The Ontario Securities Commission

OSC Bulletin

April 9, 2010

Volume 33, Issue 14

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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
Cadillac Fairview Tower
Suite 1903, Box 55
20 Queen Street West
Toronto, Ontario
M5H 3S8

416-593-8314 or Toll Free 1-877-785-1555

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M1T 3V4

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Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

APRIL 9, 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
Suite 1700, Box 55
20 Queen Street West
Toronto, Ontario
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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

April 12, 2010 9:00 a.m.	**Brilliante 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., Brilliante 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 12, 2010 2:00 p.m..	**Roy Michael Steplock** s. 127 S. Kushneryk in attendance for Staff Panel: DLK/CSP
April 12, 2010 2:15 p.m..	**Ralph James Tersigni** s. 127 S. Kushneryk in attendance for Staff Panel: DLK/CSP
April 12, 2010 2:30 p.m..	**Edward John Holko** s. 127 S. Kushneryk in attendance for Staff Panel: DLK/CSP
April 12, 2010 2:45 p.m..	**Christopher Joseph Geddes** s. 127 S. Kushneryk in attendance for Staff Panel: DLK/CSP
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 Y. Chisholm in attendance for Staff Panel: CSP
April 13, 2010 2:30 p.m. April 14; April 23-30, 2010 10:00 a.m.	**M P Global Financial Ltd., and Joe Feng Deng** s. 127(1) M. Britton in attendance for Staff Panel: DLK/MCH
April 20, 2010 10:00 a.m.	**Norshield Asset Management (Canada) Ltd., Olympus United Group Inc., John Xanthoudakis, Dale Smith and Peter Kefalas** s. 127 P. Foy in attendance for Staff Panel: DLK/MCH
April 21, 2010 10:00 a.m.	**Maple Leaf Investment Fund Corp., Joe Henry Chau (aka: Henry Joe Chau, Shung Kai Chow and Henry Shung Kai Chow),** s. 127 M. Vaillancourt/T. Center in attendance for Staff Panel: JEAT
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 28-29, 2010 10:00 a.m.	**Gold-Quest International, 1725587 Ontario Inc. carrying on business as Health and Harmoney, Harmoney Club Inc., Donald Iain Buchanan, Lisa Buchanan and Sandra Gale** s. 127 H. Craig in attendance for Staff Panel: JEAT/SA

May 31 – June 4, 2010 10:00 a.m.	**Lyndz Pharmaceuticals Inc., James Marketing Ltd., Michael Eatch and Rickey McKenzie** s. 127(1) and (5) J. Feasby in attendance for Staff Panel: TBA
June 3, 2010 10:00 a.m.	**Richvale Resource Corp., Marvin Winick, Howard Blumenfeld, Pasquale Schiavone, and Shafi Khan** s. 127(7) and 128(8) H. Craig in attendance for Staff Panel: DLK
June 4, 2010 10:00 a.m.	**Franklin Danny White, Naveed Ahmad Qureshi, WNBC The World Network Business Club Ltd., MMCL Mind Management Consulting, Capital Reserve Financial Group, and Capital Investments of America** s. 127 C. Price in attendance for Staff Panel: PJL/CSP
June 15, 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: CSP
June 21, 2010 10:00 a.m.	**Rezwealth Financial Services Inc., Pamela Ramoutar, Chris Ramoutar, Justin Ramoutar, Tiffin Financial Corporation, Daniel Tiffin, 2150129 Ontario Inc. and Sylvan Blackett** s. 127(1) and (5) A. Heydon in attendance for Staff Panel: JEAT
June 28, 2010 10:00 a.m.	**Shallow Oil & Gas Inc., Eric O'Brien, Abel Da Silva, Gurdip Singh Gahunia aka Michael Gahunia and Abraham Herbert Grossman aka Allen Grossman** s. 127(7) and 127(8) M. Boswell in attendance for Staff Panel: TBA
June 29, 2010 10:00 a.m.	**Oversea Chinese Fund Limited Partnership, Weizhen Tang and Associates Inc., Weizhen Tang Corp., and Weizhen Tang** s. 127 and 127.1 M. Britton in attendance for Staff Panel: TBA
July 9, 2010 10:00 a.m.	**Hillcorp International Services, Hillcorp Wealth Management, Suncorp Holdings, 1621852 Ontario Limited, Steven John Hill, Daryl Renneberg and Danny De Melo** s. 127 A. Clark in attendance for Staff Panel: CSP
July 9, 2010 11:30 a.m.	**Global Energy Group, Ltd. And New Gold Limited Partnerships** s. 127 H. Craig in attendance for Staff Panel: CSP

September 13, 2010 9:00 a.m.	**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** s. 127 and 127.1 H. Craig in attendance for Staff Panel: JEAT
September 13-24, 2010 10:00 a.m.	**New Life Capital Corp., New Life Capital Investments Inc., New Life Capital Advantage Inc., New Life Capital Strategies Inc., 1660690 Ontario Ltd., L. Jeffrey Pogachar, Paola Lombardi and Alan S. Price** s. 127 S. Kushneryk in attendance for Staff Panel: TBA
September 13-24, 2010 and October 4-19, 2010 10:00 a.m.	**Sulja Bros. Building Supplies, Ltd., Petar Vucicevich, Kore International Management Inc., Andrew Devries, Steven Sulja, Pranab Shah, Tracey Banumas and Sam Sulja** s. 127 and 127.1 J. Feasby in attendance for Staff Panel: TBA
October 18 – November 5, 2010 10:00 a.m.	**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** s. 127 and 127.1 H. Craig in attendance for Staff Panel: TBA
March 7, 2011 10:00 a.m.	**Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Ciavarella and Michael Mitton** s. 127 H. Craig in attendance for Staff Panel: TBA
TBA	**Yama Abdullah Yaqeen** s. 8(2) J. Superina in attendance for Staff Panel: TBA
TBA	**Microsourceonline Inc., Michael Peter Anzelmo, Vito Curalli, Jaime S. Lobo, Sumit Majumdar and Jeffrey David Mandell** s. 127 J. Waechter in attendance for Staff Panel: TBA
TBA	**Frank Dunn, Douglas Beatty, Michael Gollogly** s. 127 K. Daniels in attendance for Staff Panel: TBA

TBA

Juniper Fund Management Corporation, Juniper Income Fund, Juniper Equity Growth Fund and Roy Brown (a.k.a. Roy Brown-Rodrigues)

s. 127 and 127.1

D. Ferris in attendance for Staff

Panel: TBA

TBA

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

s. 127

H. Craig in attendance for Staff

Panel: TBA

TBA

Gregory Galanis

s. 127

P. Foy in attendance for Staff

Panel: TBA

TBA

Biovail Corporation, Eugene N. Melnyk, Brian H. Crombie, John R. Miszuk and Kenneth G. Howling

s. 127(1) and 127.1

J. Superina, A. Clark in attendance for Staff

Panel: TBA

TBA

Global Partners Capital, Asia Pacific Energy Inc., 1666475 Ontario Inc. operating as "Asian Pacific Energy", Alex Pidgeon, Kit Ching Pan also known as Christine Pan, Hau Wai Cheung, also known as Peter Cheung, Tony Cheung, Mike Davidson, or Peter McDonald, Gurdip Singh Gahunia also known as Michael Gahunia or Shawn Miller, Basis Marcellinius Toussaint also known as Peter Beckford, and Rafique Jiwani also known as Ralph Jay

s. 127

M. Boswell in attendance for Staff

Panel: TBA

TBA

FactorCorp Inc., FactorCorp Financial Inc. and Mark Twerdun

s. 127

C. Price in attendance for Staff

Panel: TBA

TBA

MRS Sciences Inc. (formerly Morningside Capital Corp.), Americo DeRosa, Ronald Sherman, Edward Emmons and Ivan Cavric

s. 127 and 127(1)

D. Ferris in attendance for Staff

Panel: TBA

TBA

Imagin Diagnostic Centres Inc., Patrick J. Rooney, Cynthia Jordan, Allan McCaffrey, Michael Shumacher, Christopher Smith, Melvyn Harris and Michael Zelyony

s. 127 and 127.1

J. Feasby in attendance for Staff

Panel: TBA

TBA

Gold-Quest International, Health and Harmoney, Iain Buchanan and Lisa Buchanan

s. 127

H. Craig in attendance for Staff

Panel: TBA

TBA

Goldpoint Resources Corporation, Lino Novielli, Brian Moloney, Evanna Tomeli, Robert Black, Richard Wylie and Jack Anderson

s. 127(1) and 127(5)

M. Boswell in attendance for Staff

Panel: TBA

TBA

Coventree Inc., Geoffrey Cornish and Dean Tai

s. 127

J. Waechter in attendance for Staff

Panel: TBA

TBA	**IBK Capital Corp. and William F. White** s. 127 M. Vaillancourt in attendance for Staff Panel: TBA
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	**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: TBA
TBA	**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: TBA
TBA	**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: TBA
TBA	**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: TBA
TBA	**Albert Leslie James, Ezra Douse and Dominion Investments Club Inc.** s. 127 and 127.1 H. Daley in attendance for Staff Panel: TBA

TBA **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: TBA

TBA **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

TBA **Anthony Ianno and Saverio Manzo**

s. 127 and 127.1

A. Clark in attendance for Staff

Panel: CSP

TBA. **Shane Suman and Monie Rahman**

s. 127 and 127(1)

C. Price in attendance for Staff

Panel: JEAT/PLK

TBA **Robert Joseph Vanier (a.k.a. Carl Joseph Gagnon)**

s. 127

S. Horgan in attendance for Staff

Panel: JEAT/PLK

TBA **Sextant Capital Management Inc., Sextant Capital GP Inc., Sextant Strategic Opportunities Hedge Fund L.P., Otto Spork, Robert Levack and Natalie Spork**

s. 127

T. Center in attendance for Staff

Panel: TBA

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. Boultbee and Peter Y. Atkinson

1.1.2 Notice of Commission Approval – Amendments to the Rules of the Toronto Stock Exchange to Eliminate the Indicative Calculated Closing Price Feature on the Market On Close Facility

TSX INC.

