested using their own resources and did not borrow money to invest.
15. In or about May 2008, James approached Douse and Douse agreed to become involved as an owner in Dominion Investments. Thereafter, as stated in paragraph 8, Dominion was incorporated.

IV. Allegations

Misleading AGF Trust

16. As had been the case at Prosporex, James and Douse wanted a source of capital that could be used by Dominion investors to invest in forex investments. To that end, James proposed to Neale that Neale apply to AGF Trust for RSP loans under 360°'s Distribution Agreement with AGF Trust. James proposed to Neale that 360° would transfer the loan proceeds to Dominion to be invested in forex. James and Dominion entered into an arrangement with Neale whereby in exchange for a fee Neale would submit AGF Trust RSP loan applications on behalf of investors in Dominion.
17. The Distribution Agreement between 360° and AGF Trust and the loan applications submitted thereunder required 360° to invest the loan proceeds in RSP eligible products.
18. Following March 2008, James, Douse and Dominion participated in a course of conduct whereby 360° applied for AGF Trust RSP loans, forwarded the loan proceeds to Dominion, and Dominion invested those proceeds in forex investments. James and Douse knew or ought to have known that forex investments were not RSP-eligible investments, and that approximately \$1 million dollars worth of AGF RSP loans had been obtained by inappropriate means. James, Douse and Dominion profited from this activity.

Misleading the Dominion Investors

19. As had been the case in Prosporex, Dominion required investors to sign a Participation Agreement which provided in material part as follows:

"This agreement is for the purpose of participating collectively in the pooling of funds for Foreign Currency Trading Accounts and sharing in the profits and loss of this initiative.

Dominion Investments is not a Currency Trader or Brokerage House and does not make any claim to be so. We are simply managing the pooling of members to participate in this income generating service through our relationships with highly experienced and registered Traders and Brokerage Firms."

The Participation Agreement and the activities described therein constituted an investment contract and hence a security within the meaning of the *Securities Act* ("the Act").

20. The Participation Agreement also provided for the payment of monthly returns on contributed capital as follows:

"1) Proposed monthly Payout: 12.5% of your contribution payable monthly from net profits. Monthly returns/payments start 90 days after the account setup date and are made between the first and the fifth day of each month or the next business day thereafter when not compounding."

Dominion investors received cheques ostensibly representing between 5% and 10% as a monthly return on their invested capital.

21. The monthly "returns" on the investments did not derive from foreign currency trading profits but rather were funded by new money coming into the forex investment scheme from later Dominion investors.
22. The effect of paying these "returns" was to mislead investors into thinking that their forex investment was very profitable. By this means investors were induced to increase their investment in Dominion and to recruit friends and

family to become investors in Dominion. As had occurred at Prosporex, Dominion also paid financial incentives to those who brought new investors into the program.

23. Douse and James both promoted and sold forex investments offered by Dominion to prospective investors and advised investors to borrow money and to purchase the forex investments. In so doing they made misleading statements about the forex investment and suggested that substantial profits were guaranteed.

The unregistered distribution of securities and the unregistered sale and advising in relation to securities

24. James and Douse were not at any time registered to advise in or to trade securities. The creation and sale of the forex investment contracts by them and by Dominion was a distribution of securities within the meaning of the *Act*.

25. Douse and James were:

(a) engaged in, or were holding themselves out as engaged in, the business of giving advice in respect of the buying of securities within the meaning of the *Securities Act*; and

(b) effecting trades in securities by soliciting investors to invest with Dominion,

without being registered as advisors or traders as required under the *Act*.

26. Notwithstanding the receipt of some alleged returns, the majority of Dominion investors lost all or substantially all of their invested capital. As that capital was primarily borrowed from AGF Trust they remain indebted to AGF Trust for their amounts of their RSP loans. The investors have been financially harmed by virtue of their involvement with these respondents.

V. Conduct Contrary to Public Interest

27. James, Douse and Dominion have engaged in the unregistered trading of securities and have advised in relation to securities contrary to Sections 25(1)(a) and (c) of the *Securities Act*;

28. James, Douse and Dominion engaged in an illegal distribution of securities contrary to Section 53(1) of the *Act*;

29. James, Douse and Dominion engaged in misleading conduct contrary to Section 126.2 of the *Act*;

30. James, Douse and Dominion acted contrary to the public interest; and

31. Such further allegations as Staff may advise and the Commission permit.

DATED at Toronto, the 12th day of March, 2010.

1.2.2 Wilton J. Neale et al. – ss. 127, 127.1

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

AND

**WILTON J. NEALE,
MULTIPLE STREAMS OF INCOME (MSI) INC.
AND 360 DEGREE FINANCIAL SERVICES INC.**

**NOTICE OF HEARING
(Sections 127 and 127.1)**

TAKE NOTICE THAT the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to sections 127 and 127.1 of the Ontario *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") at the offices of the Commission at 20 Queen Street West, 17th Floor Hearing Room on March 25, 2010 at 10:00 a.m., or as soon thereafter as the hearing can be held, to consider:

- (i) whether, pursuant to s. 127(5) of the Act, that the temporary order made January 15, 2010 against the above noted Respondents be continued to the conclusion of the hearing on the merits.
- (ii) whether, in the opinion of the Commission, it is in the public interest, pursuant to ss. 127 and 127.1 of the Act to order that:
 - (a) trading in any securities by the Respondents cease permanently or for such period as is specified by the Commission;
 - (b) the acquisition of any securities by the Respondents is prohibited permanently or for such other period as is specified by the Commission;
 - (c) any exemptions contained in Ontario securities law do not apply to the Respondents permanently or for such period as is specified by the Commission;
 - (d) the Respondents be reprimanded;
 - (e) Wilton J. Neal (the "Individual Respondent") resign one or more positions that they hold as a director or officer of any issuer, registrant or investment fund manager;
 - (f) the Individual Respondent be prohibited from becoming or acting as a director or officer of any issuer, a registrant or investment fund manager;
 - (g) the Respondents be prohibited from becoming or acting as a registrant, as an investment fund manager or as a promoter;
 - (h) the Respondents each pay an administrative penalty of not more than \$1 million for each failure by that Respondent to comply with Ontario securities law;
 - (i) each of the Respondents disgorge to the Commission any amounts obtained as a result of non-compliance by that Respondent with Ontario securities law;
 - (j) the Respondents be ordered to pay the costs of the Commission investigation and the hearing; and,
- (ii) whether to make such further orders as the Commission considers appropriate.

BY REASON OF the allegations as set out in the Statement of Allegations of Staff of the Commission dated March 11, 2010 and such additional allegations as counsel may advise and the Commission may permit;

AND BY REASON OF the evidence filed with the Commission and the testimony heard by the Commission;

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

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

DATED at Toronto this 12th day of March, 2010

“John Stevenson”

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

AND

**WILTON J. NEALE,
MULTIPLE STREAMS OF INCOME (MSI) INC.
AND 360 DEGREE FINANCIAL SERVICES INC.**

STATEMENT OF ALLEGATIONS

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

I. Overview

1. During 2007 and 2008, two separate but related foreign exchange ("forex") investment schemes were conceived and promoted to Ontario investors, one under the name of Prosporex and the other under the name of Dominion. Both of the forex schemes involved persons holding insurance licences issued by the Financial Services Commission of Ontario ("FSCO") and their associates. These schemes are the subject of separate proceedings.
2. Both of the forex schemes were structured as "investment clubs". Individual investors signed investment contracts and pooled their funds with the funds of others, with the pooled funds to be invested by third party forex brokers in foreign exchange transactions. The investors were to share the resulting investment gains or losses.
3. Both of the forex investment schemes utilized multi-level or pyramid marketing techniques whereby investors were compensated to recruit others to purchase forex investment contracts. In both of the forex schemes false promises and unrealistic forward looking statements about investment return were made to the investors so as to persuade them to purchase the forex investment contracts.
4. In facilitating this scheme described herein, these Respondents engaged in conduct contrary to securities law and contrary to the public interest.

II. The Respondents

5. Wilton J. Neale ("Neale") was licensed as a sales person of Keybase Financial Group Inc., a dealer registered in the category of mutual funds dealer from February 18, 2006 to January 18, 2007 when he was terminated for cause. Neale has not been registered by the Commission in any capacity since that date.
6. Neale was also licensed to sell life insurance and accident and sickness insurance by FSCO at the material time. FSCO issued a permanent cease and desist order against Neale on March 4, 2009 prohibiting him from carrying on the business of insurance in the Province of Ontario.
7. 360 Degree Financial Services Inc. ("360°") was incorporated in Ontario by Neale on February 2, 2005. Neale at all material times was the sole officer, director and controlling mind of 360°, which was also licensed by FSCO to sell insurance products.
8. FSCO issued a permanent cease and desist order against 360° on March 4, 2009 prohibiting it from carrying on the business of insurance in Ontario.
9. Multiple Streams of Income (MSI) Inc., ("MSI") was incorporated under the *Canada Business Corporations Act* by Neale on July 7, 2006. Neale is the sole officer and director of MSI and is its controlling mind. MSI was never registered in any capacity with the Commission nor was it licensed by FSCO.

III. Other Relevant Entities and Individuals

10. 360° was party to a Distribution Agreement with AGF Trust which enabled 360° to apply on behalf of its customers to AGF Trust for loans which were required to be invested in RSP eligible products (the "Distribution Agreement").
11. Albert James ("James") and Ezra Douse ("Douse") both came into contact with Neale in 2008. James, Douse and others are the incorporators of Dominion Investments Club Inc. ("Dominion"), which they incorporated in Ontario on June 11, 2008. Dominion was one of the two forex investment clubs referred to in paragraphs 1 and 2 of this Statement of Allegations.

12. James and Douse modeled Dominion on the Prosporex forex scheme, with which they were familiar. As with the Prosporex scheme, Dominion investors were counseled to apply for RSP loans and to invest borrowed money. To that end James and Douse obtained Neale's and 360°'s assistance in obtaining RSP loans by means of 360°'s Distribution Agreement, as described in paragraphs 18 and following.

IV. Staff's Allegations

13. Staff allege that these Respondents were involved in two streams of activity which were contrary to Ontario securities law and contrary to the public interest:
 - (a) The issuance and sale of debenture securities by Neale and MSI, which were not subject to a prospectus nor entitled to a prospectus exemption, in circumstances in which MSI and Neale were not registered to trade or advise in securities; and,
 - (b) The involvement of Neale and 360° in facilitating the Dominion forex investment scheme.

(a) The MSI Debenture Offering: Unauthorized trading in and distribution of securities by MSI

14. During the years 2007 and 2008, 360° was experiencing financial difficulty. In an effort to raise capital for 360° Neale through MSI solicited investors to purchase debentures issued by MSI.
15. Neale solicited investment capital totaling almost \$700,000 from several individuals and caused MSI to issue debentures to them.
16. Although some of the MSI debenture investors were told that their money would be applied to special projects of benefit to their community, the funds raised were in fact commingled in the bank account of 360° and used by 360° in the ordinary course of its business.
17. None of the debentures were repaid at maturity or at any other time.
18. Neale and MSI were not registered to trade or advise in securities. MSI was at no time registered to issue securities. The MSI debenture securities were not offered pursuant to a prospectus nor was there any prospectus exemption available to MSI for the debenture financing described above.

(b) 360°'s Role in Facilitating the Dominion Investments Club Inc. Forex Scheme

19. 360° entered into the Distribution Agreement with AGF Trust on May 10, 2007. The purpose of that agreement was to allow 360°, as a managing general insurance agency, to avail itself of programs offered by AGF Trust, including the provision of loans for the purpose of making RSP-eligible investments.
20. The Distribution Agreement provided for a "Multi Fund Option" whereby AGF loan proceeds were paid to 360°, and 360° undertook to AGF Trust as follows:

"You (viz. 360°) agree to invest such loan proceeds in eligible investments in accordance with the Customer's Investment instructions upon receipt of Loan proceeds from AGF Trust."

21. Neale was aware of the terms and conditions of the Distribution Agreement and the AGF Trust RSP loan application form.
22. In the early months of 2008 Neale was approached by James on behalf of Dominion who proposed that 360° would apply for AGF Trust RSP loans on behalf of the Dominion investors. Using the Multi Fund Option, 360° would receive the loan proceeds, and then transfer the loan proceeds to Dominion which in turn would invest the proceeds with foreign exchange brokers ostensibly on behalf of the Dominion investors.
23. Neale agreed with James' proposal and the two entered into an arrangement whereby he received fees and commissions for facilitating RSP loans from AGF Trust to 360° on behalf of Dominion. When the RSP loan proceeds were received by 360°, 360° unbeknownst to AGF Trust, transferred the loan proceeds to Dominion for the purpose of making forex investments having first deducted commissions and fees from the loan proceeds.
24. Neale and 360° knew or ought to have known that the forex investment was not an RSP-eligible investment and that it was not appropriate for 360° to obtain RSP loans from AGF Trust and to then direct the loan proceeds into forex investments.

25. Neale on behalf of 360° facilitated approximately \$1million in RSP loans from AGF Trust, the proceeds of which were not directed to RSP eligible products.
26. Of the approximately \$1 million borrowed from AGF Trust, 360° retained approximately \$200,000 from the AGF Trust loan proceeds for its own use and did not transfer those funds to Dominion as it had agreed to do, thereby depriving the borrowers of those funds.
27. The majority of the Dominion investors lost all or substantially all of their invested capital. As that capital had been borrowed from AGF Trust, they remain indebted to AGF Trust for the amounts of their RSP loans. The value of their Dominion investments is presently nil. The investors have been financially harmed by virtue of their involvement with the respondents.

V. Conduct Contrary to Ontario Securities Law and Public Interest

28. Based on the foregoing, Neale, 360° and MSI have acted contrary to the public interest;
29. Neale and MSI have engaged in the unauthorized distribution of securities contrary to Section 53(1) of the Act;
30. Neale, MSI, and 360° engaged in misleading conduct contrary to Section 126.2 of the Act;
31. Neale and MSI have engaged in unregistered trading of securities pursuant to S.25(1)(a) of the Act; and
32. Such further and other allegations as Staff may advise the Commission permit.

DATED at Toronto, the 12th day of March, 2010.

1.2.3 Carlton Ivanhoe Lewis et al. – ss. 127, 127.1

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

AND

**IN THE MATTER OF
CARLTON IVANHOE LEWIS, MARK ANTHONY
SCOTT, SEDWICK HILL, LEVERAGE PRO INC.,
PROSPOREX INVESTMENT CLUB INC.,
PROSPOREX INVESTMENTS INC., PROSPOREX LTD.,
PROSPOREX INC., PROSPOREX FOREX SPV
TRUST, NETWORTH FINANCIAL GROUP INC.,
AND NETWORTH MARKETING SOLUTIONS**

**NOTICE OF HEARING
(Sections 127 and 127.1)**

TAKE NOTICE THAT the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to sections 127 and 127.1 of the Ontario *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") at the offices of the Commission at 20 Queen Street West, 17th Floor Hearing Room on March 25, 2010 at 10:00 a.m., or as soon thereafter as the hearing can be held, to consider:

- (i) whether, pursuant to s. 127(5) of the Act, that the temporary order made January 15, 2010 against the above noted Respondents be continued to the conclusion of the hearing on the merits.
- (ii) whether, in the opinion of the Commission, it is in the public interest, pursuant to ss. 127 and 127.1 of the Act to order that:
 - (a) trading in any securities by the Respondents cease permanently or for such period as is specified by the Commission;
 - (b) the acquisition of any securities by the Respondents is prohibited permanently or for such other period as is specified by the Commission;
 - (c) any exemptions contained in Ontario securities law do not apply to the Respondents permanently or for such period as is specified by the Commission;
 - (d) the Respondents be reprimanded;
 - (e) Carlton Ivanhoe Lewis, Mark Anthony Scott, Sedwick Hill (the "Individual Respondents") resign one or more positions that they hold as a director or officer of any issuer, registrant or investment fund manager;
 - (f) the Individual Respondents be prohibited from becoming or acting as a director or officer of any issuer, a registrant or investment fund manager;
 - (g) the Respondents be prohibited from becoming or acting as a registrant, as an investment fund manager or as a promoter;
 - (h) the Respondents each pay an administrative penalty of not more than \$1 million for each failure by that Respondent to comply with Ontario securities law;
 - (i) each of the Respondents disgorge to the Commission any amounts obtained as a result of non-compliance by that Respondent with Ontario securities law;
 - (j) the Respondents be ordered to pay the costs of the Commission investigation and the hearing; and,
- (ii) whether to make such further orders as the Commission considers appropriate.

BY REASON OF the allegations as set out in the Statement of Allegations of Staff of the Commission dated March 11, 2010 and such additional allegations as counsel may advise and the Commission may permit;

AND BY REASON OF the evidence filed with the Commission and the testimony heard by the Commission;

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

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

DATED at Toronto this 12th day of March, 2010

“John Stevenson”

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

AND

**IN THE MATTER OF
CARLTON IVANHOE LEWIS, MARK ANTHONY
SCOTT, SEDWICK HILL, LEVERAGE PRO INC.,
PROSPOREX INVESTMENT CLUB INC.,
PROSPOREX INVESTMENTS INC., PROSPOREX LTD.,
PROSPOREX INC., PROSPOREX FOREX SPV
TRUST, NETWORTH FINANCIAL GROUP INC.,
AND NETWORTH MARKETING SOLUTIONS**

STATEMENT OF ALLEGATIONS

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

I. Overview

1. During 2007 and 2008, two separate but related foreign exchange ("forex") investment schemes were conceived and promoted to Ontario investors, one under the name of Prosporex and the other under the name Dominion. Both of the forex schemes involved persons holding insurance licences issued by the Financial Services Commission of Ontario ("FSCO") and their associates. This proceeding is in respect of the "Prosporex" scheme.
2. Both of the forex schemes were structured as "investment clubs". Individual investors signed investment contracts and pooled their funds with the funds of others, with the pooled funds to be invested by third party forex brokers in foreign exchange transactions. The investors were to share the resulting investment gains or losses.
3. Both of the forex investment schemes utilized multi-level or pyramid marketing techniques whereby investors were compensated to recruit others to purchase the forex investment contracts. In both of the forex schemes false promises and unrealistic forward looking statements about investment returns were made to the investors so as to persuade them to purchase the forex investment contracts.
4. Approximately \$26 million in total was directed to both of the forex schemes; few if any investors received the return of their invested capital. The vast majority of the \$26 million was borrowed from AGF Trust Company ("AGF Trust") pursuant to applications for RSP loans facilitated by the FSCO – licensed insurance agency. The Respondents knew that the forex investment was not an RSP eligible product. The Prosporex scheme concerns approximately \$24 million of the total raised.

II. The Respondents

5. Carlton Ivanhoe Lewis ("Lewis") is an individual residing in the Province of Ontario. Lewis was licensed by the Financial Services Commission of Ontario ("FSCO") as a life insurance and an accident and sickness insurance agent until on or about May 27, 2009 at which his time license expired. Lewis was earlier registered with the Commission as a salesperson with a scholarship plan dealer, however that registration terminated on June 16, 2003 and Lewis has not been registered by the Commission in any capacity since that date.
6. Sedwick Hill ("Hill") is an individual residing in the Province of Ontario. Hill was registered in the category of mutual funds salesperson with Keybase Financial Group Inc., until October 29, 2009 at which time a temporary cease trade order was made against him by the Commission. Hill was also licensed with FSCO as a life insurance and accident and sickness insurance agent until November 18, 2008 at which time his license expired.
7. LeveragePro Inc. ("LeveragePro") was incorporated pursuant to the *Canada Business Corporations Act* by Lewis, Hill another individual on May 15, 2006. Hill and Lewis were the owners and directors of LeveragePro and were its directing minds. Hill and Lewis operated bank accounts on behalf of LeveragePro.
8. LeveragePro is not registered with the Commission in any capacity.
9. Mark Anthony Scott ("Scott") is a individual residing in the Province of Ontario. Scott held a FSCO license to sell insurance products, however that license expired several years before the events in issue. Scott has never been registered with the Commission in any capacity.