AMENDMENTS TO THE RULES OF THE TORONTO STOCK EXCHANGE TO ELIMINATE THE INDICATIVE CALCULATED CLOSING PRICE FEATURE ON THE MARKET ON CLOSE FACILITY

NOTICE OF COMMISSION APPROVAL

The Ontario Securities Commission has approved amendments to the Rules of the Toronto Stock Exchange that eliminate the indicative calculated closing price feature on the Market On Close facility.

The amendments were published for comment on May 30, 2008 at (2008) 31 OSCB 5689. No changes have been made to the amendments that were originally published. TSX Inc.'s summary of the comments received, and its responses, is included in Chapter 13 of this Bulletin.

1.1.3 OSC Staff Notice 11-739 (Revised) – Policy Reformulation Table of Concordance and List of New Instruments

OSC STAFF NOTICE 11-739 (REVISED)

POLICY REFORMULATION TABLE OF CONCORDANCE AND LIST OF NEW INSTRUMENTS

The following revisions have been made to the Table of Concordance and List of New Instruments. A full version of the Table of Concordance and List of New Instruments as of March 31, 2010 has been posted to the OSC Website at www.osc.gov.on.ca under Policy and Regulation/Status Summaries.

Table of Concordance

Item Key
The third digit of each instrument represents the following: 1-National/Multilateral Instrument; 2-National/Multilateral Policy; 3-CSA Notice; 4-CSA Concept Release; 5-Local Rule; 6-Local Policy; 7-Local Notice; 8-Implementing Instrument; 9-Miscellaneous

Reformulation

Instrument	Title	Status
	None	

New Instruments

Instrument	Title	Status
11-739	Policy Reformulation Table of Concordance and List of New Instruments (Revised)	***Published January 8, 2010***
11-742	Securities Advisory Committee (Revised)	***Published January 15, 2010***
33-733	Report on Focused Reviews of Investment Funds, September 2008-September 2009	***Published January 22, 2010***
21-101	Notice of Ministerial Approval of Amendments to NI 21-101 Marketplace Operation	***Published January 22, 2010***
23-101	Notice of Ministerial Approval of Amendments to NI 23-101 Trading Rules	***Published January 22, 2010***
33-314	NI 31-103 Registration Requirements and Exemptions and Related Instruments – Frequently Asked Questions as of February 5, 2010	***Published February 5, 2010***
52-718	IFRS Transition Disclosure Review	***Published February 5, 2010***
23-307	Order Protection Rule – Implementation Milestones	***Published February 19, 2010***
11-312	National Numbering System (Revised)	***Published February 19, 2010***
11-313	Withdrawal of Notice and Policies	***Published February 19, 2010***
13-315	Securities Regulatory Authority Closed Dates 2010 (Revised)	***Published February 19, 2010***

New Instruments

31-315	Omnibus/blanket orders exempting registrants from certain provisions of NI 31-103 Registration Requirements and Exemptions	***Published February 26, 2010***
24-702	Regulatory Approach to Recognition and Exemption from Recognition of Clearing Agencies	***Published March 19, 2010***
41-101	General Prospectus Requirements – **Amendments** (a new prospectus form for scholarship plans)	***Published March 26, 2010***
11-753	Statement of Priorities for Financial year to End March 31, 2010 (Revised)	***Published March 26, 2010***

For further information, contact:
Darlene Watson
Project Coordinator
Ontario Securities Commission
416-593-8148

April 9, 2010

1.2 Notices of Hearing

1.2.1 Agoracom Investor Relations Corp. et al. – ss. 127(1), 127.1

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

AND

IN THE MATTER OF
AGORACOM INVESTOR RELATIONS CORP.,
AGORA INTERNATIONAL ENTERPRISES CORP.,
GEORGE TSIOLIS AND APOSTOLIS KONDAKOS
(a.k.a. PAUL KONDAKOS)

NOTICE OF HEARING
(Subsections 127(1) and 127.1)

TAKE NOTICE that the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to section 127(1) and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") at its offices at 20 Queen Street West, 17th Floor, Toronto, Ontario, commencing on April 26, 2010 at 10:00 a.m. or as soon thereafter as the hearing can be held:

TO CONSIDER whether, in the Commission's opinion, it is in the public interest for the Commission to make the following orders:

(a) that the registration granted to George Tsiolis ("Tsiolis") and Paul Kondakos ("Kondakos") (collectively the "Individual Respondents") under securities law be suspended or restricted for such period as is specified by the Commission, or be terminated, or that terms and conditions be imposed on the registration, pursuant to paragraph 1 of section 127(1) of the Act;

(b) that trading in any securities by the Respondents cease permanently or for such period as is specified by the Commission, pursuant to paragraph 2 of section 127(1) of the Act;

(c) that acquisition of any securities by the Respondents is prohibited, permanently or for such other period as is specified by the Commission, pursuant to paragraph 2.1 of section 127(1) of the Act;

(d) that any exemptions contained in Ontario securities law do not apply to the Respondents permanently or for such period as is specified by the Commission, pursuant to paragraph 3 of section 127(1) of the Act;

(e) that the Respondents be reprimanded, pursuant to paragraph 6 of section 127(1) of the Act;

(f) that the Individual Respondents resign one or more positions that they hold as a director or officer of any issuer, registrant or investment fund manager, pursuant to paragraphs 7, 8.1 and 8.3 of section 127(1) of the Act;

(g) the Individual Respondents be prohibited from becoming or acting as a director or officer of any issuer, registrant or investment fund manager, pursuant to paragraphs 8, 8.2 and 8.4 of section 127(1) of the Act;

(h) the Respondents be prohibited from becoming or acting as a registrant, as an investment fund manager or as a promoter, pursuant to paragraph 8.5 of section 127(1) of the Act;

(i) that each Respondent pay an administrative penalty of not more than $1 million for each failure by that Respondent to comply with Ontario securities law;

(j) that each of the Respondents disgorge to the Commission any amounts obtained as a result of non-compliance by that Respondent with Ontario securities law;

(k) the Respondents be ordered to pay the costs of the Commission investigation and the hearing, pursuant to section 127.1 of the Act; and,

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

BY REASON OF the allegations set out in the Statement of Allegations of Staff of the Commission dated April 1, 2010 and such further allegations as counsel may advise and the Commission may permit;

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

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

DATED at Toronto this 1st day of April, 2010.

"John Stevenson"
Secretary to the Commission

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

AND

**IN THE MATTER OF
AGORACOM INVESTOR RELATIONS CORP.,
AGORA INTERNATIONAL ENTERPRISES CORP.,
GEORGE TSIOLIS AND APOSTOLIS KONDAKOS
(a.k.a. PAUL KONDAKOS)**

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

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

I. OVERVIEW

1. This proceeding relates to fraudulent on-line posting activity by Agoracom Investor Relations Corp. ("AIRC") and Agora International Enterprises Corp. ("AIEC") (collectively "Agoracom"), an on-line investment relations firm, and its management, George Tsiolis ("Tsiolis") and Apostolis Kondakos, a.k.a. Paul Kondakos ("Kondakos") (collectively the "Respondents") in breach of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") and in a manner that was contrary to the public interest.

2. Staff allege that the Respondents' course of conduct spanned from at least September 1, 2006 to July 31, 2009 (the "Material Time").

II. THE RESPONDENTS

A. The Corporate Respondents

3. None of the corporate respondents were registered with the Commission in any capacity during the Material Time.

4. AIRC is an Ontario company incorporated on February 12, 2007. AIRC employs Agoracom representatives and contracts with clients to provide investor relations services.

5. AIEC is an Ontario company incorporated on April 23, 1997. Revenue from Agoracom gets reported to AIEC.

6. Together, AIRC and AIEC carry on business in Toronto, Ontario as "Agoracom" and perform the business of an online investor relations firm for public companies whose securities are publicly listed in Canada.

B. The Individual Respondents

7. Tsiolis is a resident of Toronto, Ontario and is the founder and a directing mind of Agoracom. Tsiolis is the sole director of AIEC, one of two directors of AIRC and is the registrant for the domain name "agoracom.com".

8. Tsiolis was registered as an officer & director (trading) and shareholder, under the category of limited market dealer with Agoracom Capital Inc. from July 2, 2008 to September 28, 2009. Tsiolis has been registered as a dealing representative and approved as a permitted individual (officer, director and shareholder), under the category of exempt market dealer with Agoracom Capital Inc. since September 28, 2009.

9. Kondakos is a resident of Toronto, Ontario and is the other directing mind of Agoracom. Kondakos is an officer of AIRC.

10. Kondakos was registered as officer & director (trading) and approved as designated compliance officer, under the category of limited market dealer with Agoracom Capital Inc. from July 2, 2008 to September 28, 2009. Kondakos has been registered as a dealing representative and approved as a permitted individual (officer & director), under the category of exempt market dealer with Agoracom Capital Inc. since September 28, 2009. Kondakos has also been registered as ultimate designated person and chief compliance officer, under the category of exempt market dealer with Agoracom Capital Inc. since December 29, 2009.

III. FRAUDULENT POSTINGS BY AGORACOM MANAGEMENT AND REPRESENTATIVES

11. According to their website (www.agoracom.com), Agoracom "caters to the IR and marketing needs of small and micro cap public companies trading on the TSX [and] TSX Venture…". Agoracom offers pricing models for its clients which incorporate a monthly fee and stock options equalling the greater of 250,000 shares or 0.5% of a company's fully diluted outstanding share total at current prices.

12. Agoracom's online content includes webcasts, podcasts, and blogs. Perusal of www.agoracom.com is free and open to the public. Visitors are directed to client and non-client issuer "hubs" created and maintained by Agoracom. Among the features available on a specific company's hub is a discussion forum, relating to the issuers' securities.

13. Agoracom's representatives serviced the client hubs by moderating their discussion forums and posting information and news to the forums. In order to post comments on the discussion forums, users are required to create a username and provide an e-mail address.

14. Tsiolis and Kondakos required their representatives, as part of their daily responsibilities, to post anonymously to the client forums using aliases. To post messages anonymously, the representatives created fictitious usernames and posed as investors blending in with other users, investors and interested persons. Representatives had between 40-50 aliases (some had up to 200) and were required to make a requisite number of posts per hub per day or risk having their pay docked. On occasion, Agoracom staff conversed with themselves on the forums using different aliases.

15. Staff alleges that during the Material Time:

(a) more than 24,000 alias posts were created from within Agoracom on client and non-client hubs;

(b) more than 670 alias user names were created by representatives of Agoracom and used on client and non-client hubs;

(c) alias posts originated from Tsiolis' residence; and

(d) posts by Agoracom representatives, using their aliases, were promotional and promoted purchasing and/or holding stock.

16. Neither the public users nor Agoracom's clients were aware that representatives of Agoracom were posting on their hubs using aliases. In fact, the Respondents knowingly deceived clients about the traffic and activity generated on their hubs. In particular, Agoracom reported the number of posts and shareholder inquiries answered by Agoracom's representatives to clients on a monthly basis, and failed to disclose that a portion of the posts and shareholder inquiries were created by Agoracom's own representatives. For certain clients, alias posts by Agoracom's representatives represented a significant proportion of the postings within the forum.

17. The Respondents knew or ought to have known that the posting activity described above put their clients at risk of being in breach of the TSX-V Corporate Finance Policies governing investor relations firm activities and compensation.

18. The Respondents also took steps to actively conceal the fraudulent posting activity by its representatives. In March 2009, when a representative revealed that he was an Agoracom representative posting with an alias, the Respondents posted an "Official Statement" stating that these actions were carried out by a single representative and that Agoracom would be taking steps within next sixty (60) days to ensure that this would never happen again. This message to the public was false and misleading given that Tsiolis and Kondakos knew and instructed many representatives to create and use multiple aliases to post on all of the client forums. In addition, Tsiolis and Kondakos were aware that representatives continued to post using aliases after this Statement was released.

19. Staff allege that posting activity described above, mandated by the Respondents, was undertaken to create a misleading appearance of greater interest and trading activity in the securities of Agoracom's clients to:

(a) induce clients to contract or continue to contract with Agoracom; and

(b) increase the value of Agoracom's stock options.

V. SUMMARY

20. As a result of the conduct described above, the Respondents, directly or indirectly, engaged or participated in an act, practice or course of conduct relating to securities that the Respondents knew or reasonably ought to have known perpetrated a fraud on persons and companies, contrary to section 126.1(b) of the Act.

21. Further, the conduct outlined above was abusive to the capital markets.

VI. CONDUCT CONTRARY TO SECURITIES LAW AND THE PUBLIC INTEREST

22. Staff allege that the conduct set out above of the Respondents violated Ontario securities law as specified and constituted conduct contrary to the public interest.

23. Staff reserve the right to make such other allegations as Staff may advise and the Commission may permit.

Dated at Toronto this 1st day of April, 2010.

1.2.2 Ralph James Tersigni – 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
THE SECURITIES ACT,
RALPH JAMES TERSIGNI

NOTICE OF HEARING
(Sections 127 and 127.1)

TAKE NOTICE THAT the Ontario Securities Commission will hold a hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), at the offices of the Commission located at 20 Queen Street West, Toronto, 17th Floor, commencing on April 12th, 2010, at 2:15 p.m. or as soon thereafter as the hearing can be held;

AND TAKE NOTICE THAT the purpose of the hearing is to consider whether it is in the public interest for the Commission, at the conclusion of a hearing, to approve the settlement agreement entered into between Staff of the Commission ("Staff") and the respondent or to make any other order under sections 127(1) and 127.1;

BY REASON OF the allegations set out in the Statement of Allegations of Staff dated April 1, 2010 and such additional allegations as counsel may advise and the Commission may permit;

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

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

DATED at Toronto this 1st day of April, 2010.

"John Stevenson"
Secretary to the Commission

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

AND

IN THE MATTER OF
THE SECURITIES ACT,
RALPH JAMES TERSIGNI

STATEMENT OF ALLEGATIONS
OF STAFF OF THE
ONTARIO SECURITIES COMMISSION

1. Further to a Notice of Hearing dated April 1, 2010, Staff of the Ontario Securities Commission ("Staff") make the following allegations:

I. BACKGROUND

2. Retrocom Growth Fund ("Retrocom" or the "Fund") is a reporting issuer in Ontario incorporated in 1995 as a labour-sponsored investment fund. In December 2005, Retrocom suspended redemptions because it did not have sufficient liquidity to meet outstanding redemption requests. In or about August 2006, Retrocom filed a Notice of Intention to make a Proposal under the *Bankruptcy and Insolvency Act* (Canada). RSM Richter Inc. ("Richter") was named as trustee. It is not expected that any assets will be available for distribution to the Fund's investors.

3. At all Material Times (defined to include all financial reporting periods between 2003 and 2005), approximately 90% of Retrocom's holdings were comprised of direct and/or indirect investments in real property.

4. Retrocom Investment Management Inc. ("RIMI") was, from June 2001, Retrocom's manager. RIMI was incorporated in Ontario in 1995. RIMI was registered with the Commission as an Investment Counsel and Portfolio Manager ("ICPM") on April 2, 1998 and as a Limited Market Dealer ("LMD") on September 5, 2000. On October 2, 2006, the Commission issued an Order accepting RIMI's surrender of registration.

5. Between 1997 and 2005, the respondent, Ralph Michael Tersigni ("Tersigni" or the "Respondent") was employed as the Vice-President, Marketing and Labour Relations of RIMI. Until his resignation in October 2005, Tersigni was a member of the Board of Directors of the Fund. Tersigni was also a member and the non-voting chair of the Fund's Valuation Committee until his resignation from that committee in or about May 2005. He was a member of the Fund's Investment Committee in 2003 and 2004 and a member of the Funds' Audit Committee from 2003 to 2005.

II. FACTS AND ALLEGATIONS

(a) Write Down and Reversal for the Year-Ending August 31, 2004

6. For the year ending August 31, 2004, the Fund's auditor required a write-down of the value of the Fund's assets in the amount of $8.5 million, $6 million of which was attributed to the Fund's venture investments and $2.5 million to receivables (the "Write-Down").

7. On February 2, 2005, less than one month after the Fund's approval of the Write-Down, the Fund's Valuation Committee authorized the reversal of the Write-Down in relation to the Fund's venture investments and a partial ($1 million) reversal of the Write-Down for receivables (the "Reversal"), for a total of $7 million. The Reversal was made retroactive to September 1, 2004. The Reversal in relation to the venture investments was approved by the Valuation Committee on the basis of information provided by RIMI that a land swap deal was anticipated to close at a purchase price which was in excess of the valuation ascribed to the related land in the Fund's 2004 year-end audit. Steplock attended the Valuation Committee meeting at which the Reversal was authorized.

8. Neither RIMI nor the Valuation Committee consulted with the Fund's auditors prior to recommending or approving the Reversal. It does not appear that any new information that would affect the project's value arose from the conclusion of the audit to the date on which the Reversal was authorized.

9. In or about June 2005, the Respondent and others at RIMI learned for certain that the land swap had failed to close. However, it appears that RIMI continued to receive management fees calculated on the basis of the Reversal until February 28, 2006 (the "Inflated Fees").

10. RIMI's conduct in recommending the Reversal absent consultation with the Fund's external auditors, in failing to ensure that the Fund's NAV was promptly adjusted, and in accepting the Inflated Fees, was in breach of its obligations pursuant to section 116 of the Act. The Respondent authorized, permitted or acquiesced in these non-compliances by RIMI with Ontario securities law and, accordingly, failed to comply with Ontario securities law, contrary to section 129.2 of the Act and the public interest.

(b) Additional Fees and Conflict of Interest

11. Pursuant to the Fund's prospectus, RIMI was to receive an annual management fee calculated based on the Fund's NAV and was permitted to receive fees directly from investee companies for services provided to them.

12. The management agreement between RIMI and the Fund (the "Management Agreement") provided, among other things, that RIMI shall "exercise the powers granted hereunder and discharge the duties hereunder honestly, in good faith and in the best interests of the Fund and, in connection therewith, shall exercise the degree of care, diligence and skill that a reasonable prudent person performing similar functions would exercise in the circumstances."

13. The Management Agreement also provided, among other things, that RIMI "shall not, and shall not permit its employees, directors or officers" to enter into any arrangement whereby they would receive "any fee, payment or benefit as a result of dealing with [any] Eligible Business or Investee Company or [persons related to them]" without obtaining the consent of the Fund.