10. Lewis, Hill and Scott incorporated Prosporex Investment Club Inc. ("Prosporex") under the Ontario *Business Corporations Act* on May 18, 2007. Prosporex has never been registered by the Commission in any capacity.
11. During the course of operating the Prosporex investment scheme the principals of Prosporex caused related companies with variants of the "Prosporex" name to be incorporated in other jurisdictions for the purpose of facilitating the scheme. "Prosporex Investments Inc." and "Prosporex Ltd." were incorporated by Lewis on the island of Nevis in the West Indies. "Prosporex Inc." appears to be a trade name adopted by the principals of Prosporex, and Prosporex Forex SPV Trust is another entity established by them. These related Prosporex entities were often used interchangeably by the principals in their communications with investors; they were all wholly controlled by Lewis, Hill and Scott, and all were used to facilitate the Prosporex forex scheme and had no other business purpose.
12. For the purpose of this Statement of Allegations, all of the entities identified above are referred to collectively with the Prosporex Investment Club Inc. as "Prosporex".
13. Lewis, Scott and Hill were the directing minds of Prosporex and used it to conduct one of the two forex investment schemes referred to in paragraphs 1 and 2 of this Statement of Allegations.
14. Network Financial Group Inc. was incorporated under the Ontario *Business Corporations Act* on January 12, 2004 by Scott and his spouse, Sharon Scott. Scott was the directing mind of Network and used it to facilitate the Prosporex forex investment scheme.
15. Network Marketing Solutions is an unincorporated entity created and controlled by Scott and also used by him to facilitate the Prosporex forex investment scheme. This unincorporated entity and Network Financial Group Inc. are referred to collectively as "Network".

Other Relevant Entities

16. LeveragePro was party to a distribution agreement with AGF Trust ("Distribution Agreement"). Pursuant to the Distribution Agreement, LeveragePro was able to make application to AGF Trust for RSP investment loans on behalf of its clients. The Distribution Agreement required all such loan proceeds to be directed to eligible investments.

III. Background Information

17. In or about 2007, Lewis, Hill and Scott became involved in a direct marketing campaign whereby forex investments would be promoted to individuals. Scott purported to have taken a course in forex trading and professed to be knowledgeable about investing in foreign exchange contracts.
18. Lewis, Hill and Scott jointly established an investment club whereby individuals would be solicited to pool their funds for investment by experienced forex traders in forex transactions. The members of the "club" were told that they would receive their proportionate share of the gains resulting from the forex trading. Prosporex was the entity into which the investors' funds would be placed for subsequent investment in foreign exchange transactions.
19. Investors signed a Prosporex Participation Agreement to subscribe to the forex investment; that Agreement was intended to govern the forex investment and provided in material part as follows:

"This agreement is for the purpose of participating collectively in the pooling of funds into Managed Foreign Currency Trading Accounts and sharing in the profits and loss of this initiative.

PROSPOREX INVESTMENT CLUB INC. is not a Currency Trader or Brokerage House and does not make any claim to be so. We are simply managing the pooling of members to participate in this income generating service through our relationships with highly experienced Traders and Brokerage firms.

Contributions are made by money order payable to PROSPOREX INVESTMENT CLUB INC.

- 1) **Monthly Payout** Earn up-to 20% of your contribution payable monthly from net profits. Monthly deposits start 60 days after the account setup date and are made on the first day of each month or the next business day thereafter.
- 2) **Annual Renewable** Earnings are compounded weekly from net profits. The Term starts on the account setup date.

I understand there will be no other expenses incurred on my behalf by PROSPOREX INVESTMENT CLUB INC. I understand that any costs for the wiring of funds from my contribution profit will be paid by me (the depositor). ...

20. The forex investment as described in the above Agreement is an investment contract and hence a security within the meaning of the *Securities Act* ("the Act").
21. It was not disclosed to investors, either within the Prosporex Participation Agreement or otherwise, that their funds would be invested in anything other than the forex investment. It was not disclosed that investors' funds would be used to pay draws or salaries to the principals of Prosporex, or be directed to non-forex uses by the principals of Prosporex.
22. Individuals who wished to purchase the forex investment were told that in order to do so they had to first complete Network forms and pay a fee to join Network. There was no business reason to interpose Network; it was merely a conduit through which fees were charged. Network rendered no services in exchange for the fee paid by the Prosporex investors.
23. Prosporex operated from premises at 1315 Lawrence Avenue, East, Unit 404, Toronto, Ontario. Lewis, Hill and Scott conducted or caused to be conducted sales presentations at Prosporex's office at which prospective investors were advised to purchase the forex investment. They represented that forex investors would earn as much as 5% to 10% per month on their investment, and that they could expect to receive such returns on their investment each month if they chose the monthly payout option. Attendees who chose to become investors were also told that if they recruited others to invest they would receive additional compensation.
24. In order to facilitate Prosporex's sale of the forex investments, the principals of Prosporex directly or indirectly advised the investors to invest with borrowed funds. They engaged in a course of conduct whereby, under LeveragePro's Distribution Agreement with AGF Trust, LeveragePro would apply for RSP loans on behalf of the Prosporex investors. The loan proceeds would be received by LeveragePro then transferred by LeveragePro to Prosporex. Prosporex was to thereafter transfer the RSP loan proceeds to the forex traders to conduct forex transactions.
25. The principals of Prosporex submitted AGF Trust RSP Loan Applications to AGF Trust in the name of forex investors. The Application forms provided as follows:

"You acknowledge that it will be your responsibility to ensure the Loan proceeds are appropriately applied to RSP/RESP contributions. You agree to maintain your RSP/RESP as approved by AGF Trust Company ("AGF Trust"), until such time as the Loan is paid in full. For value received, you irrevocably authorize AGF Trust to advance and direct the Loan proceeds for contribution to an RSP/RESP as approved by AGF Trust."

26. Rather than AGF advancing the loans as RSP contributions, LeveragePro took advantage of the Multi Fund Option available under the Distribution Agreement. This permitted LeveragePro to receive the RSP Loan proceeds directly from AGF, subject to the following:

"You (viz. LeveragePro) agree to invest such loan proceeds in eligible investments in accordance with the Customer's Investment instructions upon receipt of Loan proceeds from AGF Trust."

27. Lewis, Hill and Scott all knew or ought to have known that the forex investment was not an RSP eligible investment. They signed (in the case of Lewis) or caused to be signed AGF Trust RSP Loan Applications which falsely represented that the proceeds would be invested in RSP-eligible products. They knew or ought to have known that AGF Trust would not have lent the funds it did to LeveragePro had it known that the loan proceeds were not going to be invested in RSP eligible investments.
28. LeveragePro, Lewis, Hill and Scott knowingly participated in misleading AGF Trust. During the period of time that Prosporex operated approximately \$25 million was borrowed from AGF Trust pursuant to RSP Loan Applications and not directed to RSP products as required by the Distribution Agreement and the Loan Application.
29. The Respondents misrepresented to the investors that their invested capital (being the amount of each investor's AGF RSP Loan) would be invested in forex investments. Contrary to that representation, Staff to date have determined that the Respondents:
 - a) Invested less than half of the investors' capital with forex brokers;
 - b) Used investors' capital to pay them out the monthly payouts of "up to 20%" on their capital which had been promised in the Prosporex Participation Agreement;

- c) Paid \$1.4 million to or for the benefit of Sedwick Hill;
- d) Paid \$1,419,600 to or for the benefit of Ysis Entertainment Inc., a corporation of which Hill was an owner, officer and director and which promoted a theatre show;
- e) Paid approximately \$595,000 to Lewis personally;
- f) Paid approximately \$57,000 to Scott personally;
- g) Paid or caused to be paid approximately \$3 million into New Zealand Bank accounts in the name of Global Fin Net Ltd. T/A Prosporex, which were under the control of Scott. From one of the New Zealand accounts, approximately \$2 million was transferred to offshore banks for which there has been no accounting. Scott also caused payments to be made from these New Zealand accounts to Network and another company in which he had an interest;
- h) Paid \$1 million dollars to invest in waste management technology;
- i) Directed funds to the promoters of other (non-forex) off-shore investment schemes; and
- j) Paid approximately \$1.38 million to establish a business in Jamaica.

IV. Allegations

The Deception of AGF Trust

30. As described above, \$25 million worth of RSP loans were facilitated by LeveragePro and its principals and the loan proceeds were diverted to non-RSP uses. When an AGF Trust representative attempted to question LeveragePro about these loans, Lewis and Hill misled the AGF Trust representative so as to be able to continue the Prosporex investment scheme.

The Deception of Prosporex Investors

31. Prosporex investors who elected the monthly payout option under their Prosporex Participation Agreement received cheques issued by Network and Prosporex purporting to represent monthly returns from the forex trading net profits.
32. These returns did not derive from actual forex trading profits. Lewis and Hill between themselves decided on a *ad hoc* basis each month what amount to return to investors and cheques were issued accordingly. The monthly "payouts" were funded by new money coming into the forex investment scheme from later Prosporex investors.
33. The object of paying these false "returns" was to deceive investors into thinking that the forex investment was very profitable. By this means investors were induced to increase their investment in Prosporex and to recruit friends and family to become investors in Prosporex.

The unregistered distribution of securities and the unregistered sale and advising in relation to securities

34. Lewis, Hill and Scott were at no time registered to advise in or to trade securities. The creation and sale of the forex investment contracts by them and by Prosporex was a distribution of securities within the meaning of the *Act*. The activities of Lewis, Hill and Scott in promoting and selling the forex investment to investors constituted offering securities advice and effecting securities trades. None of the Respondents were registered in either capacity.
35. The majority of Prosporex investors lost all or substantially all of their invested capital. As that capital was virtually all borrowed from AGF Trust they remain indebted to AGF Trust for the amounts of their RSP loans. The present value of their Prosporex investment is nil. The investors have been financially harmed by virtue of their involvement with the Respondents.

V. Conduct Contrary to Public Interest

36. Lewis, Hill, Scott, Prosporex and Network have engaged in the unregistered trading of securities and the unregistered advising in securities, contrary to Sections 25(1)(a) and (c) of the *Act*;
37. Lewis, Hill, Scott and Prosporex engaged in an illegal distribution of securities contrary to Section 53(1) of the *Act*;

38. Lewis, Hill, Scott, Prosporex and Networth engaged in fraudulent or misleading conduct contrary to Sections 126.1 and 126.2 of the *Act*;
39. All Respondents acted contrary to the public interest; and
40. Such further allegations as Staff may advise and the Commission permit.

DATED at Toronto, the 12th day of March, 2010.

1.3 News Releases

1.3.1 OSC Issues Staff Notice on New Requirement for Clearing Agency Recognition

**FOR IMMEDIATE RELEASE
March 19, 2010**

**OSC ISSUES STAFF NOTICE ON
NEW REQUIREMENT FOR
CLEARING AGENCY RECOGNITION**

TORONTO – The Ontario Securities Commission (OSC) today issued Staff Notice 24-702 *Regulatory Approach to Recognition and Exemption from Recognition of Clearing Agencies* in regard to a new mandatory requirement for clearing agencies to be recognized by the OSC.

Effective March 1, 2011, entities carrying on business as a clearing agency in Ontario will be required to be recognized or have obtained an exemption from the recognition requirement. There are several criteria that the OSC will consider in deciding whether to issue a recognition order or exemption, described in detail in the Staff Notice.

As set out in the Notice, staff recommends that those entities that perform certain key functions or provide certain facilities, such as central depository, central counter-party, and/or guarantor functions, be recognized and be subject to full clearing agency regulation and oversight. Depending on the circumstances, staff may recommend that a clearing agency be granted an exemption from recognition.

"In helping facilitate securities transactions, clearing agencies play an important role in protecting investors and enhancing the efficiency of the capital markets," said Susan Greenglass, the OSC's Director of Market Regulation. "The new mandatory recognition requirement for clearing agencies will provide the tools necessary to impose requirements on all entities that perform this critical role."

Staff Notice 24-702 *Regulatory Approach to Recognition and Exemption from Recognition of Clearing Agencies* is available on the OSC website, www.osc.gov.on.ca.

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 Notices from the Office of the Secretary

1.4.1 Irwin Boock et al.

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

AND

**IN THE MATTER OF
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**

TORONTO – Following a hearing held on February 24, 2010, the Commission issued an Order in the above named matter.

A copy of the Order dated February 24, 2010 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

For media inquiries:

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Director, Communications & Public Affairs
416-593-8120

Theresa Ebdon
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Senior Communications Specialist
416-593-2315

For investor inquiries:

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

1.4.2 Juniper Fund Management Corporation et al.

**FOR IMMEDIATE RELEASE
March 11, 2010**

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

AND

**IN THE MATTER OF
THE JUNIPER FUND MANAGEMENT
CORPORATION, JUNIPER INCOME FUND,
JUNIPER EQUITY GROWTH FUND AND
ROY BROWN (a.k.a. ROY BROWN-RODRIGUES)**

TORONTO – The Commission issued an Order which provides that a pre-hearing conference will be held on April 30, 2010 at 9:30 a.m., or such other dates as agreed by the parties and confirmed by the Office of the Secretary, in the above named matter.

A copy of the Order dated March 2, 2010 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

For media inquiries:

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Theresa Ebdon
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1.4.3 Franklin Danny White et al.

**FOR IMMEDIATE RELEASE
March 11, 2010**

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

AND

**IN THE MATTER OF
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**

TORONTO – The Commission issued an order which provides that the sanctions hearing to receive oral submissions and to consider the written submissions filed, is scheduled for June 4, 2010 at 10:00 a.m.

A copy of the Order dated March 11, 2010 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
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1.4.4 Albert Leslie James et al.

**FOR IMMEDIATE RELEASE
March 15, 2010**

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

AND

**IN THE MATTER OF
ALBERT LESLIE JAMES, EZRA DOUSE
AND DOMINION INVESTMENTS CLUB INC.**

TORONTO – The Office of the Secretary issued a Notice of Hearing on March 12, 2010 setting the matter down to be heard on March 25, 2010, at 10:00 a.m. or as soon thereafter as the hearing can be held in the above named matter.

A copy of the Notice of Hearing dated March 12, 2010 and Statement of Allegations of Staff of the Ontario Securities Commission dated March 12, 2010 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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1-877-785-1555 (Toll Free)

1.4.5 Wilton J. Neale et al.

**FOR IMMEDIATE RELEASE
March 15, 2010**

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

AND

**IN THE MATTER OF
WILTON J. NEALE,
MULTIPLE STREAMS OF INCOME (MSI) INC.
AND 360 DEGREE FINANCIAL SERVICES INC.**

TORONTO – The Office of the Secretary issued a Notice of Hearing on March 12, 2010 setting the matter down to be heard on March 25, 2010, at 10:00 a.m. or as soon thereafter as the hearing can be held in the above named matter.

A copy of the Notice of Hearing dated March 12, 2010 and Statement of Allegations of Staff of the Ontario Securities Commission dated March 12, 2010 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

For media inquiries:

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Robert Merrick
Senior Communications Specialist
416-593-2315

For investor inquiries:

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

1.4.6 Carlton Ivanhoe Lewis et al.

**FOR IMMEDIATE RELEASE
March 15, 2010**

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

AND

**IN THE MATTER OF
CARLTON IVANHOE LEWIS, MARK ANTHONY
SCOTT, SEDWICK HILL, LEVERAGE PRO INC.,
PROSPOREX INVESTMENT CLUB INC.,
PROSPOREX INVESTMENTS INC., PROSPOREX LTD.,
PROSPOREX INC., PROSPOREX FOREX SPV
TRUST, NETWORTH FINANCIAL GROUP INC.,
AND NETWORTH MARKETING SOLUTIONS**

TORONTO – The Office of the Secretary issued a Notice of Hearing on March 12, 2010 setting the matter down to be heard on March 25, 2010, at 10:00 a.m. or as soon thereafter as the hearing can be held in the above named matter.

A copy of the Notice of Hearing dated March 12, 2010 and Statement of Allegations of Staff of the Ontario Securities Commission dated March 12, 2010 are available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

For media inquiries:

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

Theresa Ebdon
Senior Communications Specialist
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Robert Merrick
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For investor inquiries:

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

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 CI Global Opportunities Fund

Headnote

Mutual fund in Ontario (non-reporting issuer) granted extension of the annual financial statement filing and delivery deadlines, as primarily invested in an offshore investment fund for which audited financial information is not yet available.

Applicable Legislative Provisions

National Instrument 81-106 Investment Fund Continuous Disclosure, ss. 2.2, 5.1(2), 17.1.

March 9, 2010

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

AND

IN THE MATTER OF
CI INVESTMENTS INC.
(the Filer)

AND

IN THE MATTER OF
CI GLOBAL OPPORTUNITIES FUND
(the Fund)

DECISION

Background

The Ontario Securities Commission received an application from the Filer, on behalf of the Fund, for a decision pursuant to section 17.1 of National Instrument 81-106 *Investment Fund Continuous Disclosure* (NI 81-106) exempting the Fund from:

- (a) the requirement in section 2.2 of NI 81-106 (the **Filing Requirement**) that the Fund file its audited annual financial statements on or before the 90th day after its most recently completed financial year (the **Filing Deadline**); and
- (b) the requirement in subsection 5.1(2) of NI 81-106 that the Fund deliver its audited annual financial statements to securityholders by the Filing Deadline (the **Delivery Requirement**).

Interpretation

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

Representations

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

- 1. The Filer is a corporation subsisting under the *Business Corporations Act* (Ontario) and has its registered office at 2 Queen Street East, Twentieth Floor, Toronto, Ontario M5C 3G7.
- 2. The Filer is registered in all provinces as an advisor in the category of portfolio manager, and in Ontario as an exempt market dealer under the *Securities Act* (Ontario). The Filer also is registered as a commodity trading counsel and a commodity trading manager under the *Commodity Futures Act* (Ontario).
- 3. The Fund offers its units to investors pursuant to exemptions from the prospectus requirements under applicable Canadian securities laws.
- 4. The Fund's investment objective is to generate superior risk adjusted long-term rates of return through investments in global securities. To achieve its investment objective, the Fund's principal investment strategy is to obtain exposure to the returns of Vardana International Ltd. (**Vardana International**) by investing substantially all of its assets in Trident Global Opportunities Fund (**Trident Fund**), a fund that obtains exposure to Vardana International by way of one or more derivative instruments (**Derivatives**).
- 5. Vardana International is an exempted company incorporated under the laws of the Cayman Islands. Vardana International is currently a shareholder of, and invests substantially all of its assets in, Vardana Fund Ltd. (the **Vardana Fund**), another exempted company incorporated under the laws of the Cayman Islands. The investment objective of the Vardana Fund is to achieve superior risk-adjusted long term rates of return by investing with a top-down, macro methodology in global securities.
- 6. Other than cash to provide short-term liquidity or that is pending investment in Derivatives, the Fund invests in the Trident Fund in order to expose substantially all of its assets to the returns of Vardana International. The Filer expects that

the Fund will continue to expose substantially all of its net assets to the returns of Vardana International until such time as Vardana International no longer represents a suitable investment for the Fund.