14. During the Material Time, RIMI received payments totalling approximately $3.5 million from companies/ projects in which the Fund had invested on RIMI's advice in respect of the provision of services (the "Additional Fees").

15. A portion of the Additional Fees was paid, rather than to RIMI, by way of the transfer of a condominium unit to a numbered company controlled by the Respondent's spouse (the "Condominium") as well as by way of a cash payment made to the Respondent's spouse. The Condominium has been sold. The proceeds of sale realized indicate that the Respondent obtained a personal benefit in the amount of at least $601,712.06 as a consequence of the transfer of the Condominium and the cash payment received (the "Personal Benefit").

16. A conflict of interest existed with respect to the Additional Fees and the Personal Benefit. However, the Respondent did not take steps to obtain the consent of the Fund prior to or after RIMI's acceptance of the Additional Fees or his acceptance of the Personal Benefit.

17. RIMI's failure to disclose to the Fund the intended and actual receipt of the Additional Fees (including the Personal Benefit) was in breach of its obligations pursuant to section 116 of the Act. The Respondent authorized, permitted or acquiesced in these non-compliances with Ontario securities law by RIMI and, accordingly, failed to comply with Ontario securities law contrary to section 129.2 of the Act and the public interest.

(c) Imprudent, Material Over-Valuations of Assets

18. It appears that the Fund's assets were materially over-valued during, at least, the fiscal period between August 31, 2000 and August 31, 2004. Audited financial statements for the year ending August 31, 2005 were never completed.

19. RIMI, as manager, made investment recommendations to the Fund and provided ongoing asset valuations. RIMI's valuation practices were significantly deficient in numerous ways, and therefore in breach of its obligations pursuant to section 116 of the Act. The Respondent authorized, permitted or acquiesced in these non-compliances with Ontario securities law and, accordingly, failed to comply with Ontario securities law contrary to section 129.2 of the Act and the public interest.

(d) Misleading Staff

20. In contravention of clause (a) of subsection 122(1) of the Act, the Respondent failed to promptly inform Staff of his receipt of the Personal Benefit during Staff's investigation of this matter.

III. BREACH OF ONTARIO SECURITIES LAWS AND CONDUCT CONTRARY TO THE PUBLIC INTEREST

21. The conduct engaged in by the Respondent as set out above violated the Ontario securities laws as specified above. In addition, the conduct engaged in by the Respondent as set out above compromised the integrity of Ontario's capital markets, was abusive to Ontario's capital markets and was contrary to the public interest.

22. Staff reserve the right to make such other allegations as Staff may advise and the Commission may permit.

DATED AT TORONTO this 1st day of April, 2010

1.2.3 Roy Michael Steplock – 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
ROY MICHAEL STEPLOCK

NOTICE OF HEARING
(Sections 127 and 127.1)

TAKE NOTICE THAT the Ontario Securities Commission will hold a hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), at the offices of the Commission located at 20 Queen Street West, Toronto, 17th Floor, commencing on April 12th, 2010, at 2:00 p.m. or as soon thereafter as the hearing can be held;

AND TAKE NOTICE THAT the purpose of the hearing is to consider whether it is in the public interest for the Commission, at the conclusion of a hearing, to approve the settlement agreement entered into between Staff of the Commission ("Staff") and the respondent or to make any other order under sections 127(1) and 127.1;

BY REASON OF the allegations set out in the Statement of Allegations of Staff dated April 1, 2010 and such additional allegations as counsel may advise and the Commission may permit;

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

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

DATED at Toronto this 1st day of April, 2010.

"John Stevenson"
Secretary to the Commission

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

AND

**IN THE MATTER OF
ROY MICHAEL STEPLOCK**

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

1. Further to a Notice of Hearing dated April 1, 2010, Staff of the Ontario Securities Commission ("Staff") make the following allegations:

I. BACKGROUND

2. Retrocom Growth Fund ("Retrocom" or the "Fund") is a reporting issuer in Ontario incorporated in 1995 as a labour-sponsored investment fund. In December 2005, Retrocom suspended redemptions because it did not have sufficient liquidity to meet outstanding redemption requests. In or about August 2006, Retrocom filed a Notice of Intention to make a Proposal under the *Bankruptcy and Insolvency Act* (Canada). RSM Richter Inc. ("Richter") was named as trustee. It is not expected that any assets will be available for distribution to the Fund's investors.

3. At all Material Times (defined to include all financial reporting periods between 2003 and 2005), approximately 90% of Retrocom's holdings were comprised of direct and/or indirect investments in real property.

4. Retrocom Investment Management Inc. ("RIMI") was, from June 2001, Retrocom's manager. RIMI was incorporated in Ontario in 1995. RIMI was registered with the Commission as an Investment Counsel and Portfolio Manager ("ICPM") on April 2, 1998 and as a Limited Market Dealer ("LMD") on September 5, 2000. On October 2, 2006, the Commission issued an Order accepting RIMI's surrender of registration.

5. The respondent, Roy Michael Steplock ("Steplock" or the "Respondent") was, at all Material Times, the *de facto* directing mind of RIMI. Between 1997 and 2005 Steplock was, at various times, the President, Chief Executive Officer and a Director of RIMI. Until resigning on January 31, 2005, Steplock was a member of Retrocom's Board of Directors and was at various times a member of its Audit, Valuation and Investment Committees.

II. FACTS AND ALLEGATIONS

(a) Write Down and Reversal for the Year-Ending August 31, 2004

6. For the year ending August 31, 2004, the Fund's auditor required a write-down of the value of the Fund's assets in the amount of $8.5 million, $6 million of which was attributed to the Fund's venture investments and $2.5 million to receivables (the "Write-Down").

7. On February 2, 2005, less than one month after the Fund's approval of the Write-Down, the Fund's Valuation Committee authorized the reversal of the Write-Down in relation to the Fund's venture investments and a partial ($1 million) reversal of the Write-Down for receivables (the "Reversal"), for a total of $7 million. The Reversal was made retroactive to September 1, 2004. The Reversal in relation to the venture investments was approved by the Valuation Committee on the basis of information provided by RIMI that a land swap deal was anticipated to close at a purchase price which was in excess of the valuation ascribed to the related land in the Fund's 2004 year-end audit. Steplock attended the Valuation Committee meeting at which the Reversal was authorized.

8. Neither RIMI nor the Valuation Committee consulted with the Fund's auditors prior to recommending or approving the Reversal. It does not appear that any new information that would affect the project's value arose from the conclusion of the audit to the date on which the Reversal was authorized.

9. In or about June 2005, the Respondent and others at RIMI learned for certain that the land swap had failed to close. However, it appears that RIMI continued to receive management fees calculated on the basis of the Reversal until February 28, 2006 (the "Inflated Fees").

10. RIMI's conduct in recommending the Reversal absent consultation with the Fund's external auditors, in failing to ensure that the Fund's NAV was promptly adjusted, and in accepting the Inflated Fees, was in breach of its obligations pursuant to section 116 of the Act. The Respondent authorized, permitted or acquiesced in these non-compliances by RIMI with Ontario securities law and, accordingly, failed to comply with Ontario securities law, contrary to section 129.2 of the Act and the public interest.

(b) Additional Fees and Conflict of Interest

11. Pursuant to the Fund's prospectus, RIMI was to receive an annual management fee calculated based on the Fund's NAV and was permitted to receive fees directly from investee companies for services provided to them.

12. The management agreement between RIMI and the Fund (the "Management Agreement") provided, among other things, that RIMI shall "exercise the powers granted hereunder and discharge the duties hereunder honestly, in good faith and in the best interests of the Fund and, in connection therewith, shall exercise the degree of care, diligence and skill that a reasonable prudent person performing similar functions would exercise in the circumstances."

13. The Management Agreement also provided, among other things, that RIMI "shall not, and shall not permit its employees, directors or officers" to enter into any arrangement whereby they would receive "any fee, payment or benefit as a result of dealing with [any] Eligible Business or Investee Company or [persons related to them]" without obtaining the consent of the Fund.

14. During the Material Time, RIMI received payments totalling approximately $3.5 million from companies/ projects in which the Fund had invested on RIMI's advice in respect of the provision of services (the "Additional Fees").

15. A portion of the Additional Fees was paid, rather than to RIMI, by way of the transfer of a condominium unit to a numbered company controlled 50% by the Respondent and 50% by another RIMI employee (the "Condominium"). Based on the valuations of the Condominium received, it appears that the Respondent obtained a personal benefit in the amount of at least $245,327.10 as a consequence of the transfer of the Condominium (the "Personal Benefit").

16. A conflict of interest existed with respect to the Additional Fees and the Personal Benefit. However, the Respondent did not take steps to obtain the consent of the Fund prior to or after RIMI's acceptance of the Additional Fees or his acceptance of the Personal Benefit.

17. RIMI's failure to disclose to the Fund the intended and actual receipt of the Additional Fees (including the Personal Benefit) was in breach of its obligations pursuant to section 116 of the Act. The Respondent authorized, permitted or acquiesced in these non-compliances with Ontario securities law by RIMI and, accordingly, failed to comply with Ontario securities law contrary to section 129.2 of the Act and the public interest.

(c) Imprudent, Material Over-Valuations of Assets

18. It appears that the Fund's assets were materially over-valued during, at least, the fiscal period between August 31, 2000 and August 31, 2004. Audited financial statements for the year ending August 31, 2005 were never completed.