7. The Fund, the Trident Fund and Vardana International have a fiscal year-end of December 31.
8. The Filer has been advised by Vardana International that Vardana International will not have completed its 2009 audited annual financial statements prior to March 31, 2010 and is not required by law to complete its audited annual financial statements prior to such date. The Filer expects this timing delay in the completion and receipt of audited annual financial statements from Vardana International to occur year after year for the foreseeable future.
9. The auditor of the Fund has indicated that in order to complete its audit of the Fund, the auditor needs to confirm the completion of the audit of Vardana International so that proper assessments can be made with respect to valuations. As a result, the Fund's auditor will not provide an audit opinion on the Fund's annual financial statements unless the auditor receives the audited annual financial statements of Vardana International.
10. Sections 2.2 and 5.1(2), together, of NI 81-106 require the Fund to file and deliver its annual audited financial statements generally by March 31 of the following year.
11. The Fund will not be able to meet the Filing Deadline and will not be able to comply with the Delivery Requirement.
12. The Filer anticipates that it will receive no complaints from securityholders of the Fund with respect to the delay in delivering the financial statements of the Fund.
13. The Fund will notify its securityholders that it has received and intends to rely on relief from the Filing Deadline and the Delivery Requirement.
14. The Fund will include a note in the offering memorandum of the Fund, if any, when revised next that it has received and intends to rely on relief from the Filing Deadline and the Delivery Requirement.

Decision

The Director is satisfied that the test contained in NI 81-106 that provides the Director with the jurisdiction to make the decision has been met.

The decision of the Director under NI 81-106 is that:

- (a) the Fund is exempted from the Filing Requirement provided that:
 - (i) the audited annual financial statements of the Fund are filed on or before the 180th day after the Fund's most recently completed financial year; or
 - (ii) the conditions in section 2.11 of NI 81-106 are met, except for subsection 2.11(b), and the audited annual financial statements of the Fund are delivered to securityholders in accordance with Part 5 of NI 81-106 on or before the 180th day after the Fund's most recently completed financial year; and
- (b) the Fund is exempted from the Delivery Requirement provided that the audited annual financial statements of the Fund are delivered to securityholders in accordance with Part 5 of NI 81-106 on or before the 180th day after the Fund's most recently completed financial year.

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

2.1.2 Castle Gold Corporation – 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).

March 10, 2010

Castle Gold Corporation
c/o Fraser Milner Casgrain LLP
1 First Canadian Place
39th Floor, 100 King Street West
Toronto, Ontario M5X 1B2

Attention: Karen Slater

Dear Sirs/Mesdames:

Re: Castle Gold Corporation (the Applicant) – application for a decision under the securities legislation of Ontario and Alberta (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.

2.1.3 Gamehost Income Fund and 0811769 B.C. ULC

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – exemption granted from the requirement to include prospectus level disclosure for an issuer for which securities are being distributed in connection with a restructuring transaction – the business, directors and management of the resulting entity immediately following the completion of the transaction will be exactly the same as the reporting issuer's business, directors and management immediately before the completion of the transaction.

Applicable Legislative Provisions

National Instrument 51-102 Continuous Disclosure Obligations, s. 13.1.
Form 51-102F5 Information Circular, Item 14.2.

Citation: Gamehost Income Fund, Re, 2010 ABASC 104

March 10, 2010

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

AND

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

AND

**IN THE MATTER OF
GAMEHOST INCOME FUND (Gamehost) AND
0811769 B.C. ULC (Onco BC, and
together with Gamehost, the Filers)**

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Maker**) has received an application from the Filers for a decision under the securities legislation of the Jurisdictions (the **Legislation**) exempting the Filers from the requirement under the Legislation to provide prospectus-level disclosure with respect to Onco BC, a direct and indirect wholly-owned subsidiary of Oncothyreon Inc. (**Onco US**), including the financial statements of Onco BC required by Section 14.2 of Form 51-102F5 *Information Circular* (the **Circular Form**) under National Instrument 51-102 *Continuous Disclosure Obligations* (the **Financial Statements**), in the management information circular (the **Circular**) to be prepared by Gamehost and delivered to the holders (Gamehost Unitholders) of trust units (**Gamehost Units**) and the holders of Gamehost Subsidiary LP Exchangeable LP

Units (**Gamehost Subsidiary LP Exchangeable LP Unitholders** and together with Gamehost Unitholders, **Gamehost Security Holders**) in connection with an annual and special meeting of Gamehost Security Holders expected to be held on or about April 9, 2010 (the **Exemption Sought**).

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

- (a) the Alberta Securities Commission is the principal regulator for the application;
- (b) the Filers have provided notice that Subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia; 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

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 Filers:

Gamehost

1. Gamehost is an unincorporated open-ended limited purpose trust established under the laws of the Province of Alberta pursuant to a Declaration of Trust dated April 9, 2003. The principal office of Gamehost is located in Red Deer, Alberta.
2. Gamehost was created to hold, indirectly, securities and assets of its affiliates conducting business in the ownership and operations of casinos, hotels and multi-tenant commercial complexes.
3. Gamehost is a reporting issuer or the equivalent under the securities legislation of British Columbia, Alberta and Ontario. To its knowledge, Gamehost is not in default of securities legislation in any jurisdiction of Canada.
4. The Gamehost Units are listed on the Toronto Stock Exchange (**TSX**) under the symbol "**GH.UN**".
5. Gamehost has filed an "AIF" and has "current annual financial statements" (as such terms are defined in National Instrument 44-101 Short Form Prospectus Distributions (**NI 44-101**)) for the financial year ended December 31, 2008.

Onco BC

6. Onco BC is an unlimited liability corporation amalgamated under the *Business Corporations Act* (British Columbia) (**BCBCA**). The principal office of Onco BC is located in Vancouver, British Columbia.
7. Onco BC has not carried on active business during the last three completed financial years and does not hold any assets other than the issued and outstanding shares of Oncothyreon Canada Inc. (**Onco Alberta**).
8. Onco BC is a direct and indirect wholly-owned subsidiary of Onco US and is not a reporting issuer in any jurisdiction. To its knowledge, Onco BC is not in default of applicable securities legislation in any jurisdiction of Canada.
9. No Onco BC securities are listed or posted for trading on any exchange or quotation and trade reporting system.
10. Pursuant to the Arrangement Agreement (as hereinafter defined), and prior to implementing the restructuring transaction contemplated thereunder (the **Restructuring Transaction**), Onco BC will be continued under the ABCA as a limited corporation and any further references herein to Onco BC will be deemed to refer to that successor corporation as continued under the ABCA.

Onco Alberta

11. Onco Alberta is a corporation amalgamated under the *Canada Business Corporations Act* (the **CBCA**). The principal office of Onco Alberta is located in Edmonton, Alberta.
12. Onco Alberta has not carried on active business since December 18, 2008. Further, Onco Alberta does not hold any assets, other than those that will be distributed to Onco Alberta Subco pursuant to the Restructuring Transaction or that will otherwise be disposed of prior to the effective time of the Restructuring Transaction, and does not have any employees.
13. Onco Alberta is an indirect wholly-owned subsidiary of Onco US and a direct wholly-owned subsidiary of Onco BC and is not a reporting issuer in any jurisdiction. To its knowledge, Onco Alberta is not in default of applicable securities legislation in any jurisdiction of Canada.
14. No Onco Alberta securities are listed or posted for trading on any exchange or quotation and trade reporting system.
15. Pursuant to the Arrangement Agreement (as hereinafter defined), and prior to implementing the Restructuring Transaction, Onco Alberta will be

continued as an unlimited liability corporation under the ABCA and any further references herein to Onco Alberta will be deemed to refer to that successor corporation as continued as an unlimited liability corporation under the ABCA.

Onco US

16. Onco US is a corporation incorporated in the State of Delaware. The principal office of Onco US is located in Seattle, Washington.
17. Onco US is a biotechnology company specializing in the development of innovative therapeutic products for the treatment of cancer.
18. Onco US is a reporting issuer in each of the provinces in Canada. In the United States its common shares trade on the NASDAQ Stock Market under the symbol "**ONTY**". No Onco US securities are listed or posted for trading on any exchange or quotation and trading reporting system in Canada.
19. To its knowledge, Onco US is not in default of applicable securities legislation in any jurisdiction of Canada.

Restructuring Transaction

20. On February 17, 2010, Gamehost entered into a definitive arrangement agreement with Onco US, Onco BC and Onco Alberta (the Arrangement Agreement), which provides that the Restructuring Transaction be completed by way of a plan of arrangement under section 193(4) of the ABCA, pursuant to which:
 - (a) Onco BC and Onco Alberta will transfer substantially all of their assets, with the exception of the shares of Onco Alberta held by Onco BC and with the exception of the benefit of certain of Onco Alberta's tax pools, and all of their liabilities to a new wholly-owned subsidiary of Onco US, (**Onco Alberta Subco**);
 - (b) the existing shareholders (the **Onco BC Shareholders**) of Onco BC will indirectly exchange all of their common shares of Onco BC for common shares of a new wholly-owned subsidiary of Onco US (**New Onco**);
 - (c) Gamehost will provide \$8.425 million in non-dilutive capital to Onco BC which will in turn be provided to Onco Alberta Subco;
 - (d) Onco BC will subscribe for \$600,000 worth of Gamehost Units;

- (e) the existing Gamehost Unitholders will transfer all of their Gamehost Units to Onco BC in exchange for new common shares (**Gamehost Inc. New Common Shares**) of Onco BC on the basis of one such Gamehost Inc. New Common Share for each one Gamehost Unit held;
 - (f) the existing Gamehost Subsidiary LP Exchangeable LP Unitholders will transfer all of their Gamehost Subsidiary LP Exchangeable LP Units to Onco BC in exchange for Gamehost Inc. New Common Shares on the basis of one such Gamehost Inc. New Common Share for each one Gamehost Subsidiary LP Exchangeable LP Unit held;
 - (g) Onco BC shall be renamed Gamehost Inc.;
 - (h) the shares of Onco Alberta Subco will be distributed by Onco BC to New Onco, New Onco will assume all of the assets and liabilities of Onco Alberta Subco and Onco Alberta Subco will be dissolved; and
 - (i) Onco BC (now named Gamehost Inc.) and Onco Alberta shall be amalgamated and, as such, shall continue in existence as one and the same company, being a limited corporation under the ABCA named Gamehost Inc.
 21. Pursuant to the Arrangement Agreement, Gamehost, Onco US, Onco BC, Onco Alberta Subco and New Onco will enter into a divestiture agreement (the **Divestiture Agreement**) whereby Onco Alberta Subco will (a) acquire all of the assets of Onco BC and Onco Alberta, with the exception of the shares of Onco Alberta held by Onco BC and with the exception of the benefit of certain of Onco Alberta's tax pools; and (b) assume all of the liabilities and obligations of Onco BC and Onco Alberta accrued prior to the effective time of the Restructuring Transaction. Further, pursuant to the Plan of Arrangement giving effect to the Restructuring Transaction, New Onco will acquire all of the assets of Onco Alberta Subco, including the foregoing acquired assets, and assume all of the obligations of Onco Alberta Subco, including the foregoing assumed liabilities and obligations.
 22. Pursuant to the Arrangement Agreement, Gamehost Inc. will enter into an indemnity agreement with Onco US and New Onco. The Indemnity Agreement is designed to provide Gamehost Inc. with indemnification from Onco US and New Onco, the resulting entity that will carry on the business previously carried on by Onco Alberta and Onco BC, for claims relating to the business of Onco BC and Onco Alberta carried on prior to the effective date of the Restructuring Transaction and relating to New Onco's business that are brought against Gamehost Inc. in the future, subject to certain limitations and conditions.
 23. Following the completion of the Restructuring Transaction: (i) the sole business of Gamehost Inc. will be the current business of Gamehost; (ii) Gamehost Inc. will be a reporting issuer or the equivalent under the securities legislation of British Columbia, Alberta and Ontario; and (iii) the common shares of Gamehost Inc. will, subject to approval by the TSX, be listed on the TSX.
 24. Pursuant to Gamehost's constating documents and applicable securities laws, the Gamehost Security Holders are required to approve the Restructuring Transaction at the Gamehost Meeting. The Gamehost Meeting is anticipated to take place on April 23, 2010 and the Circular is expected to be mailed on March 26, 2010 subject to receipt of the Circular Relief.
- Prospectus-Level Disclosure in the Circular*
25. Section 14.2 of the Circular Form requires, among other items, that the Circular contain the disclosure (including financial statements) prescribed under securities legislation and described in the form of prospectus that Onco BC would be eligible to use immediately prior to the sending and filing of the Circular for a distribution of its securities. Therefore, the Circular must contain the disclosure in respect of Onco BC prescribed by Form 41-101F1 *Information Required in a Prospectus* (the **Prospectus Form**).
 26. In addition, Subsection 4.2(1) of NI 41-101 requires that the financial statements (other than interim financial statements) required to be included in the Circular must be audited in accordance with National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency* (**NI 52-107**).
 27. Other than prospectus-level disclosure in respect of Onco BC required by the Prospectus Form, including the Financial Statements, the Circular will contain disclosure in accordance with the Circular Form. Such disclosure will include or incorporate by reference, among other things, financial statement disclosure in respect of Gamehost in compliance with NI 44-101.
 28. Gamehost will include in the Circular, in lieu of the historical and pro forma financial statements of Onco BC required pursuant to section 14.2 of the Circular Form, the unaudited pro forma consolidated balance sheet of Gamehost Inc. as at the date of the most recent balance sheet to be incorporated by reference in the Circular which will give effect to the Restructuring Transaction as if it

had taken place as at such date. The Circular will otherwise comply with applicable securities laws and will contain disclosure regarding the tax pools of Onco BC and Onco Alberta and how the tax position of Gamehost Inc. following the completion of the Restructuring Transaction will differ from the tax position of Gamehost prior to the completion of the Restructuring Transaction. The Circular will also contain disclosure regarding the Divestiture Agreement referred to in paragraph 21 and the indemnity agreement referred to in paragraph 22, as well as the risks related to such agreements.

29. Including the disclosure detailed in paragraph 28 above, the Circular will provide Gamehost Security Holders with all the material information they need to assess the Restructuring Transaction and will ensure that Gamehost Security Holders understand that following the completion of the Restructuring Transaction Gamehost Inc. will not have any assets or liabilities of either of Onco BC or Onco Alberta other than its tax pools nor will it carry on any of the business previously carried on by Onco BC or Onco Alberta.

Decision

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

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

“Blaine Young”
Associate Director, Corporate Finance

2.1.4 Brookfield Renewable Power Preferred Equity Inc. and Brookfield Renewable Power Fund

Headnote

Multilateral Instrument 11-102 Passport System and National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – exemption granted from the continuous disclosure, certification, insider reporting, audit committee, corporate governance and prospectus requirements. Issuer meets the conditions of section 13.4 of NI 51-102, except the issuer proposes to issue convertible preferred shares that are convertible into other preferred shares of the Issuer.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990 c. S.5, s. 121(2)(a)(ii).
National Instrument 51-102 Continuous Disclosure Requirements.
National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings.
National Instrument 52-110 Audit Committees.
National Instrument 58-101 Disclosure of Corporate Governance Practices.
National Instrument 55-102 System for Electronic Disclosure by Insiders.
National Instrument 44-101 Short Form Prospectus Distributions .

[Translation]

February 15, 2010

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

AND

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

AND

IN THE MATTER OF
BROOKFIELD RENEWABLE POWER PREFERRED
EQUITY INC. (the "Issuer") AND BROOKFIELD
RENEWABLE POWER FUND
(the "Fund" and, together with the Issuer, the "Filers")

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions ("**Decision Makers**") has received an application from the Filers for a decision under the securities legislation of the Jurisdictions (the "**Legislation**") granting:

the Issuer relief from:

- (a) the continuous disclosure requirements (the "**Continuous Disclosure Requirements**") contained in National Instrument 51-102 *Continuous Disclosure Obligations* ("NI 51-102");
- (b) the certification requirements (the "**Certification Requirements**") contained in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*;
- (c) the audit committee requirements (the "**Audit Committee Requirements**") contained in National Instrument 52-110 *Audit Committees*;
- (d) the corporate governance disclosure requirements (the "**Corporate Governance Requirements**") contained in National Instrument 58-101 *Disclosure of Corporate Governance Practices*,

the Continuous Disclosure Requirements, the Certification Requirements, the Audit Committee Requirements and the Corporate Governance Requirements, are collectively defined as the “**Disclosure Requirements**”;

- (e) the qualification requirements (the “**Qualification Requirements**”) of Part 2 of National Instrument 44-101 *Short Form Prospectus Distributions* (“**NI 44-101**”), such that the Issuer is qualified to file a prospectus in the form of a short form prospectus; and
- (f) the disclosure requirements (the “**Form 44-101F1 Disclosure Requirements**”) contained in Item 6 (Earnings Coverage Ratios) and Item 11 (Documents Incorporated by Reference) with the exception of Item 11.1(1)(5) of Form 44-101F1 *Short Form Prospectus* of NI 44-101 (the “**Form 44-101F1**”) in respect of the Issuer, as applicable;

the insiders of the Issuer relief from:

- (g) the insider reporting requirements (the “**Insider Reporting Requirements**”) under the Legislation in respect of securities of the Issuer; and
- (h) the requirement to file an insider profile and insider reports (the “**Insider Profile Requirements**”) under National Instrument 55-102 *System for Electronic Disclosure by Insiders (SEDI)* in respect of securities of the Issuer.

The Decision Makers have also received an application from the Filers for a decision under the Legislation that the application, supporting materials and decision (collectively, the “**Confidential Material**”) be kept confidential pursuant to Section 5.4 of National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions* until the earlier of: (i) the date on which the Issuer is issued a receipt for the preliminary short form prospectus in respect of the distribution of the Series 1 Shares and Series 2 Shares (each as defined hereunder); (ii) the date that the Issuer advises the Decision Makers that there is no longer any need for the Confidential Material to remain confidential; and (iii) the date that is 90 days after the date of this decision (the “**Request for Confidentiality**”).

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

- (a) the *Autorité des marchés financiers* is the principal regulator for this application;
- (b) the Filers have provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (“**MI 11-102**”) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Newfoundland & 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

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

“credit support issuer” means an issuer of securities for which a credit supporter has provided a guarantee or alternative credit support;

“designated credit support securities” means:

- (a) non-convertible debt or convertible debt that is convertible into non-convertible securities of the credit supporter; or
- (b) non-convertible preferred shares or convertible preferred shares that are convertible into securities of the credit supporter;

in respect of which a parent credit supporter has provided;

- (c) alternative credit support that:
 - (i) entitles the holder of the securities to receive payment from the credit supporter, or enables the holder to receive payment from the credit support issuer, within 15 days of any failure by the credit support issuer to make a payment; and

- (ii) results in the securities receiving the same credit rating as, or a higher credit rating than, the credit rating they would have received if payment had been fully and unconditionally guaranteed by the credit supporter, or would result in the securities receiving such a rating if they were rated; or
- d) a full and unconditional guarantee of the payments to be made by the credit support issuer, as stipulated in the terms of the securities or in an agreement governing the rights of holders of the securities, that results in the holder of such securities being entitled to receive payment from the credit supporter within 15 days of any failure by the credit support issuer to make a payment; and

“parent credit supporter” means a credit supporter of which the reporting issuer is a subsidiary.

Representations

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

The Issuer

1. The Issuer was incorporated under the *Canada Business Corporations Act* on February 10, 2010.
2. The registered office of the Issuer is located in Toronto, Ontario.
3. The Issuer is not a reporting issuer, or the equivalent, in any of the jurisdictions of Canada and, to its knowledge, is not in default of any requirements under the Legislation.
4. The Issuer will operate as a financing company and has no significant assets or liabilities and will not have any ongoing business operations of its own. The Issuer is a wholly-owned subsidiary of the Fund.
5. The authorized share capital of the Issuer currently consists of an unlimited number of common shares (the “**Common Shares**”), an unlimited number of Class A preference shares (the “**Class A Preference Shares**”) issuable in series and an unlimited number of Class B Preference Shares (the “**Class B Preference Shares**”) issuable in series. As of February 10, 2010, 1 Common Share was issued and outstanding. No Class A Preference Shares have been issued and no Class B Preference Shares have been issued.
6. The only voting securities of the Issuer are the Common Shares. The Common Share issued and outstanding is beneficially owned by the Fund, which will be a parent credit supporter.
7. The Class A Preference Shares may at any time and from time to time be issued in one or more series having such rights, restrictions and privileges as determined by the directors of the Issuer. Subject to any rights which may be attached to a series of Class A Preference Shares and applicable law, the holders of Class A Preference Shares shall not be entitled to vote at any meeting of shareholders of the Issuer.
8. The Class B Preference Shares may at any time and from time to time be issued in one or more series having such rights, restrictions and privileges as determined by the directors of the Issuer. Subject to any rights which may be attached to a series of Class B Preference Shares and applicable law, the holders of Class B Preference Shares shall not be entitled to vote at any meeting of shareholders of the Issuer.
9. The Issuer will be a credit support issuer.
10. The Issuer is proposing to amend its articles to create two new series of Class A Preference Shares, being Cumulative Rate Reset Preference Shares, Series 1 (the “**Series 1 Shares**”) and Cumulative Floating Rate Preference Shares, Series 2 (the “**Series 2 Shares**”), after the filing of the final Prospectus (as defined hereunder), and prior to the closing of the Offering (as defined hereunder).
11. The Issuer is proposing to distribute the Series 1 Shares and Series 2 Shares to the public (the “**Offering**”) pursuant to a short form prospectus (the “**Prospectus**”) to be filed in each of the provinces of Canada. The Prospectus will be prepared pursuant to the short form prospectus requirements of NI 44-101 and will comply with the requirements set out in Form 44-101F1, other than the Form 44-101F1 *Disclosure Requirements*. The net proceeds of the Offering will be loaned to the Fund (the “**Loan**”).
12. The Fund will provide full and unconditional guarantees (the “**Guarantees**”) of the payments to be made by the Issuer in respect of the Series 1 Shares and Series 2 Shares, as stipulated in agreements governing the rights of holders of the securities, that result in the holders of such securities being entitled to receive payment from the Fund within 15 days of any failure by the Issuer to make a payment.

13. The Series 1 Shares will be convertible, in certain circumstances, at the option of the holder or the Issuer, into an equal number of Series 2 Shares of the Issuer; therefore, the Series 1 Shares will not be designated credit support securities.
14. Holders of Series 1 Shares will have the right, at their option, at the end of the fixed rate period (currently expected to be March 31, 2015) and every five years thereafter, to convert their Series 1 Shares into Series 2 Shares on the basis of one Series 2 Share for each Series 1 Share.
15. The Series 2 Shares will be convertible, in certain circumstances, at the option of the holder or the Issuer, into an equal number of Series 1 Shares of the Issuer; therefore, the Series 2 Shares will not be designated credit support securities.
16. Holders of Series 2 Shares will have the right, at their option, five years following the end of the floating rate period (currently expected to be March 31, 2020) and every five years thereafter, to convert their Series 2 Shares into Series 1 Shares on the basis of one Series 1 Share for each Series 2 Share.
17. Holders of Series 1 Shares and Series 2 Shares will not be entitled to convert their shares in certain circumstances if the Issuer determines that there would remain outstanding on a conversion date less than 1,000,000 of such shares. Furthermore, Series 1 Shares and Series 2 Shares may be automatically converted into other series of Class A Preference Shares in certain circumstances.
18. The Issuer does not satisfy the qualification criteria in Part 2 of NI 44-101 in order to be able to file a prospectus in the form of a short form prospectus for the distribution of the Series 1 Shares and the Series 2 Shares.
19. An application will be made to list the Series 1 Shares and the Series 2 Shares on the Toronto Stock Exchange.
20. The Issuer may also, subject to market conditions, issue other series of Class A Preference Shares that, but for the fact they would be convertible into other series of Class A Preference Shares of the Issuer, would satisfy the definition of designated credit support securities.

The Fund

21. The Fund was established as Great Lakes Hydro Income Fund, an unincorporated open-ended trust under the laws of the Province of Québec pursuant to a trust indenture dated September 14, 1999 and restated October 27, 1999, as amended from time to time. The Fund changed its name to Brookfield Renewable Power Fund on August 31, 2009.
22. The head office of the Fund is located in Gatineau, Québec.
23. The Fund is a reporting issuer, or the equivalent, in each of the provinces of Canada, and, to its knowledge, is not in default of any of its reporting issuer obligations under the securities legislation of any of the provinces of Canada.
24. The Fund indirectly owns and operates a diversified portfolio of high quality, long life power generating assets, with a predominant focus on hydroelectric plants. The Fund's portfolio currently consists of 42 hydroelectric generating stations located in Ontario, Québec, British Columbia and New England and one wind farm located in Ontario.

Offerings of Class A Preference Shares

25. At the time of the filing of any prospectus in connection with offerings of Class A Preference Shares (including the Offering):
 - (a) the prospectus will have been prepared in accordance with the short form prospectus requirements of NI 44-101 other than the Form 44-101F1 Disclosure Requirements, except as permitted by the Legislation;
 - (b) the Issuer will have complied with all of the filing requirements and procedures set out in NI 44-101 other than the Qualification Requirements, except as permitted by the Legislation;
 - (c) the Fund will continue to be the direct or indirect beneficial owner of all of the issued and outstanding voting securities (as defined in the Legislation) of the Issuer;
 - (d) the Fund will continue to be a reporting issuer or the equivalent thereof under the Legislation;
 - (e) the Fund will continue to provide the Guarantees;
 - (f) the prospectus will incorporate by reference the documents of the Fund set forth under Item 11.1 of Form 44-101F1;

- (g) the prospectus disclosure required by Item 11 (other than 11.1(1)(5) of Form 44-101F1 in respect of the Issuer) will be addressed by incorporating by reference the Fund's public disclosure documents referred to in paragraph 25(f) above; and
- (h) the Fund will continue to satisfy all of the criteria in section 2.2 of NI 44-101.

Decision

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

Relief from the Disclosure Requirements

The decision of the Decision Makers under the Legislation is that relief from the Disclosure Requirements is granted provided that:

- (a) the Issuer continues to satisfy all the conditions set forth in subsection 13.4(2) of NI 51-102, other than paragraph 13.4(2)(c); and
- (b) the Issuer does not issue any securities, and does not have any securities outstanding, other than:
 - i. designated credit support securities;
 - ii. securities issued to and held by the Fund or an affiliate of the Fund;
 - iii. debt securities issued to and held by banks, loan corporations, loan and investment corporations, savings companies, trust corporations, treasury branches, saving or credit unions, financial services cooperatives, insurance companies or other financial institutions;
 - iv. securities issued under the exemptions from the prospectus requirements in Section 2.35 and registration requirements in Section 3.35 of National Instrument 45-106 Prospectus and Registration Exemptions;
 - v. Series 1 Shares and Series 2 Shares; and
 - vi. other series of Class A Preference Shares that, but for the fact they are convertible into other series of Class A Preference Shares (the "**Resulting Class A Preference Shares**"), are designated credit support securities provided that the Resulting Class A Preference Shares are securities in respect of which the Fund will provide full and unconditional guarantees of the payments to be made by the Issuer in respect of such securities, as stipulated in agreements governing the rights of holders of the securities, which will result in the holders of such securities being entitled to receive payment from the Fund within 15 days of any failure by the Issuer to make a payment.

Relief from the Qualification Requirements and the Form 44-101F1 Disclosure Requirements

The further decision of the Decision Makers under the Legislation is that relief from the Qualification Requirements and the Form 44-101F1 Disclosure Requirements is granted provided that:

- (a) the Issuer and the Fund, as applicable, comply with paragraph 25 above;
- (b) the Fund remains the direct owner of all of the outstanding Common Shares;
- (c) the Fund, as holder of the Common Shares, will not propose changes to the terms and conditions of any outstanding Class A Preference Shares offered and sold pursuant to a short form prospectus of the Issuer filed under this decision that would result in such Class A Preference Shares being exchangeable for securities other than Class A Preference Shares;
- (d) the Issuer has minimal assets, operations, revenues or cash flows other than those related to the issuance and payment of dividends on the Class A Preference Shares, including the Loan to the Fund;
- (e) the Issuer issues a news release and files a material change report in accordance with Part 7 of NI 51-102, in respect of any material change in the affairs of the Issuer that is not also a material change in the affairs of the Fund;

- (f) the Issuer becomes, on or before the filing of a preliminary short form prospectus in connection with the Offering and thereafter remains, so long as any Class A Preference Shares issued to the public remain outstanding, an electronic filer under National Instrument 13-101 – *System for Electronic Document Analysis and Retrieval (SEDAR)*;
- (g) following the Offering, the Issuer is a reporting issuer in at least one jurisdiction in Canada;
- (h) the Issuer files a notice declaring its intention pursuant to section 2.8 of NI 44-101 prior to or concurrently with the filing of the preliminary short form prospectus for the Offering.

Relief from the Insider Reporting Requirements

The further decision of the Decision Makers under the Legislation is that relief from the Insider Reporting Requirements is granted provided that:

- (a) the Issuer continues to satisfy the conditions of the relief from the Disclosure Requirements above;
- (b) if the insider is not the Fund, (i) the insider does not receive, in the ordinary course, information as to material facts or material changes concerning the Fund before the material facts or material changes are generally disclosed, and (ii) the insider is not an insider of the Fund in any capacity other than by virtue of being an insider of the Issuer; and
- (c) if the insider is the Fund, the Fund does not beneficially own any designated credit support securities of the Issuer.

Relief from the Insider Profile Requirements

The further decision of the Decision Makers under the Legislation is that relief from the Insider Profile Requirements is granted provided that:

- (a) the Issuer continues to satisfy the conditions of the relief from the Disclosure Requirements above;
- (b) if the insider is not the Fund, (i) the insider does not receive, in the ordinary course, information as to material facts or material changes concerning the Fund before the material facts or material changes are generally disclosed, and (ii) the insider is not an insider of the Fund in any capacity other than by virtue of being an insider of the Issuer; and
- (c) if the insider is the Fund, the Fund does not beneficially own any designated credit support securities of the Issuer.

“Louis Morisset”
Superintendent, Securities Markets
Autorité des marchés financiers

2.1.5 MDS Inc.

Headnote

Multilateral Instrument 11-102 *Passport System* and National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions – Take-over Bids – Exemption from the extension take-up requirements in section 98.3(4) of the Securities Act (Ontario) – Dutch auction – An issuer conducting an issuer bid under a modified Dutch auction procedure requires relief from the requirement to take up and pay for securities if all terms and conditions are met and the issuer bid is under-subscribed. The issuer is disclosing the maximum number of shares it will acquire under the bid, and the minimum and maximum amount it will pay for shares tendered; as a result, the potential for confusion is minimal – the issuer will comply with the U.S. regime in connection with the Offer.*

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 98.3(4), 104(2)(c).
OSC Rule 62-504, s. 4.2(2).

March 12, 2010

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

AND

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

AND

IN THE MATTER OF
MDS INC.
(the “Filer”)

DECISION

Background

The securities regulatory authority or regulator in the Jurisdiction (the “**Decision Maker**”) has received an application from the Filer for a decision under the securities legislation of the Jurisdiction (the “**Legislation**”) that, in connection with the purchase by the Filer of a portion of its outstanding common shares (“**Shares**”) pursuant to an issuer bid (the “**Offer**”), the Filer be exempt from the requirements of the Legislation:

- (a) That the Offer not be extended if all the terms and conditions of the Offer have been complied with or waived unless the Filer first takes up all Shares deposited under the Offer and not withdrawn (the “**Extension Take Up Requirements**” or the “**Exemption Sought**”)

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

- (a) the Ontario 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 the Yukon Territory, the Northwest Territories and Nunavut and the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Newfoundland and Labrador and Prince Edward Island; and
- (c) this decision (the “**Decision**”) is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario pursuant to Section 104(2)(c) of the *Securities Act* (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:

1. The Filer is validly existing under the *Canada Business Corporations Act* and has its head office in Mississauga, Ontario.
2. The authorized capital of the Filer consists of an unlimited number of Shares of which 120,137,829 Shares were issued and outstanding as at February 18, 2010.
3. The Shares are listed and posted for trading on the Toronto Stock Exchange (the “**TSX**”) under the symbol “MDS” and on the New York Stock Exchange (the “**NYSE**”) under the symbol “MDZ”. On February 18, 2010, the last full trading day prior to which the Offer was announced, the closing price of the Shares was US\$8.10 on the NYSE and Cdn\$8.44 on the TSX.
4. The Filer is a reporting issuer in each of the Territories and Provinces of Canada and, to its knowledge, is not in default of any requirement of the securities legislation of any of the jurisdictions in which it is a reporting issuer.
5. The Offer is subject to Rule 13e-4 adopted under the U.S. *Securities Exchange Act of 1934*, as amended (the “**Exchange Act**”) and is not exempt therefrom. At least 50% of the Shares are beneficially owned by persons in the United States. During the six month period ended February 18, 2010, more than 50% trading volume and trading

value in the Shares took place over exchange facilities in the United States including the NYSE.

6. ValueAct Capital Master Fund, L.P. owns approximately 19.23% of the issued and outstanding Shares. To the knowledge of the Filer, after reasonable enquiry, no other shareholder of the Filer holds, or exercises control and direction over, more than 10% of the outstanding Shares. As of March 11, 2010, ValueAct Capital Master Fund, L.P. has not advised the Filer whether it intends to tender any Shares under the Offer.

7. Under the proposed terms of the Offer, a depositing shareholder will be permitted to select a price between US\$8.10 per share and US\$9.30 per share (the "**Price Range**") at which the shareholder is willing to sell his, her or its Shares. The Filer proposes to purchase up to US\$450 million worth of its Shares. The Filer proposes to use cash on hand to acquire Shares tendered to the Offer. The maximum of 55,555,555 Shares that the Filer is offering to purchase under the Offer represents approximately 46.2% of the total number of Shares issued and outstanding as at February 18, 2010. Assuming the Offer is fully subscribed, the minimum of 48,387,096 Shares that the Filer is offering to purchase under the Offer represents approximately 40.3% of the total number of Shares issued and outstanding as at February 18, 2010.

8. The Offer will be made pursuant to a modified "Dutch Auction" procedure as follows:

- (a) The issuer bid circular mailed to shareholders (the "**Circular**") specifies that the Filer intends to purchase up to US\$450 million worth of its Shares.
- (b) The Circular specifies that the Price Range will be US\$8.10 per share to US\$9.30 per share.
- (c) A shareholder may elect to tender Shares to the Offer pursuant to either an auction tender ("**Auction Tender**") or purchase price tender ("**Purchase Price Tender**"). A shareholder tendering Shares to the Offer pursuant to an Auction Tender may specify a price within the Price Range at which he, she or it is willing to sell all or a portion of the tendered Shares. A shareholder tendering Shares pursuant to a Purchase Price Tender will be deemed to have tendered such Shares to the Offer at the purchase price (as calculated in accordance with paragraph (e) below).
- (d) All Shares deposited by a shareholder who fails to indicate whether the deposited Shares have been deposited

pursuant to an Auction Tender or a Purchase Price Tender will be deemed to have deposited such Shares pursuant to a Purchase Price Tender. The Filer will not accept deposits of Shares pursuant to an Auction Tender whereby a shareholder failed to specify a purchase price for such Shares or indicated that the deposited Shares have been deposited pursuant to both an Auction Tender and a Purchase Price Tender.

- (e) The purchase price ("**Purchase Price**") will be the lowest price per Share of not more than US\$9.30 and not less than US\$8.10 per Share at which shares have been deposited or have been deemed to be deposited under the Offer that will enable the Filer to purchase the maximum number of Shares deposited pursuant to the Offer, having an aggregate purchase price not exceeding US\$450 million.
- (f) The Purchase Price and the aggregate number of Shares that the Filer will purchase under the Offer will not be determined until after the Offer expires, provided that the aggregate amount that the Filer will pay for Shares under the Offer will not exceed US\$450 million.
- (g) Subject to the conditions of the Offer, if the number of Shares validly deposited and not withdrawn prior to expiry of the Offer pursuant to Auction Tenders at a price equal to or less than the Purchase Price or pursuant to Purchase Price Tenders would result in an aggregate purchase price in excess of US\$450 million, then such deposited Shares will be purchased on a *pro rata* basis according to the number of Shares deposited or deemed to be deposited at a price equal to or less than the Purchase Price by the depositing shareholders (with adjustments to avoid the purchase of fractional Shares), except that odd lot deposits will not be subject to proration.
- (h) Certificates for all Shares not purchased, including all Shares deposited pursuant to Auction Tenders at prices in excess of the Purchase Price, Shares not purchased due to proration and Shares not accepted for purchase, will be returned as soon as practicable after the expiry of the Offer or termination of the Offer without expense to the depositing shareholder.

- (i) In the event the Shares validly deposited to the Offer and not withdrawn are less than the maximum number of Shares that the Filer is offering to purchase under the Offer, the Filer may extend the Offer.
9. Under the Legislation, an issuer may not extend an issuer bid if all the terms and conditions of the issuer bid have been complied with or waived unless the issuer first takes up all the securities deposited under the issuer bid and not withdrawn. Rule 13e-4 of the Exchange Act requires an issuer to take up all securities deposited under an issuer bid concurrently and, as a consequence, prohibits an issuer from taking up securities prior to the expiry of an issuer bid.
10. There is a "liquid market" in the Shares, as such term is defined in Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (MI 61-101), because:
- (a) there is a published market for the Shares (the TSX and NYSE); and
- (b) during the period of twelve months before February 19, 2010, the date the Offer was publicly announced:
- (i) the number of outstanding Shares was at all times not less than 5,000,000, excluding Shares beneficially owned, directly or indirectly, or over which control or direction was exercised, by related parties and Shares that were not freely tradeable;
- (ii) the aggregate trading volume of the Shares on the TSX, being the published market on which the Shares are principally traded, was at least 1,000,000 Shares;
- (iii) there were at least 1,000 trades in Shares on the TSX; and
- (iv) the aggregate value of the trades in Shares on the TSX was at least \$15,000,000.
- (c) the market value of the Shares on the TSX, as determined in accordance with MI 61-101, was at least \$75,000,000 for January 2010, being the calendar month preceding the calendar month in which the Offer was publicly announced.
11. Based on the facts set forth in paragraph 10 and the maximum number of Shares that may be purchased under the Offer, the Filer has determined that there is a liquid market for the Shares and that it is reasonable to conclude that, following the completion of the Offer, there will be a market for holders of Shares who do not tender all of their Shares to the Offer that is not materially less liquid than the market that existed at the time the Offer was announced.
12. Based on the facts set forth in paragraphs 11, the Filer intends to rely upon the "liquid market" exemption (the "Liquid Market Exemption") from the formal valuation requirements otherwise applicable to issuer bids under MI 61-101.
13. The Circular:
- (a) discloses the mechanics for the take up of and payment for or, where applicable, the return of Shares tendered to the Offer as described in paragraph 8 above;
- (b) explains that, by tendering Shares at the lowest price in the Price Range or by tendering Shares pursuant to Purchase Price Tenders, shareholders can reasonably expect that the Shares so tendered will be purchased at the Purchase Price, if any Shares are purchased under the Offer (subject to proration provisions and the preferential acceptance of odd lots);
- (c) discloses the fact that the Filer has filed for an exemption from the Extension Take Up Requirements;
- (d) discloses the facts supporting the Filer's reliance on the Liquid Market Exemption; and
- (e) except to the extent exemptive relief is granted by this Decision, contains the disclosure prescribed by the Legislation for issuer bids.
14. Prior to the expiry of the Offer, all information regarding the number of Shares tendered and the prices at which such Shares are tendered shall be kept confidential, and the Filer's depository for the Offer will be directed by the Filer to maintain such confidentiality until the Purchase Price has been determined.