19. RIMI, as manager, made investment recommendations to the Fund and provided ongoing asset valuations. RIMI's valuation practices were significantly deficient in numerous ways, and therefore in breach of its obligations pursuant to section 116 of the Act. The Respondent authorized, permitted or acquiesced in these non-compliances with Ontario securities law and, accordingly, failed to comply with Ontario securities law contrary to section 129.2 of the Act and the public interest.

(d) Misleading Staff

20. In contravention of clause (a) of subsection 122(1) of the Act, the Respondent failed to promptly inform Staff of his receipt of the Personal Benefit during Staff's investigation of this matter.

III. BREACH OF ONTARIO SECURITIES LAWS AND CONDUCT CONTRARY TO THE PUBLIC INTEREST

21. The conduct engaged in by the Respondent as set out above violated the Ontario securities laws as specified above. In addition, the conduct engaged in by the Respondent as set out above compromised the integrity of Ontario's capital markets, was abusive to Ontario's capital markets and was contrary to the public interest.

22. Staff reserve the right to make such other allegations as Staff may advise and the Commission may permit.

DATED AT TORONTO this 1st day of April, 2010

1.2.4 Edward John Holko – 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
EDWARD JOHN HOLKO

NOTICE OF HEARING
(Sections 127 and 127.1)

TAKE NOTICE THAT the Ontario Securities Commission will hold a hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), at the offices of the Commission located at 20 Queen Street West, Toronto, 17th Floor, commencing on April 12th, 2010, at 2:30 p.m. or as soon thereafter as the hearing can be held;

AND TAKE NOTICE THAT the purpose of the hearing is to consider whether it is in the public interest for the Commission, at the conclusion of a hearing, to approve the settlement agreement entered into between Staff of the Commission ("Staff") and the respondent or to make any other order under sections 127(1) and 127.1;

BY REASON OF the allegations set out in the Statement of Allegations of Staff dated April 1, 2010 and such additional allegations as counsel may advise and the Commission may permit;

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

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

DATED at Toronto this 1st day of April, 2010.

"John Stevenson"
Secretary to the Commission

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

AND

IN THE MATTER OF
EDWARD JOHN HOLKO

STATEMENT OF ALLEGATIONS
OF STAFF OF THE
ONTARIO SECURITIES COMMISSION

1. Further to a Notice of Hearing dated April 1, 2010, Staff of the Ontario Securities Commission ("Staff") make the following allegations:

I. FACTS

2. Retrocom Growth Fund ("Retrocom" or the "Fund") is a reporting issuer in Ontario incorporated in 1995 as a labour-sponsored investment fund. In December 2005, Retrocom suspended redemptions because it did not have sufficient liquidity to meet outstanding redemption requests. In or about August 2006, Retrocom filed a Notice of Intention to make a Proposal under the Bankruptcy and Insolvency Act (Canada). RSM Richter Inc. ("Richter") was named as trustee. It is not expected that any assets will be available for distribution to the Fund's investors.

3. At all Material Times (defined to include all financial reporting periods between 2003 and 2005), approximately 90% of Retrocom's holdings were comprised of direct and/or indirect investments in real property.

4. It appears that the Fund's assets were materially over-valued during, at least, the fiscal period between August 31, 2000 and August 31, 2004. Audited financial statements for the year ending August 31, 2005 were never completed.

5. Retrocom Investment Management Inc. ("RIMI") was, from June 2001, Retrocom's manager. RIMI was incorporated in Ontario in 1995. RIMI was registered with the Commission as an Investment Counsel and Portfolio Manager ("ICPM") on April 2, 1998 and as a Limited Market Dealer ("LMD") on September 5, 2000. On October 2, 2006, the Commission issued an Order accepting RIMI's surrender of registration.

6. At all material times, the respondent, Edward John Holko ("Holko" or the "Respondent") was the Vice-President of Finance and Administration at RIMI. Holko holds the professional designation of Certified Management Accountant. Holko did not sit on any of the Fund's committees and played no role in the recommendation, valuation or audit of the Fund's assets.

II. BREACH OF ONTARIO SECURITIES LAW AND CONDUCT CONTRARY TO THE PUBLIC INTEREST

7. Pursuant to the Fund's prospectus, RIMI was to receive an annual management fee calculated based on the Fund's NAV and was permitted to receive fees directly from investee companies for services provided to them.

8. The management agreement between RIMI and the Fund (the "Management Agreement") provided, among other things, that RIMI shall "exercise the powers granted hereunder and discharge the duties hereunder honestly, in good faith and in the best interests of the Fund and, in connection therewith, shall exercise the degree of care, diligence and skill that a reasonable prudent person performing similar functions would exercise in the circumstances."

9. The Management Agreement also provided, among other things, that RIMI "shall not, and shall not permit its employees, directors or officers" to enter into any arrangement whereby they would receive "any fee, payment or benefit as a result of dealing with [any] Eligible Business or Investee Company or [persons related to them]" without obtaining the consent of the Fund.

10. During the Material Time, RIMI received payments totalling approximately $3.5 million from companies/ projects in which the Fund had invested on RIMI's advice in respect of the provision of services (the "Additional Fees").

11. A portion of the Additional Fees was paid, rather than to RIMI, by way of the transfer of a condominium unit to a numbered company controlled 50% by the Respondent and 50% by another RIMI employee (the "Condominium"). Based on the valuations of the Condominium received, it appears that the Respondent obtained a personal benefit in the amount of at least $245,327.10 as a consequence of the transfer of the Condominium (the "Personal Benefit").

12. A conflict of interest existed with respect to the Additional Fees and the Personal Benefit. However, the Respondent did not take steps to obtain the consent of the Fund prior to or after RIMI's acceptance of the Additional Fees or his acceptance of the Personal Benefit nor did he take reasonable steps to ensure that others had done so.

13. RIMI's failure to disclose to the Fund the intended and actual receipt of the Additional Fees (including the Personal Benefit) was in breach of its obligations pursuant to section 116 of the Act. By failing to take reasonable steps to ensure that RIMI's receipt of the Additional Fees (including the Personal Benefit) was disclosed to the Fund and consented to by the Fund, the Respondent authorized, permitted or acquiesced in these non-compliances with Ontario securities law by RIMI and accordingly, failed to comply with Ontario securities law contrary to section 129.2 of the Act and the public interest.

14. The conduct engaged in by the Respondent as set out above compromised the integrity of Ontario's capital markets.

15. Staff reserve the right to make such other allegations as Staff may advise and the Commission may permit.

DATED AT TORONTO this 1st day of April, 2010

1.2.5 Christopher Joseph Geddes – 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
CHRISTOPHER JOSEPH GEDDES

NOTICE OF HEARING
(Sections 127 and 127.1)

TAKE NOTICE THAT the Ontario Securities Commission will hold a hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), at the offices of the Commission located at 20 Queen Street West, Toronto, 17th Floor, commencing on April 12th, 2010, at 2:45 p.m. or as soon thereafter as the hearing can be held;

AND TAKE NOTICE THAT the purpose of the hearing is to consider whether it is in the public interest for the Commission, at the conclusion of a hearing, to approve the settlement agreement entered into between Staff of the Commission ("Staff") and the respondent or to make any other order under sections 127(1) and 127.1;

BY REASON OF the allegations set out in the Statement of Allegations of Staff dated April 1, 2010 and such additional allegations as counsel may advise and the Commission may permit;

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

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

DATED at Toronto this 1st day of April, 2010.

"John Stevenson"
Secretary to the Commission

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

AND

IN THE MATTER OF
CHRISTOPHER JOSEPH GEDDES

STATEMENT OF ALLEGATIONS
OF STAFF OF THE
ONTARIO SECURITIES COMMISSION

1. Further to a Notice of Hearing dated April 1, 2010, Staff of the Ontario Securities Commission ("Staff") make the following allegations:

I. FACTS

(a) The Fund and Fund Manager

2. Retrocom Growth Fund ("Retrocom" or the "Fund") is a reporting issuer in Ontario incorporated in 1995 as a labour-sponsored investment fund. In December 2005, Retrocom suspended redemptions because it did not have sufficient liquidity to meet outstanding redemption requests. In or about August 2006, Retrocom filed a Notice of Intention to make a Proposal under the *Bankruptcy and Insolvency Act* (Canada). RSM Richter Inc. ("Richter") was named as trustee. It is not expected that any assets will be available for distribution to the Fund's investors.

3. At all Material Times (defined to include all financial reporting periods between 2003 and 2005), approximately 90% of Retrocom's holdings were comprised of direct and/or indirect investments in real property.

4. It appears that the Fund's assets were materially over-valued during, at least, the fiscal period between August 31, 2000 and August 31, 2004. Audited financial statements for the year ending August 31, 2005 were never completed.

5. Retrocom Investment Management Inc. ("RIMI") was, from June 2001, Retrocom's manager. RIMI was incorporated in Ontario in 1995. RIMI was registered with the Commission as an Investment Counsel and Portfolio Manager ("ICPM") on April 2, 1998 and as a Limited Market Dealer ("LMD") on September 5, 2000. On October 2, 2006, the Commission issued an Order accepting RIMI's surrender of registration.

(b) The Respondent

6. The respondent, Christopher Joseph Geddes ("Geddes or the "Respondent") was, from May, 2003 to June, 2006, the Fund's Chief Financial Officer ("CFO"). He also assisted RIMI with the conduct of valuations of the Fund's assets on a contract basis and liaised with the Fund's auditor in the performance of its audit work. From March, 2004 to March, 2005, Geddes served as CFO of the Retrocom Mid-Market Real Estate Investment Trust ("REIT"), an entity established partly through the transfer of

assets from Retrocom on the advice of RIMI, for which RIMI acted as manager.

II. CONDUCT CONTRARY TO THE PUBLIC INTEREST

7. In or about December, 2003, the Fund purchased a property from a developer (the "Developer") for approximately $23 million. Geddes participated in this transaction in the context of his role as Chief Financial Officer of the Fund.

8. On April 5, 2004, the Developer paid Geddes $168,000 (the "Personal Benefit") for future services to be rendered by Geddes in respect of acquisitions or investment opportunities, then at the conceptual stage, in which the Developer intended seek out the Fund's involvement.

9. A conflict of interest existed with respect to the Personal Benefit given Geddes' role as CFO of the Fund. However, Geddes did not seek the Fund's consent prior to his acceptance of the Personal Benefit, nor did he disclose to the Fund that he had received it.

10. Given Geddes' position of seniority and responsibility at Retrocom, his acceptance of and failure to disclose receipt of the Personal Benefit was contrary to the best interests of the Fund and the public interest. In addition, the conduct engaged in by the Respondent compromised the integrity of Ontario's capital markets.

11. Staff reserve the right to make such other allegations as Staff may advise and the Commission may permit.

DATED AT TORONTO this 1st day of April, 2010

1.4 Notices from the Office of the Secretary

1.4.1 Anthony Ianno and Saverio Manzo

FOR IMMEDIATE RELEASE
March 30, 2010

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

AND

IN THE MATTER OF
ANTHONY IANNO AND SAVERIO MANZO

TORONTO – The Commission issued an order which provides that the hearing is adjourned to a pre-hearing conference to be scheduled by the Secretary's Office, and in any case with best efforts to be held no later than July 31, 2010. The purpose of the pre-hearing conference will be to discuss the status of disclosure, determine whether any motions will be required by any of the parties and to set down dates for the hearing on the merits.

A copy of the Order dated March 30, 2010 is 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 Ebden
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)

1.4.2 Hillcorp International Services et al.

FOR IMMEDIATE RELEASE
March 30, 2010

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

AND

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

TORONTO – The Commission issued an Order today continuing the Amended Order as against Daryl Renneberg to April 30, 2010 with certain provisions.

A copy of the Order dated March 30, 2010 is 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 Ebden
Senior Communications Specialist
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OSC Contact Centre
416-593-8314
1-877-785-1555 (Toll Free)

1.4.3 Agoracom Investor Relations Corp. et al.

FOR IMMEDIATE RELEASE
April 1, 2010

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

AND

IN THE MATTER OF
AGORACOM INVESTOR RELATIONS CORP.,
AGORA INTERNATIONAL ENTERPRISES CORP.,
GEORGE TSIOLIS AND APOSTOLIS KONDAKOS (a.k.a. PAUL KONDAKOS)

TORONTO – The Office of the Secretary issued a Notice of Hearing setting the matter down to be heard on April 26, 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 April 1, 2010 and Statement of Allegations of Staff of the Ontario Securities Commission dated April 1, 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 Ebden
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)

1.4.4 XI Biofuels Inc. et al.

FOR IMMEDIATE RELEASE
April 1, 2010

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

AND

IN THE MATTER OF
XI BIOFUELS INC., BIOMAXX SYSTEMS INC.,
XIIVA HOLDINGS INC. CARRYING ON BUSINESS
AS XIIVA HOLDINGS INC., XI ENERGY COMPANY,
XI ENERGY AND XI BIOFUELS,
RONALD CROWE AND VERNON SMITH

TORONTO – Following the hearing on the merits in the above named matter, the Commission issued its Reasons and Decision.

A copy of the Reasons and Decision dated March 31, 2010 is 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 Ebden
Senior Communications Specialist
416-593-8307

Robert Merrick
Senior Communications Specialist
416-593-2315

For investor inquiries:

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

1.4.5 Richvale Resource Corp. et al.

FOR IMMEDIATE RELEASE
April 1, 2010

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

AND

IN THE MATTER OF
RICHVALE RESOURCE CORP., MARVIN WINICK,
HOWARD BLUMENFELD, PASQUALE SCHIAVONE,
AND SHAFI KHAN

TORONTO – The Commission issued an Order, with certain provisions, adjourning the hearing of this matter to June 3, 2010 at 10:00 a.m. and extending the Amended Temporary Order to June 4, 2010.

A copy of the Order dated April 1, 2010 is 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 Ebden
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)

1.4.6 Sextant Capital Management Inc. et al.

FOR IMMEDIATE RELEASE
April 5, 2010

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

AND

IN THE MATTER OF
SEXTANT CAPITAL MANAGEMENT INC.,
SEXTANT CAPITAL GP INC., OTTO SPORK,
KONSTANTINOS EKONOMIDIS,
ROBERT LEVACK AND NATALIE SPORK

TORONTO – Staff of the Ontario Securities Commission filed an Amended Statement of Allegations dated April 1, 2010 with the Office of the Secretary in the above noted matter.

A copy of the Amended Statement of Allegations dated April 1, 2010 is available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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Wendy Dey
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1-877-785-1555 (Toll Free)

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

AND

IN THE MATTER OF
SEXTANT CAPITAL MANAGEMENT INC.,
SEXTANT CAPITAL GP INC., OTTO SPORK,
KONSTANTINOS EKONOMIDIS,
ROBERT LEVACK AND NATALIE SPORK

AMENDED STATEMENT OF ALLEGATIONS
OF STAFF OF THE ONTARIO SECURITIES COMMISSION

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

I. OVERVIEW

1. Otto Spork ("Spork"), Sextant Capital Management Inc. ("SCMI") and Sextant Capital GP Inc. ("Sextant GP") perpetrated a complex investment fund fraud over the period from July 2007 to December 2008 in three ways: (a) they sold investment fund units at falsely inflated values; (b) they took millions of dollars in fees based on falsely inflated values; and (c) they directly misappropriated money from investment funds.

2. The fraud was perpetrated through three investment funds managed from Toronto – the Sextant Strategic Opportunities Hedge Fund L.P. ("Sextant Canadian Fund") in Ontario, the Sextant Strategic Hybrid2Hedge Resource Fund Offshore Ltd. ("Sextant Hybrid Fund") incorporated in the Cayman Islands and the Sextant Strategic Global Water Fund Offshore Ltd. ("Sextant Water Fund") incorporated in the Cayman Islands (the three funds together, the "Sextant Funds"). Together, the Sextant Funds raised in excess of $80 million from Canadian and offshore investors.

3. Spork invested significant amounts of money from the Sextant Funds in a company he controlled, Iceland Glacier Products S.A. ("IGP"). Spork set the share price for IGP shares and substantially inflated that price even though IGP is not operational and has no apparent prospect of profit.

4. The other respondents, Konstantinos (Dino) Ekonomidis ("Ekonomidis"), Robert Levack ("Levack") and Natalie Spork ("N. Spork"), each had a role in managing the Sextant Canadian Fund. All of the respondents breached their management duties to that fund, to the detriment of investors.

5. There is a Temporary Cease Trade Order in place against certain of the respondents, which also suspended SCMI's registration, made on December 8, 2008, and continued until the conclusion of the hearing on the merits. Various directions freezing a custodial trading account and bank accounts related to the Sextant Canadian Fund were also issued by the Commission and continued by the Ontario Superior Court of Justice.

6. On application of the Commission dated March 5, 2009, the Sextant Canadian Fund, SCMI and Sextant GP were placed into receivership by Order of the Ontario Superior Court of Justice dated July 17, 2009.

7. On May 15, 2009, the Cayman Islands Monetary Authority appointed controllers over the Sextant Hybrid Fund and the Sextant Water Fund. The powers of the controllers were confirmed by Order of the Grand Court of the Cayman Islands dated June 16, 2009.

II. BACKGROUND

Sextant Funds

8. Spork created the Sextant Canadian Fund in early 2006. The Sextant Canadian Fund is a limited partnership formed in accordance with the *Limited Partnerships Act*, R.S.O. 1990, c. L.16.

9. Units in the Sextant Canadian Fund were sold by way of successive offering memoranda by SCMI and by Investment Industry Regulatory Organization of Canada member firms pursuant to prospectus exemptions in the Securities Act, R.S.O. 1990, c. S-5 (the "Act") and National Instrument 45-106 – *Prospectus and Registration Exemptions*. Nearly 250 investors in Ontario and elsewhere in Canada invested $29.8 million in the Sextant Canadian Fund.

10. After establishing the Sextant Canadian Fund, Spork created the Sextant Water Fund and the Sextant Hybrid Fund, incorporated as limited liability corporations in the Cayman Islands.

11. Shares of the Sextant Water Fund and the Sextant Hybrid Fund were offered at least as early as January 2007 to investors who were not resident in Canada or the United States by way of successive confidential private placement memoranda. The Sextant Water Fund and the Sextant Hybrid Fund together raised approximately US$56 million from investors. The management and sales activities in respect of these funds were predominantly conducted in Toronto.

Management of the Sextant Funds

12. Spork used a complex structure to manage the Sextant Funds, including corporate entities in a number of jurisdictions. Notwithstanding that structure, Spork ultimately controlled all of the entities and was at all times in control of the Sextant Funds. He largely managed and conducted his activities and those of the various entities through SCMI in Toronto.

13. Organizational charts outlining the relationships between the Sextant Funds and their management companies are at Appendices "A" to "C" to this Amended Statement of Allegations.