Decision

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

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

- (a) Shares deposited under the Offer and not withdrawn are taken up and paid for

or, where applicable, returned to shareholders in the manner described in paragraph 8 of this Decision;

- (b) the Filer is eligible to rely on the Liquid Market Exemption and complies with the representations in paragraph 10 of this Decision; and
- (c) the Filer complies with the requirements of the Exchange Act in respect of the conduct of the Offer.

“Margot C. Howard”
Commissioner
Ontario Securities Commission

“Paulette Kennedy”
Commissioner
Ontario Securities Commission

2.1.6 Picton Mahoney Asset Management and Picton Mahoney Diversified Strategies Fund

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted from the Act and NI 31-103 to permit registered portfolio managers to engage the pooled funds they advise, in fund-of-fund investments – the portfolio managers advise both the top and bottom funds – pooled funds are ‘associates’ of one of the portfolio managers - reporting relief also granted from the monthly reporting requirements under the Act.

Applicable Legislative Provisions

Securities Act (Ontario), ss. 111(2)(b), 111(2)(c) 111(3), 113, 117(1)(a), 117(2).
National Instrument 31-103 Registration Requirements, ss. 13.5(2)(b)(ii) and (iii), 15.1.

March 12, 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
PICTON MAHONEY ASSET MANAGEMENT
(the Filer)**

AND

**PICTON MAHONEY DIVERSIFIED
STRATEGIES FUND
(the First Top Fund)**

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on its behalf and on behalf of the First Top Fund and any other investment fund established and managed by the Filer after the date hereof (the Future Top Funds and, together with the First Top Fund, the Top Funds) for a decision under the securities legislation of the principal regulator (the Legislation) exempting the Top Funds and the Filer from:

- (a) the restriction in the Legislation that prohibits a mutual fund from knowingly making and holding an investment,

- (i) in a person or company in which the mutual fund, alone or together with one or more related mutual funds, is a substantial security holder; or
- (ii) in an issuer in which,
 - (1) an officer or director of the mutual fund, its management company or distribution company or an associate of any of them, or
 - (2) any person or company who is a substantial security holder of the mutual fund, its management company or its distribution company,

has a significant interest (the Related Issuer Relief);

- (b) the requirement in the Legislation of a management company to file a report of every transaction of purchase or sale of securities between a mutual fund it manages and any related person or company in respect of each mutual fund to which it provides services or advice, within thirty days after the end of the month in which it occurs (the Reporting Relief); and
- (c) the restriction in the Legislation that prohibits a registered adviser from knowingly causing an investment portfolio managed by it, including an investment fund for which it acts as an adviser, to purchase securities of an issuer in which a responsible person or an associate of the responsible person is a partner, officer or director unless this fact is disclosed to the client and the written consent of the client to the purchase is obtained before the purchase (the Related Party Relief).

(collectively, the Exemption Sought).

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

- (a) the Ontario Securities Commission is the principal regulator for this application;
- (b) in respect of the Related Issuer Relief and the Reporting Relief, 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
- (c) in respect of the Related Party Relief section 4.7(1) of MI 11-102 is intended to be relied upon in each of the provinces and territories of Canada.

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:

Manager

1. The Filer is a general partnership formed under the laws of the Province of Ontario with its head office located in Toronto, Ontario.
2. The Filer is registered with the Ontario Securities Commission as an adviser in the category of portfolio manager and as a dealer in the category of exempt market dealer.
3. The Filer is the investment fund manager and portfolio manager for the Underlying Funds. As such, the Filer is responsible for managing the assets of the Underlying Funds, has complete discretion to invest and reinvest the Underlying Funds' assets, and is responsible for executing all portfolio transactions.
4. The Filer is the investment fund manager and portfolio manager for the Top Funds. As such, the Filer is responsible for managing the assets of the Top Funds, has complete discretion to invest and reinvest the Top Funds' assets, and is responsible for executing all portfolio transactions.
5. The Filer is not a reporting issuer in any jurisdiction and is not, to its knowledge, in default of securities legislation of any jurisdiction of Canada.

Underlying Funds

6. Each Underlying Fund is an open-ended trust established under the laws of the Province of Ontario by declaration of trust (the Master Trust Declaration).
7. Pursuant to the Master Trust Declaration, the Filer also acts as the trustee of the Underlying Funds, has authority to manage the business and affairs of the Underlying Funds and has authority to bind the Underlying Funds.
8. Each of the Underlying Funds has separate investment objectives, strategies and/or restrictions.
9. Securities of the Underlying Funds are issued pursuant to prospectus exemptions in accordance with National Instrument 45-106 *Prospectus and Registration Exemptions* (NI 45-106). Securities

of the Underlying Funds are currently held by holders in addition to the Top Funds.

10. The Underlying Funds are not reporting issuers in any jurisdiction of Canada and are not in default of securities legislation in any province or territory of Canada.

Top Funds

11. The Top Funds are sold pursuant to prospectus exemptions in accordance with NI 45-106 and are not reporting issuers in any jurisdiction of Canada and are not in default of securities legislation in any province or territory of Canada.
12. The First Top Fund is an open-ended trust established under the laws of the Province of Ontario by the Master Trust Declaration.
13. Pursuant to the Master Trust Declaration, the Filer also acts as the trustee of the First Top Fund, has authority to manage the business and affairs of the First Top Fund and has authority to bind the First Top Fund.
14. The First Top Fund was formed for the purpose of providing unitholders with consistent long-term capital appreciation and to provide unitholders with an attractive risk-adjusted rate of return. The First Top Fund will initially invest in First Underlying Funds which employ a variety of strategies. The First Top Fund may invest all, or less than all, its assets in the Underlying Funds and other Future Underlying Funds.

Fund-on-Fund Structure

15. The Top Funds allow investors in the Top Funds to obtain exposure to the investment portfolios of the Underlying Funds and their investment strategies through, primarily, direct investments by the Top Funds in securities of the Underlying Funds (the Fund-on-Fund Structure). The Filer believes that the Fund-on-Fund Structure provides an efficient and cost-effective manner of pursuing portfolio diversification on behalf of the Top Funds rather than through the direct purchase of securities.
16. The amounts invested from time to time in an Underlying Fund by a Top Fund may exceed 20% of the outstanding voting securities of any single Underlying Fund. Accordingly, each Top Fund could, either along or together with the other Top Funds, become a substantial security holder of an Underlying Fund. The Top Funds are, or will be, related mutual funds by virtue of the common management by the Filer.
17. For the purpose of implementing the Fund-on-Fund Structure, the Filer shall ensure that:

- (a) the arrangements between or in respect of each Top Fund and the Underlying Funds are such as to avoid the duplication of management fees or incentive fees;
- (b) no sales fees or redemption fees are payable by the Top Fund in relation to its purchases or redemptions of securities of the Underlying Funds;
- (c) the offering memorandum of each Top Fund will describe the Top Funds' intent, or ability, to invest in securities of the Underlying Funds and that the Underlying Funds are also managed by the Filer; and
- (d) the Top Fund does not vote the securities of the Underlying Fund held by the Top Fund, unless the Top Fund is the sole owner of the securities of an Underlying Fund at the time of the meeting or the effective date of the resolution, in which case the Filer will arrange for all the securities of the Underlying Fund, held by the Top Fund to be voted by the beneficial owners of securities of the Top Fund.

Generally

18. In the absence of the Related Issuer Relief and the Related Party Relief, the Top Fund would be precluded from implementing the Fund-on-Fund Structure due to certain investment restrictions contained in the Legislation.
19. In the absence of the Reporting Relief, the Filer would be required to file a report for every transaction between a Top Fund and an Underlying Fund under section 117(1) of the Legislation.
20. The Fund-on-Fund Structure represents the business judgment of responsible persons uninfluenced by considerations other than the best interests of each Top Fund.

Decision

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

The decision of the principal regulator under the Legislation is that the Reporting Relief is granted.

The decision of the principal regulator under the Legislation is that the Related Issuer Relief and the Related Party Relief is granted provided that;

- (a) securities of a Top Fund are distributed in Canada solely pursuant to exemptions

- from the prospectus requirements in NI 45-106;
- (b) the investment by a Top Fund in an Underlying Fund is compatible with the fundamental objectives of a Top Fund;
 - (c) no management fees or incentive fees are payable by a Top Fund that, to a reasonable person, would duplicate a fee payable by an Underlying Fund for the same service;
 - (d) no sales fee or redemption fees are payable by a Top fund in relation to its purchases or redemptions of securities of an Underlying Fund;
 - (e) the Top Fund does not vote the securities of the Underlying Fund held by the Top Fund, unless the Top Fund is the sole owner of the securities of an Underlying Fund at the time of the meeting or the effective date of the resolution, in which case the Filer will arrange for all the securities of the Underlying Fund, held by the Top Fund to be voted by the beneficial owners of securities of the Top Fund;
 - (f) if available, the offering memorandum (or similar document) of a Top Fund will disclose:
 - (i) that a Top Fund may purchase units of the Underlying Funds;
 - (ii) the fact that the Filer is the investment adviser to both the Top Funds and the Underlying Funds; and
 - (iii) that substantially all of the net assets (or the percentage of net assets) of the Top Funds will be invested in securities of the Underlying Funds.

The Related Party Relief

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

The Related Issuer Relief

"Margot C. Howard"
Commissioner
Ontario Securities Commission

"Paulette Kennedy"
Commissioner
Ontario Securities Commission

2.1.7 Sea Dragon Energy Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – s. 13.1 of National Instrument 51-102 Continuous Disclosure Obligations (NI 51-102) – exemption from the requirement under Part 8 of NI 51-102 to include financial statements in a business acquisition report – Filer would have been able to use exemption in s. 8.10(3) to file alternative disclosure except that the transaction is an acquisition of securities of another issuer. Filer will provide alternative disclosure on the basis that the acquisition was in substance an acquisition by the Filer of an interest in oil and gas properties.

Applicable Legislative Provisions

National Instrument 51-102 Continuous Disclosure Obligations.

Citation: Sea Dragon Energy Inc., Re, 2010 ABASC 112

March 15, 2010

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

AND

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

AND

IN THE MATTER OF
SEA DRAGON ENERGY INC.
(THE FILER)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) exempting the Filer from the requirements to include in a business acquisition report (**BAR**) certain financial information as required under National Instrument 51-102 *Continuous Disclosure Obligations* (**NI 51-102**) in respect of a significant acquisition made by the Filer, on the condition that the Filer include in the BAR certain alternative financial information as more particularly described below (the **Exemption Sought**).

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

- (a) the Alberta 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 British Columbia; 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

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

Representations

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

1. The Filer was incorporated under the *Canada Business Corporations Act* on March 28, 2006. On June 17, 2008, the Filer amended its articles to change its registered office to the Province of Alberta. Its head office is located in Calgary, Alberta.
2. The Filer is an independent international upstream oil and gas corporation whose principal business activities consist of the exploration, development and production of crude oil and natural gas liquids in Egypt.
3. The Filer is a reporting issuer in the provinces of British Columbia, Alberta and Ontario.
4. The common shares of the Filer are listed and posted for trading on the TSX Venture Exchange under the symbol "SDX".
5. In August 2009, the Filer entered into a sale and purchase agreement (the **Acquisition Agreement**) with Premier Oil Overseas B.V. (**Premier Overseas**) providing for the indirect acquisition (the **Acquisition**) by the Filer of a 10% working interest in the NW Gemsa Concession, located approximately 300 km south east of Cairo (the **Assets**). The Acquisition was completed on December 21, 2009.
6. Pursuant to the Acquisition Agreement, the Filer acquired 100% of the issued and outstanding shares of Premier Oil Egypt (NW Gemsa) B.V. (**Premier Egypt**), a wholly-owned subsidiary of Premier Overseas.
7. At the time of the closing of the Acquisition, aside from the Assets, the only assets and liabilities of Premier Egypt were those assets and liabilities

that would have accrued to Premier Egypt had it purchased the Assets directly.

8. The acquisition of the Assets by way of the purchase and sale of the issued and outstanding shares of Premier Egypt was made to facilitate the Acquisition in a manner that achieved certain governmental approval efficiencies.
9. The Acquisition constitutes a "significant acquisition" for the Filer within the meaning of Part 8 of NI 51-102. Accordingly, the Filer is required to file a BAR in respect of the Acquisition.
10. The financial year end of the Filer is December 31 and the financial year end of the Premier Egypt is December 31.
11. Pursuant to Item 3 of Form 51-102F4 *Business Acquisition Report (Form 51-102F4)* and Part 8 of NI 51-102, the Filer would, absent the Exemption Sought, be required to include in its BAR for the Acquisition, subject to the exemptions provided therein:
 - (a) an income statement, a statement of retained earnings and a cash flow statement of each of the two most recently completed financial years in respect of Premier Egypt, a balance sheet as at the end of each such financial year, and notes to the financial statements;
 - (b) an auditors' report on the income statement, statement of retained earnings and cash flow statements for the most recently completed financial year in respect of Premier Egypt and the balance sheet as at the end of such financial year;
 - (c) an income statement, a statement of retained earnings and a cash flow statement of each of the most recently completed interim period and a comparable period in the preceding financial year in respect of Premier Egypt, a balance sheet as at the end of each such periods, and notes to the financial statements;
 - (d) a pro forma balance sheet of the Filer as at September 30, 2009 that gives effect to the Acquisition as if it had taken place as at such date; and
 - (e) a pro forma income statement of the Filer for the financial year ended December 31, 2008 and for the three month interim period ended September 30, 2009 in each case giving effect to the acquisition as if it had taken place at December 31, 2008 together with pro forma earnings per share.

12. Section 8.10(3) of NI 51-102 provides an exemption from the financial statement disclosure requirements that would otherwise apply under Part 8 of NI 51-102 if the significant acquisition is of a business that is an interest in an oil and gas property, provided that, among other things: (i) the acquisition is not an acquisition of securities of another issuer; and (ii) the Filer includes in the BAR for the Acquisition, historical operating statements in respect of the Assets and pro forma operating statements of the Filer as required under section 8.10(3)(e) of NI 51-102.
 - (e) as if it had taken place at January 1, 2008;
 - (f) unaudited pro forma operating statement presenting gross revenue, royalty expenses, production costs and operating income for the nine months ended September 30, 2009 giving effect to the Acquisition as if it had taken place at January 1, 2008;
 - (g) a description of the Assets and disclosure regarding the annual oil and gas production volumes from the Assets, as contemplated in subparagraphs 8.10(3)(e)(iii) and (iv) of NI 51-102; and
 - (g) information regarding the estimated reserves and future related net revenue attributable to the Assets and estimated oil and gas production volumes therefrom, as contemplated in section 8.10(3)(g) of NI 51-102,
13. All of the conditions set forth in section 8.10(3) of NI 51-102 are satisfied, except for the fact that the Acquisition is an acquisition of securities of another issuer.
14. The Filer does not have access to the source documents required to prepare audited financial statements for Premier Egypt and cannot therefore fulfill the BAR requirements.
15. The Filer is not, to its knowledge, in default of its obligations as a reporting issuer under the securities legislation in any of the provinces in which it is a reporting issuer with the exception of the failure to file a BAR in respect of the Acquisition.

(collectively, the **Alternative Financial Disclosure**).
16. The Filer acknowledges that any rights of action available to any person or company or securities regulatory authority against the Filer from the date on which the default occurred until the date of the filing of the BAR in accordance with this decision document are not terminated or altered as a result of this decision.
17. The Filer proposes to include in the BAR to be filed in respect of the Acquisition:
 - (a) audited operating statement presenting gross revenue, royalty expenses, production costs and operating income for the year ended December 31, 2008;
 - (b) unaudited operating statement presenting gross revenue, royalty expenses, production costs and operating income for the year ended December 31, 2007;
 - (c) unaudited operating statements presenting gross revenue, royalty expenses, production costs and operating income for the nine month period ended September 30, 2009 and September 30, 2008, respectively;
 - (d) unaudited pro forma operating statement presenting gross revenue, royalty expenses, production costs and operating income for the year ended December 31, 2008 giving effect to the Acquisition
18. The Acquisition was, in substance, an acquisition by the Filer of an interest in oil and gas property constituting a business. For certain governmental approval efficiencies, the transaction was structured as a purchase by the Filer of all of the issued and outstanding shares of Premier Egypt rather than the acquisition of the Assets directly from Premier Egypt.
19. The Filer seeks a decision of the Decision Makers under Section 13.1 of NI 51-102 exempting the Filer from the requirements to include in the BAR to be filed in respect of the Acquisition, the financial statements and other information required pursuant to Item 3 of Form 51-102F4, provided that the BAR includes the Alternative Financial Disclosure.

Decision

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

The decision of the Decision Makers under the Legislation is that the Exemption Sought is granted provided that the Filer includes the Alternative Financial Disclosure in the BAR to be filed in respect of the Acquisition.

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

2.2 Orders

2.2.1 Irwin Boock et al.

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

AND

**IN THE MATTER OF
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**

ORDER

WHEREAS on October 16, 2008, the Ontario Securities Commission (the "Commission") commenced the within proceeding by issuing a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act");

AND WHEREAS on October 14, 2009, Staff of the Commission ("Staff") brought a disclosure motion (the "Motion") regarding the Respondent, Irwin Boock ("Boock");

AND WHEREAS the Motion was heard by the Commission on October 21, 2009, November 2 and 20, 2009 and January 8, 2010;

AND WHEREAS on December 10, 2009, the Commission ordered that the hearing on the merits of this matter ("Hearing on the Merits") shall commence on February 1, 2010;

AND WHEREAS on January 29, 2010, the Commission ordered that the Hearing on the Merits be adjourned sine die pending the release of the Commission's decision on the Motion;

AND WHEREAS on February 9, 2010, the Commission issued a decision on the Motion (the "Disclosure Decision");

AND WHEREAS Boock has commenced an Application for Judicial Review of the Disclosure Decision before the Superior Court of Justice (Divisional Court) ("JR Application");

AND WHEREAS counsel for Boock confirms that the Divisional Court has advised that it is expected that the JR Application can be heard in advance of the date scheduled for the commencement of the Hearing on the Merits;

AND WHEREAS Staff consent to an order granting an interim stay of the Disclosure Decision until September 13, 2010, pending the determination of the JR Application;

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

IT IS ORDERED THAT:

- a) the Disclosure Decision be stayed until the earlier of the date of a decision on the merits in the JR Application or September 13, 2010, or until such further date as ordered by the Commission;
- b) the parties shall attend at the offices of the Commission on September 13, 2010 at 9:00 a.m. to advise the Commission of the status of the JR Application and of any outstanding issues that need to be resolved in advance of the Hearing on the Merits; and
- c) the Hearing on the Merits shall commence on October 18, 2010 and, excluding October 26, 2010, shall continue for three weeks until November 5, 2010 and thereafter on such dates as may be agreed by the parties and determined by the Office of the Secretary.