(a) The Individual Respondents

14. Spork was registered under the Act as Officer and Director (Trading and Non-Advising), Designated Compliance Officer and Ultimate Responsible Person in the categories of limited market dealer, investment counsel and portfolio manager with SCMI from February 1, 2006, to June 5, 2008.

15. Ekonomidis is Spork's brother-in-law. He was Vice-President, Corporate Development, for SCMI. Ekonomidis was responsible for marketing the Sextant Canadian Fund and had significant and direct involvement in investor relationships for all of the Sextant Funds.

16. Levack held the Chartered Financial Analyst designation at all material times and was SCMI's Chief Compliance Officer. Levack was registered under the Act as an Officer (Advising, Non-Trading) and Chief Compliance Officer in the categories of limited market dealer, investment counsel and portfolio manager with SCMI from February 1, 2006, until June 5, 2008. On June 5, 2008, Levack's registration was modified to Officer (Advising and Trading), Chief Compliance Officer and Designated Compliance Officer.

17. N. Spork was approved under the Act as Officer and Director (Non-Advising, Non-Trading) and Ultimate Responsible Person in the categories of limited market dealer, investment counsel and portfolio manager with SCMI on July 7, 2008.

(b) The Corporate Respondents

18. Spork incorporated SCMI in Ontario in 2005. Until its registration was suspended by the Commission, SCMI was registered under the Act as an investment counsel, portfolio manager and limited market dealer. Spork was SCMI's sole director until May 28, 2008, when N. Spork replaced him in that role.

19. SCMI was the investment adviser for the Sextant Canadian Fund. SCMI was also the investment adviser for the Sextant Hybrid Fund and the Sextant Water Fund until June 2008, when another one of Spork's companies assumed that role. SCMI was at all material times the primary investor contact for the Sextant Funds.

20. Spork also incorporated Sextant GP in Ontario in 2005. Sextant GP was the general partner and manager for the Sextant Canadian Fund. Spork was the sole director of Sextant GP until May 28, 2008, when N. Spork replaced him in that role.

21. Sextant GP and SCMI both had the authority and responsibility to direct the business, operations and affairs of the Sextant Canadian Fund. In addition, both were contractually entitled to fees paid directly from the fund. In these circumstances, both Sextant GP and SCMI were investment fund managers of the Sextant Canadian Fund as defined in section 1(1) of the Act.

Value of IGP Inflated

22. A significant proportion of the assets of the Sextant Funds was invested in IGP, starting with their initial purchase of IGP shares in July 2007 at a total cost of approximately €5.9 million.

23. IGP was incorporated in Luxembourg in June 2007, shortly before the Sextant Funds' investment, and was controlled by Spork. IGP has indirect rights to a glacier in Iceland for the purpose of extracting water for sale. To date, there has been no material development of IGP's operations, no material sales or revenue and there is no apparent prospect of profit.

24. Notwithstanding the absence of operations, sales or revenue, Spork instructed Investment Administration Solution Inc. ("IAS"), the bookkeeper for the Sextant Canadian Fund and net asset value calculation agent for the Sextant Hybrid Fund and the Sextant Water Fund, as to the price of the IGP shares. IAS used those values for the purpose of calculating the net asset value of the Sextant Funds.

25. The value set for the IGP shares was not justified. Despite the fact that IGP was not operating and did not earn any revenue, Spork (either directly or indirectly) increased the value of the IGP shares rather than valuing the shares at cost. Spork inflated the value of those shares by about 1,340% from a share price of €0.170 on July 25, 2007, shortly after the funds' initial investment, to €2.450 on December 24, 2008, as reported by IAS.

26. The IGP shares made up an increasingly significant proportion of the Sextant Funds' portfolios, so the net asset value of the Sextant Funds increased over time as a result of the inflated value of the IGP shares.

27. In total, the Sextant Canadian Fund paid approximately $6 million for IGP shares between July 2007 and December 2008 which were valued at $52 million in December 2008. Over the same period, the Sextant Hybrid Fund and the Sextant Water Fund paid approximately US$17 million for IGP shares which were valued at US$106 million in December 2008.

III. FRAUD (SECTION 126.1 OF THE ACT)

28. Spork, SCMI and Sextant GP perpetrated a fraud against the Sextant Funds' investors in three ways: (a) they sold units in the Sextant Funds at falsely inflated values; (b) they took millions of dollars in fees from the Sextant Funds based on falsely inflated values; and (c) they directly misappropriated money from the Sextant Funds.

(a) Sextant Funds' Units Sold at Inflated Values

29. As a direct result of the inflated net asset values of the Sextant Funds, based on the inflated value of IGP shares, everyone who invested in the Sextant Funds after July 2007 overpaid for their investments and was wrongfully deprived of their money in the amount of the overpayment.

(b) Millions of Dollars in Fees from Sextant Funds Based on Inflated Values

30. Management and performance fees were paid by the Sextant Funds to SCMI, Sextant GP and other Spork-controlled entities. Those fees were calculated in accordance with the value of the Sextant Funds and were also affected by the inflated net asset values. The Sextant Funds paid: (i) management fees equal to 2% of the net asset value of each funds, paid 1/12th monthly in arrears; and (ii) performance fees, paid monthly, equal to 20% of the fund's increase in net asset value over the previous month subject to a 'high water mark' provision.

31. Of the $29.8 million invested in the Sextant Canadian Fund, the fund paid approximately $6.9 million in management and performance fees between July 2007 and December 2008. Of the US$56 million invested in the Sextant Hybrid Fund and the Sextant Water Fund together, those funds together paid over US$14 million in management and performance fees from March 2006 to April 30, 2009.

32. As a direct result of the inflated net asset values, management and performance fees were inflated and excessive. Investors in the Sextant Funds paid millions of dollars in inflated and excessive fees and were wrongfully deprived of their money in those amounts.

(c) Money Misappropriated from the Sextant Funds

33. Money was misappropriated from the Sextant Funds for Spork's benefit in two ways: (i) Spork caused the Sextant Funds to transfer money to Riambel Holding S.A. ("Riambel"), Spork's holding company, with no legal basis; and (ii) Spork took money from the Sextant Canadian Fund from time to time with no legal basis.

(i) Payment to Riambel

34. In October 2007, Spork instructed the custodian for the Sextant Funds to transfer US$1,257,500 from the Sextant Water Fund custodial trading account to Riambel, Spork's holding company. Spork also instructed the custodian to transfer US$414,975 from the Sextant Canadian Fund account and US$421,263 from the Sextant Hybrid Fund account into the Sextant Water Fund account to cover their respective portions of the transfer to Riambel.

35. There is no legal basis for the payment to Riambel: the payment was not approved by anyone other than Spork; the Sextant Funds did not receive any additional IGP shares in connection with the payment (although the stated book value of the IGP shares already held by each of the Sextant Funds was increased); there are no documented terms of any loan by the

Sextant Funds to IGP; and there was no repayment to the Sextant Funds or indication of an intention to repay by either IGP or Riambel. Spork has provided inconsistent explanations for the purpose of the payment to Riambel.

36. Investors in the Sextant Funds were wrongfully deprived in the amount of the payment to Riambel.

(ii) Payments Without Basis

37. Spork frequently caused the Sextant Canadian Fund to transfer money to SCMI and Sextant GP amounts in excess of the management and performance fees and the operating expenses. There is no legal basis for those payments and investors were wrongfully deprived in those amounts.

IV. BREACHES OF DUTY TO INVESTORS AND FAILURE TO KEEP PROPER BOOKS AND RECORDS (SECTIONS 116 AND 19 OF THE ACT)

Fund Manager Duties

38. As described above, both Sextant GP and SCMI were investment fund managers for the Sextant Canadian Fund. Spork, Ekonomidis, Levack and N. Spork, in turn, were all persons who directed the business, operations and affairs of the Sextant Canadian Fund. As such, they were also investment fund managers for the Sextant Canadian Fund.

39. As investment fund managers, each of the respondents had duties pursuant to section 116 of the Act to: (a) exercise the powers and discharge the duties of their offices honestly, in good faith and in the best interests of the Sextant Canadian Fund, and (b) exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances.

40. In addition, as a registered adviser and dealer, SCMI had a duty to deal fairly, honestly and in good faith with its clients pursuant to section 2.1(1) of OSC Rule 31-505 – *Conditions of Registration* ("Rule 31-505"). As representatives of SCMI, each of Spork, Ekonomidis and Levack also had a duty to deal fairly, honestly and in good faith pursuant to section 2.1(2) of Rule 31-505 and Levack and N. Spork had duties pursuant to section 1.3 of Rule 31-505 as it was in force at all relevant times.

Breach of Fund Manager Duties

41. Spork, SCMI and Sextant GP breached their duties pursuant to section 116 of the Act by their conduct as described above, as well as by investing the assets of the Sextant Canadian Fund outside of its stated investment objectives and contrary to its contractual investment restrictions.

42. Ekonomidis breached his duties pursuant to section 116 of the Act by misrepresenting the nature and value of the fund and its assets to investors and other parties.

43. Levack breached his duties pursuant to section 116 of the Act by failing to ensure that identified instances of regulatory non-compliance, including capital deficiencies, self-dealing by the fund and over-concentration in the fund's investment portfolio, were remedied and by failing to supervise the trading in the Sextant Canadian Fund.

44. N. Spork breached her duties pursuant to section 116 of the Act by failing to take any steps to inform herself in respect of her roles managing the Sextant Canadian Fund, failing to meet the obligations attendant in those roles and by continuing to report and defer to Spork in respect of the operations and investments of the Sextant Canadian Fund.