Dated at Toronto this 24th day of February, 2010

"James E. A. Turner"

**2.2.2 Juniper Fund Management Corporation 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
THE JUNIPER FUND MANAGEMENT
CORPORATION, JUNIPER INCOME FUND,
JUNIPER EQUITY GROWTH FUND AND
ROY BROWN (a.k.a. ROY BROWN-RODRIGUES)**

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

WHEREAS on March 8, 2006, the Ontario Securities Commission (the “Commission”) ordered pursuant to subsection 127(5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”) that all trading in the securities of the Juniper Income Fund (“JIF”) and the Juniper Equity Growth Fund (“JEGF”) collectively (the “Funds”) shall cease forthwith for a period of 15 days from the date thereof (the “Temporary Order”);

AND WHEREAS pursuant to subsections 127(1) and 127(5) of the Act, a hearing was scheduled for March 23, 2006 at 10:00 a.m. (the “Hearing”);

AND WHEREAS the Respondents were served with the Temporary Order, the Notice of Hearing dated March 21, 2006, the Statement of Allegations dated March 21, 2006 and the Affidavit of Trevor Walz sworn March 17, 2006;

AND WHEREAS on March 23, 2006, the Commission ordered: (i) an extension of the Temporary Order to May 4, 2006; and (ii) an adjournment of the Hearing to May 4, 2006;

AND WHEREAS Staff have advised that the Commission issued two Directions dated May 4, 2006 under subsection 126(1) of the Act freezing bank accounts of The Juniper Fund Management Corporation (“JFM”), the Funds and Roy Brown (“Brown”) without notice to any of the Respondents;

AND WHEREAS on May 4, 2006, the Commission ordered: (i) the Hearing adjourned to May 23, 2006; (ii) the Temporary Order extended to May 23, 2006; (iii) JFM not to be paid any monthly management fees; (iv) JFM’s requests for funds to pay expenses incurred by the Funds to continue to be subject to approval by NBCN Inc. (“NBCN”); (v) weekly lists of expenses by the Funds to continue to be provided to and reviewed by Staff; and (vi) neither JFM nor Brown to deal in any way with the assets or investments of the Funds;

AND WHEREAS Staff have advised that on May 11, 2006 and June 30, 2006, the Ontario Superior Court of Justice (the “Superior Court”) ordered that the two

Directions dated May 4, 2006 freezing bank accounts of JFM, the Funds and Brown be extended with the exception of the personal accounts and one JFM account as defined in the Superior Court orders dated May 11, 2006 and June 30, 2006;

AND WHEREAS the two Directions expired on September 30, 2006;

AND WHEREAS on May 18, 2006, the Superior Court issued an *ex parte* order appointing Grant Thornton Limited as receiver (the “Receiver”) over the assets, undertakings and properties of JFM and the Funds;

AND WHEREAS on May 18, 2006, the Commission granted leave to McMillan Binch Mendelsohn LLP to withdraw as counsel for the Respondents;

AND WHEREAS on May 23, 2006, the Commission ordered: (i) the Hearing adjourned to September 21, 2006; and (ii) the Temporary Order extended to September 21, 2006;

AND WHEREAS on June 2, 2006, the Superior Court confirmed and extended the Receivership Order and approved the conduct of the Receiver and its counsel as set out in the First Report of the Receiver dated May 30, 2006;

AND WHEREAS on September 21, 2006, the Commission ordered: (i) the Hearing adjourned to November 8, 2006; and (ii) the Temporary Order extended to November 8, 2006;

AND WHEREAS NBCN and National Bank Financial Ltd. (“NBFL”) have brought a motion for intervenor status in these proceedings (the “Intervenor Motion”);

AND WHEREAS on November 7, 2006, the Commission adjourned the Hearing and the Intervenor Motion to December 13, 2006 and extended the Temporary Order to December 13, 2006;

AND WHEREAS on November 17, 2006, the Superior Court ordered, *inter alia*, that: (i) the Receiver is authorized to call a meeting of unitholders of the Funds; and (ii) the conduct of the Receiver and its counsel, as described in the Second and Third Reports of the Receiver, is approved without prejudice to the right of NBFL and NBCN to dispute the Receiver’s conclusion that NBFL and NBCN hold no units in the JEGF;

AND WHEREAS by letter dated December 6, 2006, counsel for NBCN and NBFL advised that they intended to withdraw the Intervenor Motion;

AND WHEREAS on December 13, 2006, the Commission ordered: (i) an extension of the Temporary Order to March 2, 2007; and (ii) an adjournment of the Hearing to March 2, 2007;

AND WHEREAS on December 13, 2006, counsel for the Receiver advised that the Receiver will shortly be sending out an update letter to all unitholders explaining the steps taken by the Receiver and the status of the ongoing receivership;

AND WHEREAS on December 13, 2006 Staff advised that Staff's investigation and the investigation by the Receiver are both ongoing and there was a reasonable prospect that Staff's investigation would be completed by March 2007;

AND WHEREAS on December 13, 2006, counsel for the Receiver and Staff of the Commission consented to: (i) an adjournment of the Hearing to March 2, 2007; and (ii) an extension of the Temporary Order to March 2, 2007 and counsel for Brown did not consent to the adjournment or the extension of the Temporary Order and requested the earliest possible return date;

AND WHEREAS on December 13, 2006, counsel for Brown and Staff of the Commission scheduled a tentative pre-hearing conference with a Commissioner on February 27, 2007 at 11:00 a.m.;

AND WHEREAS on March 2, 2007, Staff advised that Staff's investigation and the investigation by the Receiver are both ongoing and that there is a reasonable prospect that Staff's investigation will be completed by April 2007;

AND WHEREAS on March 2, 2007, Staff advised that the tentative pre-hearing conference scheduled for February 27, 2007 did not proceed as Staff's investigation was ongoing;

AND WHEREAS on March 2, 2007, Staff advised that thirteen volumes of initial Staff disclosure were sent to counsel for Brown on February 23, 2007;

AND WHEREAS on March 2, 2007, counsel for the Receiver provided an update of the ongoing receivership and advised that an update letter had been sent to all unitholders;

AND WHEREAS on March 2, 2007, Staff of the Commission requested and counsel for the Receiver consented to: (i) an adjournment of the Hearing to May 22, 2007; and (ii) an extension of the Temporary Order to May 22, 2007 and counsel for Brown did not consent to the adjournment and extension of the Temporary Order;

AND WHEREAS on March 2, 2007, the Commission ordered: (i) an extension of the Temporary Order to May 22, 2007; and (ii) an adjournment of the Hearing to May 22, 2007;

AND WHEREAS the First, Second, Third and Fourth Reports of the Receiver have been filed with the Commission;

AND WHEREAS on May 22, 2007, based on Staff's submissions, the panel expected that Staff would

conclude their investigation, amend their Statement of Allegations, provide additional disclosure to the Respondents and have attended at a pre-hearing conference in order to set a date for a hearing on the merits, all by mid-July 2007;

AND WHEREAS on May 22, 2007, Staff of the Commission requested and the Commission ordered: (i) an adjournment of the Hearing to July 17, 2007; and (ii) an extension of the Temporary Order to July 17, 2007, **and whereas** counsel for Brown did not consent and counsel for the Receiver did consent to the adjournment and extension of the Temporary Order;

AND WHEREAS Staff of the Commission provided fifteen volumes of disclosure to counsel for Brown on June 14 and 21, 2007 and the remaining five volumes of disclosure on July 9, 2007;

AND WHEREAS Staff of the Commission amended the Statement of Allegations on July 5, 2007;

AND WHEREAS a pre-hearing conference was held on July 20, 2007 and a second pre-hearing conference is scheduled for September 18, 2007;

AND WHEREAS on July 17, 2007, Staff of the Commission requested and counsel for the Receiver consented to and counsel for Brown neither consented to nor opposed and the Commission ordered: (i) an adjournment of the Hearing to September 4, 2007; and (ii) an extension of the Temporary Order to September 4, 2007;

AND WHEREAS the parties were provided and agreed at the last pre-hearing conference to tentative hearing dates of April 7 to 11, 2008 and April 14 to 18, 2008;

AND WHEREAS on September 4, 2007, the Commission ordered: (i) the Hearing to commence on April 7, 2008 and continue for nine days; and (ii) an extension of the Temporary Order until the conclusion of the Hearing;

AND WHEREAS on November 14, 2007, the Superior Court ordered, *inter alia*, that : (i) the activities and conduct of the Receiver as described in the Fifth Report of the Receiver are hereby approved; (ii) the claims process defined in the Fifth Report of the Receiver is hereby approved; and (iii) the JEGF unitholder registry is amended as described in the Fifth Report of the Receiver;

AND WHEREAS on November 15, 2007, the Receiver held separate unitholder meetings for the Funds to obtain direction on how the receivership should proceed;

AND WHEREAS JEGF unitholders voted 99.65% in favour of liquidating the investments held by JEGF and completing a redemption of all JEGF units;

AND WHEREAS JIF unitholders voted 100% in favour of liquidating the investments held by JIF and completing a redemption of all JIF units;

AND WHEREAS on January 14, 2008, the Superior Court ordered, *inter alia*, that : (i) the distribution process to JEGF and JIF unitholders as proposed by the Receiver was approved; (ii) the JEGF unitholder registry as prepared by the Receiver was complete and final; and (iii) the JIF unitholder registry as prepared by the Receiver was complete and final (the "Distribution Approval Order");

AND WHEREAS on February 22, 2008, the Commission revoked the Temporary Order pursuant to section 144 of the Act to permit the Receiver to complete a distribution of redemption proceeds to JEGF unitholders and JIF unitholders, in accordance with the Distribution Approval Order;

AND WHEREAS on March 13, 2008, the Commission granted leave for the withdrawal of Brown's former counsel of record;

AND WHEREAS on March 26, 2008, Brown brought a motion to adjourn the Hearing on the basis that he is no longer represented by counsel and he needed additional time to prepare for the Hearing;

AND WHEREAS on March 31, 2008, Brown requested an adjournment and advised that: (1) he was no longer represented by counsel; (2) he had not yet seen Staff's disclosure volumes which were served on his former counsel; and (3) he required additional time to prepare for the Hearing;

AND WHEREAS Staff opposed the adjournment request on the basis that the dates had been scheduled since September 4, 2007, witnesses had been summonsed and Staff were ready to proceed;

AND WHEREAS on March 31, 2008, the Commission ordered that: (i) the Hearing scheduled to commence on April 7, 2008 is adjourned; (ii) the Hearing will commence on June 16, 2008, or such other date as is agreed by the parties and determined by the Office of the Secretary;

AND WHEREAS on June 4, 2008, Staff brought a motion to adjourn the Hearing as Staff were not available on June 16, 2008;

AND WHEREAS Staff, Brown and counsel for the Receiver consented to the Hearing being adjourned to a date to be set by the Commission at a pre-hearing conference or such other date as agreed to by the parties and confirmed by the Office of the Secretary;

AND WHEREAS the Office of the Secretary tentatively scheduled the Hearing for June 15 to 19, 2009 but Brown was not available on those dates, nor had a second pre-hearing conference been confirmed prior to these dates being scheduled;

AND WHEREAS Staff requested by letter to the Office of the Secretary, dated December 23, 2009, that a pre-hearing conference in this matter be scheduled;

AND WHEREAS a case management conference was held on March 2, 2010 at which Brown participated by conference call and Staff participated in person;

AND WHEREAS we are of the opinion that this Order is not prejudicial to the public interest;

IT IS ORDERED that a pre-hearing conference will be held on April 30, 2010 at 9:30 a.m., or such other dates as agreed by the parties and confirmed by the Office of the Secretary.

DATED at Toronto this 2nd day of March, 2010.

"Patrick J. LeSage"

2.2.3 Franklin Danny White et al.

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

AND

**IN THE MATTER OF
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**

ORDER

WHEREAS on February 7, 2008, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing and Statement of Allegations pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act");

AND WHEREAS the hearing on the merits was held on March 23, 24, 25 and 27, 2009;

AND WHEREAS the Commission issued its reasons and decision on the merits on February 10, 2010;

AND WHEREAS a case conference was held by telephone conference on March 11, 2010 at 10:30 a.m. for the purpose of scheduling a sanctions hearing;

AND WHEREAS Staff of the Commission ("Staff"), Naveed Ahmad Qureshi ("Qureshi"), for himself, Capital Reserve Financial Group and Capital Investments of America, appeared by telephone on March 11, 2010 at 10:30 a.m.;

AND WHEREAS and Franklin Danny White ("White"), on behalf of himself, WNBC The World Network Business Club Ltd., and Mind Management Consulting, did not appear by telephone on March 11, 2010 at 10:30 a.m.;

AND WHEREAS Staff indicated that White had provided an email to Staff indicating that White would make himself available for any date selected for the sanctions hearing by the Commission;

AND WHEREAS having heard submissions from Staff and Qureshi as to a time-table for the filing of written submissions and the date of the sanctions hearing;

AND WHEREAS the Commission considers it to be in the public interest to make this order;

AND WHEREAS by Commission order dated August 31, 2009, each of each 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 make orders under section 127 of the Act;

IT IS HEREBY ORDERED THAT:

1. Staff will file its written submissions on sanctions by April 9, 2010;
2. the respondents will file their written submissions on sanctions, if any, by May 20, 2010; and
3. the sanctions hearing to receive oral submissions and to consider the written submissions filed, is scheduled for June 4, 2010 at 10:00 a.m.

DATED at Toronto this 11th day of March 2010.

"Patrick LeSage"

2.2.4 Inviro Medical Inc. – s. 144

Headnote

Application by an issuer for a revocation of a cease trade order – cease trade order issued because the issuer had failed to file certain continuous disclosure materials required by Ontario securities law – defaults subsequently remedied by bringing continuous disclosure filings up-to-date – cease trade order revoked.

Statutes Cited

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

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

AND

**IN THE MATTER OF
INVIRO MEDICAL INC.
(the “Applicant”)**

**ORDER
(Section 144)**

WHEREAS the securities of the Applicant are subject to a temporary cease trade order made by the Director dated May 13, 2009 under paragraph 2 and paragraph 2.1 of subsection 127(1) and subsection 127(5) of the Act, as extended by an order dated May 25, 2009 (together, the “Current Cease Trade Order”) directing that all trading in the securities of the Applicant cease until the order is revoked by the Director;

AND WHEREAS the Applicant has applied to the Ontario Securities Commission (the “Commission”) for an order pursuant to section 144 of the Act to revoke the Current Cease Trade Order;

AND UPON the Applicant having represented to the Commission that:

1. The Applicant was incorporated under the *Canada Business Corporations Act* on June 11, 2001.
2. The Applicant is a medical device company specializing in safe medication delivery systems.
3. The Applicant is a reporting issuer in British Columbia, Alberta, Manitoba and Ontario. The Applicant is not a reporting issuer in any other jurisdiction in Canada.
4. The Applicant’s registered and head office is located at 1755 North Brown Road, Suite 150, Lawrenceville, Georgia 30043.
5. The British Columbia Securities Commission (“BCSC”) is the principal regulator of the Applicant.

6. As at the date hereof, the authorized capital of the Applicant consists of an unlimited number of common shares, of which 21,103,319 common shares are issued and outstanding and an unlimited number of preferred shares, of which 1,622,661 preferred shares are issued and outstanding.
7. Neither the common shares or the preferred shares of the Applicant are listed on any exchange or trading system.
8. The Current Cease Trade Order was issued due to the Applicant’s failure to file, in accordance with the requirements of Ontario securities law, the annual financial statements and the related management’s discussion and analysis for the year ending December 31, 2008 (the “Continuous Disclosure Documents”).
9. The BCSC and the Manitoba Securities Commission also issued cease trade orders dated May 13, 2009.
10. The Applicant failed to file the Continuous Disclosure Documents due to a reduction in accounting personnel brought about by financial difficulties.
11. The Applicant filed the Continuous Disclosure Documents and related officer’s certificates on SEDAR on June 10, 2009.
12. Other than the Cease Trade Order, the Applicant is not in default of its continuous disclosure obligations under Ontario securities law and has paid all outstanding fees to the Commission, including all applicable activity and participation fees and late fees.
13. There current directors and officers of the Company are as follows:
 - (a) Dr. Fraser Rosslyn Sharp – Director and Chief Technical Officer;
 - (b) Ian Houston – Director;
 - (c) Michael Poelking – Chief Financial Officer;
 - (d) John Hatcher – Director;
 - (e) Anthony Holler – President, Chief Executive Officer, Chairman and Director;
 - (f) Todd Patrick – Director; and
 - (g) Bernhard Zinkhofer – Corporate Secretary.
14. There have been no material changes to the Applicant’s business or operations since the date

of the Current Cease Trade Order, and there are currently no such material changes planned.

15. The Applicant's issuer profiles on SEDAR and SEDI are up to date.
16. Upon the issuance of this revocation order, the Applicant will issue a news release.
17. The Applicant is not considering, nor is it involved in any discussions relating to a reverse-take over, merger, amalgamation or other form of combination or transaction similar to the foregoing.
18. The Applicant held its last annual general meeting on June 30, 2009.

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

AND UPON the Director being satisfied that it would not be prejudicial to the public interest to revoke the Current Cease Trade Order;

IT IS ORDERED, pursuant to section 144 of the Act, that the Current Cease Trade Order is revoked

DATED at Toronto, this 15th day of March, 2010.

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

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Chapter 4

Cease Trading Orders

4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Revoke
Inviro Medical Inc.	13 May 09	25 May 09	25 May 09	15 Mar 10
ScotOil Petroleum Limited	12 Mar 10	24 Mar 10		
Glendale International Corp.	12 Mar 10	24 Mar 10		
EnerNorth Industries Inc.	16 Mar 10	29 Mar 10		
Brainhunter Inc.	16 Mar 10	29 Mar 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 TO REPORT 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		
Axiotron Corp.	12 Feb 10	24 Feb 10	24 Feb 10		
Roador Industries Ltd.	—	24 Feb 10	24 Feb 10		

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Chapter 7

Insider Reporting

This chapter is available in the print version of the OSC Bulletin, as well as as in Carswell's internet service SecuritiesSource (see www.carswell.com).

This chapter contains a weekly summary of insider transactions of Ontario reporting issuers in the System for Electronic Disclosure by Insiders (SEDI). The weekly summary contains insider transactions reported during the seven days ending Sunday at 11:59 pm.

To obtain Insider Reporting information, please visit the SEDI website (www.sedi.ca).

Chapter 8

Notice of Exempt Financings

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

Transaction Date	# of Purchasers	Issuer/Security	Total Purchase Price (\$)	# of Securities Distributed
02/22/2010	1	514935 New Brunswick Inc. - Preferred Shares	255.00	255,000.00
03/01/2010	1	80/20 Solutions Inc. - Preferred Shares	150,000.00	N/A
02/25/2010	2	Aimetis Corp. - Preferred Shares	5,000,001.00	3,333,334.00
02/24/2010	29	Amanta Resources Ltd. - Units	500,000.00	7,142,860.00
02/12/2010	1	Atreus Pharmaceuticals Corporation - Common Shares	450,000.00	416,666.00
02/19/2010	1	Blue Balloon Health Services Incorporated - Common Shares	299,902.05	609.00
01/12/2009 to 12/21/2009	40	Burgundy Asian Equity Fund - Units	6,631,922.77	N/A
01/19/2009 to 12/01/2009	9	Burgundy Balanced Foundation Fund - Units	9,778,396.12	N/A
01/12/2009 to 12/31/2009	15	Burgundy Balanced Pension Fund - Units	55,445,151.97	N/A
01/12/2009 to 12/31/2009	62	Burgundy Canadian Small Cap Fund - Units	10,286,666.96	N/A
10/26/2009	1	Burgundy Core Plus Bond Fund - Units	10,360.00	N/A
01/12/2009 to 08/24/2009	22	Burgundy Emerging Markets Fund - Units	777,500.00	N/A
06/15/2009 to 09/21/2009	3	Burgundy Global Equity Fund - Units	8,211,421.93	N/A
01/05/2009 to 12/29/2009	52	Burgundy Global Focused Opportunities Fund - Units	13,597,568.73	N/A
03/09/2009 to 11/23/2009	1	Burgundy Government Bond Fund - Units	500,000.00	N/A
01/12/2009 to 12/31/2009	36	Burgundy U.S. Smaller Companies Fund - Units	10,435,391.82	N/A
01/12/2009 to 12/14/2009	20	Burgundy U.S. Small/Mid Cap Fund - Units	5,592,572.44	N/A
02/23/2010	56	Cadan Resources Corporation - Units	4,372,844.00	5,144,523.00
02/11/2010	47	Cadman Resources Inc. - Common Shares	441,450.00	4,414,500.00
01/01/2009 to 12/31/2009	2	Canso Catalina Fund - Units	21,000.00	N/A
01/01/2009 to 12/31/2009	3	Canso Corporate Securities Fund - Units	220,735.05	N/A

Notice of Exempt Financings

Transaction Date	# of Purchasers	Issuer/Security	Total Purchase Price (\$)	# of Securities Distributed
01/01/2009 to 12/31/2009	11	Canso Corporate Value Fund, Class A - Units	945,939.72	N/A
01/01/2009 to 12/31/2009	25	Canso Corporate Value Fund, Class C - Units	2,376,321.96	N/A
01/01/2009 to 12/31/2009	8	Canso Corporate Value Fund, Class F - Units	1,354,688.16	N/A
01/01/2009 to 12/31/2009	60	Canso Corporate Value Fund, Class O - Units	12,984,978.49	N/A
01/01/2009 to 12/31/2009	1	Canso Income Fund - Units	4,001.34	N/A
01/01/2009 to 12/31/2009	2	Canso Inflation-Linked Fund - Units	10,023.62	N/A
01/01/2009 to 12/31/2009	1	Canso Long/Short Fund - Units	200.00	N/A
01/01/2009 to 12/31/2009	1	Canso North Star Fund - Units	8,500.00	N/A
01/01/2009 to 12/31/2009	1	Canso Preservation Fund - Units	1,000.00	N/A
01/01/2009 to 12/31/2009	5	Canso Reconnaissance Fund - Units	64,386.18	N/A
02/24/2010 to 02/26/2010	9	Carlisle Goldfields Limited - Units	140,000.00	N/A
02/24/2010 to 02/26/2010	5	Carlisle Goldfields Limited - Units	190,000.00	N/A
02/25/2010	23	Challenger Development Corp. - Units	1,204,600.00	N/A
02/25/2010	4	Claim Post Resources Inc. - Common Shares	406,500.00	1,626,000.00
01/28/2010	2	Clairvest Equity Partners IV Limited Partnership - Limited Partnership Units	21,500,000.00	21,500.00
01/28/2010	2	Clairvest Equity Partners IV Limited Partnership - Limited Partnership Units	21,500,000.00	21,500.00
03/01/2010	3	Development Notes Limited Partnership - Units	278,830.00	278,830.00
02/02/2010 to 02/09/2010	79	Donner Metals Ltd. - Common Shares	2,439,930.00	8,133,100.00
02/24/2010 to 03/01/2010	6	Eagle Landing Retail Limited Partnership - Limited Partnership Units	142,000.00	142,000.00
02/24/2010	2	First Leaside Fund - Trust Units	42,334.00	42,334.00
02/24/2010 to 02/26/2010	9	First Leaside Fund - Units	852,645.00	N/A
03/01/2010	50	First Leaside Wealth Management Inc. - Units	869,984.00	N/A
02/19/2010	2	Geminare Incorporated - Debentures	61,697.56	N/A
02/23/2010	2	Health Innovation Technologies Inc. - Common Shares	158,289.00	N/A

Notice of Exempt Financings

Transaction Date	# of Purchasers	Issuer/Security	Total Purchase Price (\$)	# of Securities Distributed
02/19/2010 to 02/25/2010	46	IGW Real Estate Investment Trust - Trust Units	1,426,623.99	1,475,129.00
02/24/2010	1	IGW Residential Capital Limited Partnership - Units	50,000.00	N/A
03/05/2010	41	IPh03nix Fund I Limited Partnership - Limited Partnership Units	525,000.00	105.00
03/02/2010	1	Kensington Private Equity Co-Investment Fund (2009), L.P. - Limited Partnership Interest	100,000.00	100.00
03/02/2010	1	LTX-Credence Corporation - Common Shares	220,718.25	75,000.00
02/26/2010	68	McConachie Development Investment Corporation - Units	1,281,050.00	128,105.00
02/26/2010	23	McConachie Development Limited Partnership - Units	2,506,050.00	250,605.00
02/18/2010	12	Minaurum Gold Inc. - Common Shares	1,205,799.00	3,445,140.00
02/26/2010	20	Mineral Mountain Resources Ltd. - Common Shares	238,750.00	1,910,000.00
12/31/2009	7	Mineral Mountain Resources Ltd. - Common Shares	40,625.00	325,000.00
02/24/2010	25	North Atlantic Resources Ltd. - Units	1,349,949.90	N/A
02/19/2010	11	Novadaq Technologies Inc. - Units	7,409,572.25	3,049,207.00
02/24/2010	1	Optimar Pharmaceuticals Inc. - Common Shares	583,000.00	50,000.00
12/08/2009 to 01/29/2010	36	P1 Energy Corp. - Common Shares	15,000,000.00	30,000,000.00
03/02/2010 to 03/03/2010	2	Rocmec Mining Inc. - Units	500,000.00	N/A
03/02/2010 to 03/03/2010	27	Rocmec Mining Inc. - Units	274,224.87	N/A
01/02/2009 to 12/31/2009	641	ROI High Yield Private Placement Fund - Units	44,341,683.00	387,495.65
04/23/2009 to 12/31/2009	94	ROI Institutional Private Placement Fund - Units	6,529,517.00	63,768.72
01/06/2009 to 12/31/2009	655	ROI Private Placement Fund - Units	51,421,927.00	489,311.76
02/19/2010 to 02/24/2010	17	Scollard Energy Inc. - Common Shares	3,965,000.00	1,982,500.00
03/01/2010	3	Second Avenue Calgary Limited Partnership - Limited Partnership Interest	565,000.00	N/A
02/12/2010	55	Silvermex Resources Ltd. - Units	4,684,795.00	15,335,655.00
03/02/2010	2	Solutia Inc. - Notes	2,054,874.00	N/A
02/15/2010	2	Sphere Resources Inc. - Common Shares	40,000.00	N/A

Notice of Exempt Financings

Transaction Date	# of Purchasers	Issuer/Security	Total Purchase Price (\$)	# of Securities Distributed
02/22/2010	22	TCHC Issuer Trust - Debentures	200,000,000.00	N/A
01/01/2009 to 12/31/2009	2	The Canso Fund - Units	3,000.00	N/A
03/01/2010	3	Third Avenue Building Calgary Limited Partnership - Limited Partnership Interest	70,660,088.00	N/A
01/28/2010	1	Timmins Gold Corp. - Notes	15,964,500.00	N/A
03/01/2010	1	TreeHouse Foods Inc. - Common Shares	672,154.50	N/A
03/02/2010	3	TreeHouse Foods Inc. - Notes	1,239,120.00	N/A
02/24/2010	76	UBS AG, London Branch - Certificate	1,974,211.70	N/A
02/23/2010	1	UBS AG, Stamford Branch - Notes	78,877,500.00	N/A
01/01/2009 to 12/31/2009	4	UBS (Canada) 91 Day Fund - Units	184,401,224.76	N/A
01/01/2009 to 12/31/2009	12	UBS (Canada) American Equity Fund - Units	28,121,858.23	N/A
01/01/2009 to 12/31/2009	33	UBS (Canada) Balanced Fund - Units	238,924,638.22	N/A
01/01/2009 to 12/31/2009	54	UBS (Canada) Bond Fund - Units	451,411,173.23	N/A
01/01/2009 to 12/31/2009	2	UBS (Canada) Canada Plus Equity Fund - Units	7,883,316.98	N/A
01/01/2009 to 12/31/2009	55.2	UBS (Canada) Canadian Equity Fund - Units	594,067,551.65	N/A
01/01/2009 to 12/31/2009	88	UBS (Canada) Cash in Action Fund - Units	835,680,247.80	N/A
01/01/2009 to 12/31/2009	56	UBS (Canada) Cash Management Fund - Units	74,818,645.16	N/A
01/01/2009 to 12/31/2009	2	UBS (Canada) Dynamic Alpha Strategies Fund - Units	14,086,822.71	N/A
01/01/2009 to 12/31/2009	3	UBS (Canada) Global Allocation Fund - Units	93,063,787.07	N/A
01/01/2009 to 12/31/2009	18	UBS (Canada) Global Equity Fund - Units	47,841,392.42	N/A
01/01/2009 to 12/31/2009	1	UBS (Canada) High Yield Fund - Units	24,038,618.17	N/A
01/01/2009 to 12/31/2009	23	UBS (Canada) International Asset Fund - Units	18,888,231.73	N/A
01/01/2009 to 12/31/2009	73	UBS (Canada) Money Market Fund - Units	1,049,218,249.11	N/A
01/01/2009 to 12/31/2009	1	UBS (Canada) US 130/30 Fund - Units	4,000,000.00	N/A
01/01/2009 to 12/31/2009	10	UBS (Canada) US Cash Management Fund - Units	49,213,698.85	N/A

Notice of Exempt Financings

Transaction Date	# of Purchasers	Issuer/Security	Total Purchase Price (\$)	# of Securities Distributed
01/01/2009 to 12/31/2009	7	UBS (Canada) US Growth Equity Fund - Units	20,461,393.56	N/A
01/01/2009 to 12/31/2009	19	UBS (Canada) US Growth Equity Fund - Units	2,491,873.59	N/A
01/01/2009 to 12/31/2009	16	UBS (Canada) U.S. Equity Fund - Units	84,953,800.18	N/A
02/18/2010	13	Valley of the Sun Fund - Trust Units	316,500.00	N/A
01/31/2010	98	Vertex Fund - Trust Units	10,836,148.44	N/A
01/31/2010	7	Vertex Managed Value Portfolio - Trust Units	423,494.04	N/A
03/01/2010	2	Wallbridge Mining Company Limited - Common Shares	14,000.00	50,000.00
02/26/2010	31	Walton AZ Mystic Vista Investment Corporation - Common Shares	519,000.00	51,900.00
02/26/2010	9	Walton AZ Mystic Vista Limited Partnership - Limited Partnership Units	824,976.60	72,995.00
02/26/2010	23	Walton AZ Verona Investment Corporation - Common Shares	376,360.00	37,636.00
02/26/2010	24	Walton TX Austin Land Investment Corporation - Common Shares	506,930.00	50,693.00
02/26/2010	5	Walton TX Austin Land Limited Partnership - Limited Partnership Units	922,260.72	86,354.00
03/02/2010	1	Wimberly Fund - Units	40,000.00	40,000.00

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:

Chemtrade Logistics Income Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated March 10, 2010
NP 11-202 Receipt dated March 10, 2010

Offering Price and Description:

\$80,000,000 - 6.0% Convertible Unsecured Subordinated
Debentures - Price: \$1,000 per Debenture

Underwriter(s) or Distributor(s):

Scotia Capital Inc.
BMO Nesbitt Burns Inc.
TD Securities Inc.

Promoter(s):

-

Project #1544520

Issuer Name:

Dejour Enterprises Ltd.
Principal Regulator - British Columbia

Type and Date:

Preliminary Shelf Prospectus dated March 10, 2010
NP 11-202 Receipt dated March 11, 2010

Offering Price and Description:

US\$25,000,000
Common Shares
Warrants
Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #1544775

Issuer Name:

Foxpoint Capital Corp.
Principal Regulator - Ontario

Type and Date:

Preliminary CPC Prospectus dated March 16, 2010
NP 11-202 Receipt dated March 16, 2010

Offering Price and Description:

\$250,000 - 1,250,000 Common Shares - Price: \$0.20 per
Common Share

Underwriter(s) or Distributor(s):

Haywood Securities Inc.

Promoter(s):

Fraser Buchan

Project #1546590

Issuer Name:

Greater Toronto Airports Authority
Principal Regulator - Ontario

Type and Date:

Preliminary Shelf Prospectus dated March 11, 2010
NP 11-202 Receipt dated March 11, 2010

Offering Price and Description:

\$1,500,000,000
Medium-Term Notes (Secured)

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #1544998

Issuer Name:

Killam Properties Inc.
Principal Regulator - Nova Scotia

Type and Date:

Preliminary Short Form Prospectus dated March 10, 2010
NP 11-202 Receipt dated March 10, 2010

Offering Price and Description:

\$44,010,000 - 5,400,000 Common Shares - \$8.15 per
Common Share

Underwriter(s) or Distributor(s):

RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
TD Securities Inc.
Canaccord Financial Ltd.
National Bank Financial Inc.
Beacon Securities Limited
Desjardins Securities Inc.
Dundee Securities Corporation
Macquarie Capital Markets Canada Ltd.
Raymond James Ltd.
Brookfield Financial Corp.
M Partners Inc.

Promoter(s):

-

Project #1544482

Issuer Name:

Labrador Iron Mines Holdings Limited
Principal Regulator - Ontario

Type and Date:

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

Offering Price and Description:

\$30,003,300 - 5,406,000 Common Shares
\$5,054,000 - 760,000 Flow-Through Shares
Price: \$5.55 per Common Share and \$6.65 per Flow-Through Share

Underwriter(s) or Distributor(s):

Canaccord Financial Ltd.
Jennings Capital Inc.
Haywood Securities Inc.

Promoter(s):

-

Project #1545062

Issuer Name:

Lithium Americas Corp.
Principal Regulator - Ontario

Type and Date:

Preliminary Long Form Prospectus dated March 15, 2010
NP 11-202 Receipt dated March 16, 2010

Offering Price and Description:

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

Underwriter(s) or Distributor(s):

GMP Securities L.P.
Dundee Securities Corporation
Macquarie Capital Markets Canada Ltd.
Canaccord Financial Ltd.
Byron Securities Limited

Promoter(s):

Latin American Minerals Inc.
Grupo Minero Los Boros S.A.

Project #1546419

Issuer Name:

Lulu, Ltd.
Principal Regulator - Ontario

Type and Date:

Preliminary Long Form Prospectus dated March 12, 2010
NP 11-202 Receipt dated March 12, 2010

Offering Price and Description:

\$ * - * Common Shares and * Non-Director Restricted Voting Shares - Price: \$* per Common Share

Underwriter(s) or Distributor(s):

Genuity Capital Markets
CIBC World Markets Inc.

Promoter(s):

-

Project #1545565

Issuer Name:

Mackenzie Universal Technology Class
Mackenzie Universal World Science & Technology Class
Mackenzie Sentinel Income Fund
Principal Regulator - Ontario

Type and Date:

Amendment #3 dated March 12, 2010 to Final Simplified Prospectuses and Annual Information Form dated October 30, 2009

NP 11-202 Receipt dated March 12, 2010

Offering Price and Description:

Series A, F, I, O B, C, and G Securities @ Net Asset Value

Underwriter(s) or Distributor(s):

Quadrus Investment Services Ltd.

Promoter(s):

Mackenzie Financial Corporation

Project #1478783

Issuer Name:

Meritas Balanced Growth Portfolio Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectus dated March 11, 2010
NP 11-202 Receipt dated March 12, 2010

Offering Price and Description:

Units

Underwriter(s) or Distributor(s):

Meritas Financial Inc.

Promoter(s):

Qtrade Fund Management Inc.

Project #1545100

Issuer Name:

NetMotion Wireless Inc.
Principal Regulator - Quebec

Type and Date:

Preliminary Long Form Prospectus dated March 12, 2010
NP 11-202 Receipt dated March 12, 2010

Offering Price and Description:

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

Underwriter(s) or Distributor(s):

National Bank Financial Inc.
CIBC World Markets Inc.
Mackie Research Capital Corporation
Canaccord Financial Ltd.
Genuity Capital Markets
GMP Securities L.P.

Promoter(s):

NewMotion Wireless Holdings, Inc.
NetMotion Wireless USA, Inc.

Project #1545632

Issuer Name:

Norbord Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated March 15, 2010
NP 11-202 Receipt dated March 16, 2010

Offering Price and Description:

\$150,300,000 - 9,000,000 Common Shares - Price: \$16.70
per Common Share

Underwriter(s) or Distributor(s):

TD Securities Inc.
RBC Dominion Securities Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
Credit Suisse Securities (Canada), Inc.
National Bank Financial Inc.
HSBC Securities (Canada) Inc.

Promoter(s):

-

Project #1546538

Issuer Name:

Palliser Oil & Gas Corporation
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated March 9, 2010
NP 11-202 Receipt dated March 10, 2010

Offering Price and Description:

\$10,132,000 - 12,665,000 Common Shares issuable upon
exercise of 12,665,000 outstanding Special Warrants -
Price: \$0.80 per Special Warrants

Underwriter(s) or Distributor(s):

Jennings Capital Inc.
Dundee Securities Corporation

Promoter(s):

-

Project #1544082

Issuer Name:

Paramount Energy Trust
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated March 16, 2010
NP 11-202 Receipt dated March 16, 2010

Offering Price and Description:

\$50,017,500 - 10,530,000 Subscription Receipts, each
representing the right to receive one Trust Unit
Price: \$4.75 per Subscription Receipt

Underwriter(s) or Distributor(s):

BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
Scotia Capital Inc.
RBC Dominion Securities Inc.
TD Securities Inc.
Canaccord Financial Ltd.
Cormark Securities Inc.
FirstEnergy Capital Corp.
Peters & Co. Limited
Raymond James Ltd.
Dundee Securities Corporation

Promoter(s):

-

Project #1546762

Issuer Name:

Stonegate Agricom Ltd.
Principal Regulator - Ontario

Type and Date:

Preliminary Long Form Prospectus dated March 16, 2010
NP 11-202 Receipt dated March 16, 2010

Offering Price and Description:

\$50,000,000 - * Units - Price: \$ * per Unit:

Underwriter(s) or Distributor(s):

GMP Securities L.P.
BMO Nesbitt Burns Inc.
Canaccord Financial Ltd.
Wellington West Capital Markets Inc.
CIBC world Markets Inc.
Global Maxifin Capital Inc.
Toll Cross Securities Inc.

Promoter(s):

Sprott Resource Corp.

Project #1546609

Issuer Name:

Terra Energy Corp.
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated March 10, 2010
NP 11-202 Receipt dated March 10, 2010

Offering Price and Description:

\$9,000,000 - 5,000,000 Common Shares
\$13,500,000 - 6,250,000 Flow-Through Shares
Price: \$1.80 per Common Share and \$2.16 per Flow-Through Share

Underwriter(s) or Distributor(s):

GMP Securities L.P.
Scotia Capital Inc.
Dundee Securities Corporation
Acumen Capital Finance Partners Limited
Mackie Research Capital Corporation
Jennings Capital Inc.

Promoter(s):

-

Project #1544637

Issuer Name:

Triumph Ventures Corp.
Principal Regulator - Ontario

Type and Date:

Preliminary CPC Prospectus dated March 16, 2010
NP 11-202 Receipt dated March 16, 2010

Offering Price and Description:

\$200,000 to \$1,000,000 - 1,000,000 to 5,000,000 Common Shares - Price: \$0.20 per Common Share

Underwriter(s) or Distributor(s):

Portfolio Strategies Securities Inc.

Promoter(s):

Glen Watson

Project #1546684

Issuer Name:

AEterna Zentaris Inc.
Principal Regulator - Quebec

Type and Date:

Final Shelf Prospectus dated March 12, 2010
NP 11-202 Receipt dated March 15, 2010

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #1536961

Issuer Name:

AGF Canadian Balanced Fund
Principal Regulator - Ontario

Type and Date:

Amendment #3 dated March 4, 2010 to Annual Information Form dated April 20, 2009

NP 11-202 Receipt dated March 12, 2010

Offering Price and Description:

Mutual Fund, Series D, Series F, Series G, Series H, Series O, Series T and Series V Securities @ Net Asset Value

Underwriter(s) or Distributor(s):

AGF Funds Inc.

Promoter(s):

-

Project #1389189

Issuer Name:

Artis Real Estate Investment Trust
Principal Jurisdiction - Manitoba

Type and Date:

Short Form Prospectus dated March 10, 2010
NP 11-202 Receipt dated March 10, 2010

Offering Price and Description:

\$50,062,500 - 4,450,000 Units - Price: \$11.25 per Unit

Underwriter(s) or Distributor(s):

Canaccord Financial Ltd.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
RBC Dominion Securities Inc.
Macquarie Capital Markets Canada Ltd.
Brookfield Financial Corp.

Promoter(s):

-

Project #1541706

Issuer Name:

Ark Catapult Energy Class Fund
Ark NorthRoad Global Fund (formerly frontierAlt Opportunistic Global Fund)
Principal Regulator - Ontario

Type and Date:

Amendment #1 dated February 23, 2010 to Final Simplified Prospectuses and Annual Information Form dated December 23, 2009

NP 11-202 Receipt dated March 11, 2010

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #1495991

Issuer Name:

BMO Sustainable Climate Class
BMO Sustainable Opportunities Class
Principal Regulator - Ontario

Type and Date:

Amendment #3 dated March 5, 2010 to Final Simplified Prospectuses and Annual Information Form dated November 3, 2009

NP 11-202 Receipt dated March 10, 2010

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

BMO Investments Inc.
BMO Investments Inc.

Promoter(s):

BMO Investments Inc.

Project #1480290

Issuer Name:

BMO Sustainable Climate Class
BMO Sustainable Opportunities Class
Principal Regulator - Ontario

Type and Date:

Amendment #7 dated March 5, 2010 to Final Simplified Prospectuses and Annual Information Form dated May 8, 2009

NP 11-202 Receipt dated March 10, 2010

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

BMO Investments Inc.

Promoter(s):

BMO Investments Inc.

Project #1402935

Issuer Name:

Canadian SWIFT Master Auto Receivables Trust
Principal Regulator - Ontario

Type and Date:

Final Shelf Prospectus dated March 11, 2010

NP 11-202 Receipt dated March 12, 2010

Offering Price and Description:

Up to \$1,700,000,000 of Asset-Backed Notes

Underwriter(s) or Distributor(s):

-

Promoter(s):

General Motors Acceptance Corporation of Canada, Limited

Project #1542210

Issuer Name:

COMPASS Income Fund
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated March 8, 2010

NP 11-202 Receipt dated March 10, 2010

Offering Price and Description:

Offering of 6,000,000 Rights to purchase a maximum of 6,000,000 Trust Units

Price: One Right and \$9.50 per Trust Unit

Underwriter(s) or Distributor(s):

Middlefield Capital Corporation

Promoter(s):

-

Project #1514182

Issuer Name:

CYGAM Energy Inc.
Principal Jurisdiction - Alberta

Type and Date:

Short Form Prospectus dated March 9, 2010

NP 11-202 Receipt dated March 10, 2010

Offering Price and Description:

Up to \$15,000,000 and Up to 25,000,000 Units

Price: \$0.60 per Unit consisting of one Common Share and one-half of one Warrant

Underwriter(s) or Distributor(s):

Octagon Capital Corporation

Byron Securities Ltd.

Thomas Weisel Partners Canada Inc.

D & D Securities Company

Promoter(s):

-

Project #1531181

Issuer Name:

Dividend 15 Split Corp.
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated March 9, 2010

NP 11-202 Receipt dated March 10, 2010

Offering Price and Description:

Maximum Offering: \$50,400,000 - 2,400,000 Preferred Shares and 2,400,000 Class A Shares

Prices: \$10.00 per Preferred Share and \$11.00 per Class A Share

Underwriter(s) or Distributor(s):

RBC Dominion Securities Inc.

CIBC World Markets Inc.

BMO Nesbitt Burns Inc.

National Bank Financial Inc.

Desjardins Securities Inc.

HSBC Securities (Canada) Inc.

Canaccord Financial Ltd.

Dundee Securities Corporation

Promoter(s):

Quadravest Capital Management Inc.

Project #1541316

Issuer Name:

Fortis Global Equity Exposure Fund
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectus dated March 8, 2010
NP 11-202 Receipt dated March 11, 2010

Offering Price and Description:

Mutual Fund Units @ Net Asset Value

Underwriter(s) or Distributor(s):

Fortis Investment Management Canada Ltd.
Fortis Investment Management Canada Ltd.

Promoter(s):

Fortis Investment Management Canada Ltd.

Project #1526876

Issuer Name:

Franconia Minerals Corporation

Type and Date:

Final Long Form Prospectus dated March 9, 2010
Received on March 11, 2010

Offering Price and Description:

\$ 4,230,000 - 9,400,000 Common Shares and 4,700,000
Common Share Purchase Warrants on Exercise of
9,400,000 Previously Issued Special Warrants - Price:
\$0.45 per Special Warrant

Underwriter(s) or Distributor(s):

Wellington West Capital Markets Inc.

Promoter(s):

-

Project #1536738

Issuer Name:

Golden Minerals Company
Principal Regulator - Ontario

Type and Date:

Final Long Form Prospectus dated March 12, 2010
NP 11-202 Receipt dated March 12, 2010

Offering Price and Description:

US\$ * - 5,518,198 Shares of Common Stock - Price: US\$ *
per Share of Common Stock

Underwriter(s) or Distributor(s):

Canaccord Financial Ltd.

Promoter(s):

-

Project #1536310

Issuer Name:

IBC Advanced Alloys Corp.
Principal Regulator - British Columbia

Type and Date:

Final Short Form Prospectus dated March 15, 2010
NP 11-202 Receipt dated March 16, 2010

Offering Price and Description:

\$9,000,000 - 52,941,177 Units - Price: \$0.17 per Unit

Underwriter(s) or Distributor(s):

Union Securities Ltd.
Pope & Company Ltd.

Promoter(s):

-

Project #1505771

Issuer Name:

Ivanhoe Energy Inc.
Principal Regulator - British Columbia

Type and Date:

Final Short Form Prospectus dated March 12, 2010
NP 11-202 Receipt dated March 15, 2010

Offering Price and Description:

\$24,999,99 - 8,333,333 Common Shares and 2,083,333
Purchase Warrants Issuable upon Conversion of 8,333,333
Outstanding Special Warrants - Price: \$3.00 per Special
Warrant

Underwriter(s) or Distributor(s):

Macquarie Capital Markets Canada Ltd

Promoter(s):

-

Project #1539699

Issuer Name:

Leisureworld Senior Care Corporation
Principal Regulator - Ontario

Type and Date:

Final Long Form Prospectus dated March 12, 2010
NP 11-202 Receipt dated March 15, 2010

Offering Price and Description:

\$190,200,000 - 19,020,000 Common Shares - Price: \$10
per Common Share

Underwriter(s) or Distributor(s):

TD Securities Inc.
Macquarie Capital Markets Canada Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
HSBC Securities (Canada) Inc.
Brookfield Financial Corp.
Genuity Capital Markets

Promoter(s):

Macquarie Long Term Care L.P.

Project #1533618

Issuer Name:

Mackenzie Universal Technology Class
Mackenzie Universal World Science & Technology Class
Mackenzie Sentinel Income Fund
Principal Regulator - Ontario

Type and Date:

Amendment #3 dated March 12, 2010 to Final Simplified
Prospectuses and Annual Information Form dated October
30, 2009

NP 11-202 Receipt dated March 16, 2010

Offering Price and Description:

Series A, F, I, O B, C, and G Securities @ Net Asset Value

Underwriter(s) or Distributor(s):

Quadrus Investment Services Ltd.

Promoter(s):

Mackenzie Financial Corporation

Project #1478783

Issuer Name:

NuLoch Resources Inc.
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated March 12, 2010
NP 11-202 Receipt dated March 15, 2010

Offering Price and Description:

\$23,011,500 - 15,870,000 Class A Common Shares issuable upon exercise of 15,870,000 outstanding Special Warrants - Price: \$ 1.45 Per Special Warrant

Underwriter(s) or Distributor(s):

Genuity Capital Markets
Wellington West Capital Markets Inc.

Promoter(s):

-

Project #1537402

Issuer Name:

NxT EQ 35 Income & Growth Fund
NxT EQ 60 Balanced Fund
NxT EQ 75 Balanced Growth Fund
Principal Regulator - Manitoba

Type and Date:

Amended and Restated dated March 9, 2010 to Final Simplified Prospectuses and Annual Information Form dated July 8, 2009
NP 11-202 Receipt dated March 10, 2010

Offering Price and Description:

Class A Units, Class F Units, Class I Units, Class T Units and Class FT Units

Underwriter(s) or Distributor(s):

Wellington West Capital Inc.
Wellington West Financial Services Inc.
Wellington West Capital Inc. and Wellington West Financial Services Inc.

Promoter(s):

Wellington West Asset Management Inc.

Project #1425027

Issuer Name:

NxT Short Term Income Fund
Principal Jurisdiction - Manitoba

Type and Date:

Final Simplified Prospectus and Annual Information Form dated March 9, 2010
NP 11-202 Receipt dated March 10, 2010

Offering Price and Description:

Class A Units, Class F Units, and Class I Units

Underwriter(s) or Distributor(s):

Promoter(s):

Wellington West Asset Management Inc.
Project #1532141

Issuer Name:

Pathway Quebec Mining 2010 Flow-Through Limited Partnership
Principal Regulator - Ontario

Type and Date:

Amended and Restated dated March 4, 2010 to Final Long Form Prospectus dated February 11, 2010
NP 11-202 Receipt dated March 10, 2010

Offering Price and Description:

\$2,500,000 (Minimum Offering) - \$30,000,000 (Maximum Offering)

A Maximum of 3,000,000 and a Minimum of 250,000 Limited Partnership Units

Minimum Subscription: 250 Limited Partnership Units

Price: \$10.00 per Limited Partnership Unit

Underwriter(s) or Distributor(s):

Wellington West Capital Inc.
HSBC Securities (Canada) Inc.
Desjardins Securities Inc.
Industrial Alliance Securities Inc.
Canaccord Financial Ltd.
Laurentian Bank Securities Inc.
Dundee Securities Corporation

Promoter(s):

Pathway Quebec Mining 2010 Inc.
Project #1525301

Issuer Name:

Precious Metals and Mining Trust
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated March 15, 2010
NP 11-202 Receipt dated March 16, 2010

Offering Price and Description:

Warrants to Subscribe for up to 9,717,733 Units
Price: \$7.42 per Unit

Underwriter(s) or Distributor(s):

-

Promoter(s):

Sentry Select Capital Inc.
Project #1537850

Issuer Name:

One Exploration Inc.
Principal Jurisdiction - Alberta

Type and Date:

Short Form Prospectus dated March 12, 2010
NP 11-202 Receipt dated March 15, 2010

Offering Price and Description:

\$25,000,000 - 100,000,000 Class A Shares Issuable on Exercise of Outstanding Special Warrants
Price: \$0.25 per Special Warrant

Underwriter(s) or Distributor(s):

National Bank Financial Inc.
GMP Securities L.P.
Wellington West Capital Markets Inc.
Haywood Securities Inc.

Promoter(s):

-

Project #1543042

Issuer Name:

Questerre Energy Corporation
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated March 10, 2010
NP 11-202 Receipt dated March 10, 2010

Offering Price and Description:

Up to \$43,120,400 - Up to 10,028,000 Common Shares -
Price: \$4.30 per Offered Share

Underwriter(s) or Distributor(s):

Dundee Securities Corporation
Cormark Securities Inc.
Mackie Research Capital Corporation
Industrial Alliance Securities Inc.
Fraser Mackenzie Limited
Clarus Securities Inc.
National Bank Financial Inc.
Maison Placements Canada Inc.

Promoter(s):

-

Project #1539825

Issuer Name:

Qwest Energy 2010 Flow-Through Limited Partnership
Principal Jurisdiction - British Columbia

Type and Date:

Final Long Form Prospectus dated February 1, 2010
NP 11-202 Receipt dated February 1, 2010

Offering Price and Description:

Minimum Offering: \$5,000,000 - 200,000 Units; Maximum
Offering: \$25,000,000 - 1,000,000 Units
Price: \$25 per Unit - Minimum Purchase: 100 Units

Underwriter(s) or Distributor(s):

Dundee Securities Corporation
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
HSBC Securities (Canada) Inc.
Canaccord Financial Ltd.
GMP Securities L.P.
Manulife Securities Inc.
Raymond James Ltd.
Wellington West Capital Management Inc.

Promoter(s):

Qwest Investment Management Corp.

Project #1530016

Issuer Name:

Western Energy Services Corp.
Principal Jurisdiction - Alberta

Type and Date:

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

Offering Price and Description:

\$75,000,000 - 375,000,000 Common Shares
Price: \$0.20 per Offered Share

Underwriter(s) or Distributor(s):

Cormark Securities Inc.
Raymond James Ltd.
FirstEnergy Capital Corp.
Peters & Co. Limited
Thomas Weisel Partners Canada Inc.

Promoter(s):

-

Project #1541916

Issuer Name:

Xcite Energy Limited
Principal Jurisdiction - Alberta

Type and Date:

Final Short Form Prospectus dated March 10, 2010
NP 11-202 Receipt dated March 10, 2010

Offering Price and Description:

\$38,422,884 - 61,972,394 Ordinary Shares - Price: \$0.62
Per Offered Share

Underwriter(s) or Distributor(s):

Octagon Capital Corporation
CIBC World Markets Inc.

Promoter(s):

-

Project #1531482

Issuer Name:

Yoho Resources Inc.
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated March 15, 2010
NP 11-202 Receipt dated March 15, 2010

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

Paradigm Capital Inc.
Cormark Securities Inc.
Peters & Co. Limited
Acumen Capital Finance Partners Limited
Mackie Research Capital Corporation

Promoter(s):

-

Project #1543554

Issuer Name:

Calamos Advantaged Income Fund
Principal Jurisdiction - Ontario

Type and Date:

Preliminary Long Form Prospectus dated November 6, 2009

Withdrawn on March 15, 2010

Offering Price and Description:

\$ * - * Units - Price: \$25.00 per Unit

Minimum Purchase: 100 Units

Underwriter(s) or Distributor(s):

BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
National Bank Financial Inc.
Canaccord Capital Corporation
Dundee Securities Corporation
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Blackmont Capital Inc.
Rothenberg Capital Management Inc.
Wellington West Capital Markets Inc.
Desjardins Securities Inc.
Research Capital Corporation

Promoter(s):

Legend Investment Partners Inc.

Project #1495134

Issuer Name:

Winterville (2008) Fund
Principal Jurisdiction - Ontario

Type and Date:

Preliminary Long Form Prospectus dated March 4, 2010

Withdrawn on March 11, 2010

Offering Price and Description:

\$5,000,000 (Minimum Offering) - \$100,000,000 (Maximum Offering)

A maximum of 4,000,000 and a minimum of 200,000 Limited Partnership Units

Subscription Price: \$25 per Unit

Minimum Subscription: 200 Units

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.

Promoter(s):

Petro Assets Inc.

Project #1542238

Issuer Name:

Calamos AI Trust
Principal Jurisdiction - Ontario

Type and Date:

Preliminary Long Form Prospectus dated November 12, 2009

Withdrawn on March 15, 2010

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

Legend Investment Partners Inc.

Project #1498560

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Consent to Suspension (s. 30 of the Act - Surrender of Registration)	Novadan Capital Limited	Portfolio Manager and Exempt Market Dealer	March 9, 2010
Consent to Suspension (s. 30 of the Act - Surrender of Registration)	Stanton Funds Inc.	Exempt Market Dealer	March 12, 2010
Change of Category	Sceptre Investment Counsel Limited	From: Exempt Market Dealer and Portfolio Manager To: Exempt Market Dealer, Portfolio Manager and Investment Fund Manager	March 12, 2010
Change of Category	Lorne Steinberg Wealth Management Inc.	From: Portfolio Manager To: Exempt Market Dealer & Portfolio Manager	March 15, 2010
New Registration	Propel Capital Corporation	Investment Fund Manager	March 16, 2010
Voluntary Surrender of Registration	Evan S. Sone Financial Management Inc.	Exempt Market Dealer	March 16, 2010

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Chapter 13

SROs, Marketplaces and Clearing Agencies

13.2 Marketplaces

13.2.1 Alpha ATS LP – Notice of Implementation

ALPHA ATS LP

NOTICE OF IMPLEMENTATION

On January 22, 2010, Alpha ATS LP published a notice regarding changes to its operations regarding the Passive Only Order Type, the acceptance of Odd Lot Orders on exchange-listed debt instruments, and changes to the bypass cross functionality. This was published in (2010), 33 OSCB 946. The Notice described the following changes and the reasons for the change.

- Alpha introduced a new order type: The Passive Only Order Type
- Alpha ATS will not be providing Odd Lot assignments to exchange listed debt instruments
- Subscribers will be able to enter a bypass cross in the extended trading at any price

No comment letters were received and no changes have been made to the proposed amendments since such publication. The changes will be implemented on April 12, 2010, or otherwise as provided by Subscriber Notice.

For any further questions, please contact clientservices@alphatradingsystems.ca.

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Chapter 25

Other Information

25.1 Approvals

25.1.1 Tera Capital Corporation – s. 213(3)(b)

Headnote

Clause 213(3)(b) of the Loan and Trust Corporations Act – application by manager, with no prior track record acting as trustee, for approval to act as trustee of pooled funds and future pooled funds to be established and managed by the applicant and offered pursuant to a prospectus exemption.

Statutes Cited

Loan and Trust Corporations Act, R.S.O. 1990, c. L.25, as am., s. 213(3)(b).

March 9, 2010

Baldwin Anka Sennecke Halman LLP
25 Adelaide Street East, Suite 900
Toronto, Ontario
M5C 3A1

Attention: Mati Pajo

Dear Sir/Madam:

**Re: Tera Capital Corporation (the “Applicant”)
Application pursuant to clause 213(3)(b) of the
Loan and Trust Corporations Act (Ontario) for
approval to act as trustee**

Application No. 2010/0008

Further to your application dated January 4, 2010 (the “Application”) filed on behalf of the Applicant, and based on the facts set out in the Application and the representation by the Applicant that the assets of Tera Balanced Small Cap Fund and Tera High Income Fund and such other funds as the Applicant may establish from time to time, will be held in the custody of a trust company incorporated and licensed or registered under the laws of Canada or a jurisdiction, or a bank listed in Schedule I, II or III of the Bank Act (Canada), or an affiliate of such bank or trust company, the Ontario Securities Commission (the “Commission”) makes the following order.

Pursuant to the authority conferred on the Commission in clause 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario), the Commission approves the proposal that the Applicant act as trustee of Tera Balanced Small Cap Fund and Tera High Income Fund and such other funds which may be established and managed by the Applicant from

time to time, the securities of which will be offered pursuant to a prospectus exemption.

Yours truly,

“Carol S. Perry”

“Paulette Kennedy”

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