Failure to Keep Proper Books and Records

45. Sextant GP was obligated to keep or cause to be kept appropriate books and records with respect to the Sextant Canadian Fund and to distribute audited financial statements for the fund no later than March 31 of the following year. SCMI was contractually obligated to maintain the accounting records for the fund and arrange for the preparation of the annual audited financial statements, among other things.

46. Both Sextant GP and SCMI were also obligated pursuant to section 19 of the Act to keep such books, records and other documents as are necessary for the proper recording of their business transactions and financial affairs and the transactions executed on behalf of the Sextant Canadian Fund.

47. Sextant GP and SCMI failed to meet their book and record keeping obligations both in respect of their own books and records and in light of the deficient, inconsistent and unreliable records relating to the assets of the fund.

48. The book and record keeping deficiencies have caused the net asset value of the Sextant Canadian Fund, and therefore the value of individual investors' investments, to be uncertain. They may also have caused the net asset value of the

Sextant Canadian Fund to have been further inflated and management and performance fees to have therefore been correspondingly excessive.

V. BREACHES OF ONTARIO SECURITIES LAW AND CONDUCT CONTRARY TO THE PUBLIC INTEREST

49. The foregoing conduct engaged in by the respondents constituted breaches of Ontario securities law and/or was contrary to the public interest:

(a) by engaging in the conduct described above, Spork, SCMI and Sextant GP perpetrated a fraud on investors contrary to section 126.1 of the Act;

(b) by engaging in the conduct described above, all of the respondents breached their duties as investment fund managers contrary to section 116 of the Act;

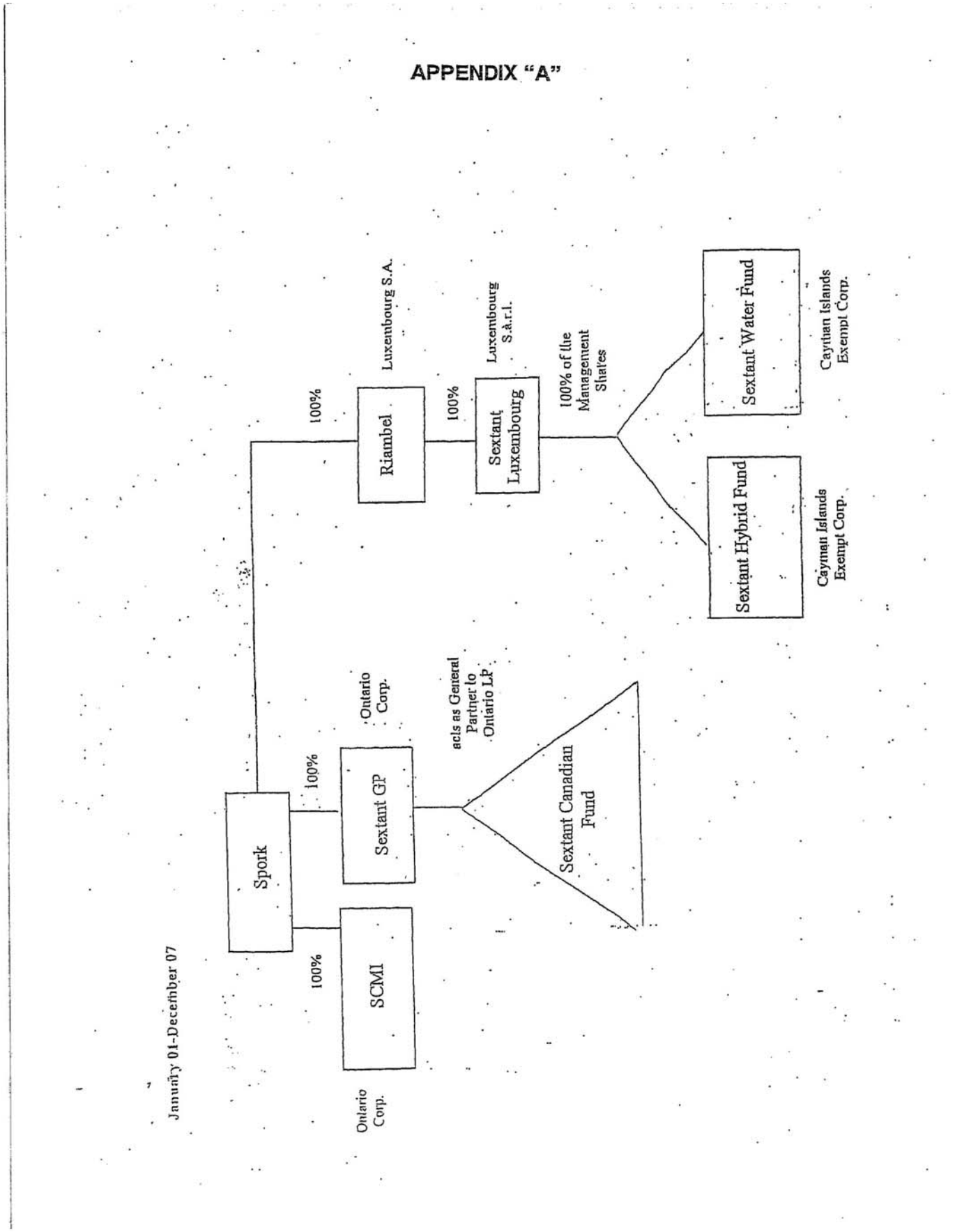
(c) by engaging in the conduct described above, SCMI and Sextant GP failed to maintain proper books and records contrary to section 19 of the Act

(d) by engaging in the conduct described above, SCMI, Spork, Ekonomidis, Levack and N. Spork, breached their duties pursuant to Rule 31-505; and

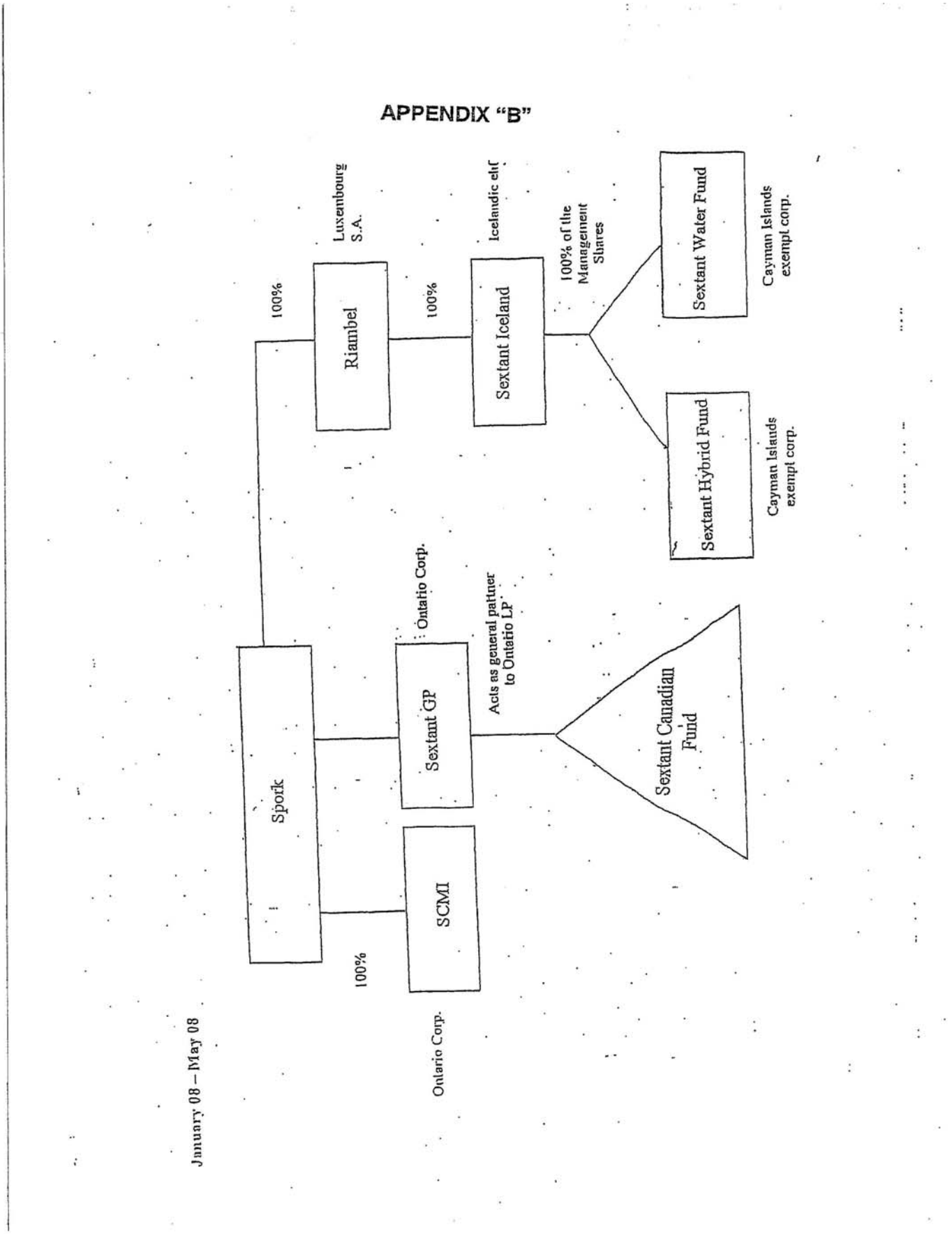
(e) by engaging in the conduct described above, all of the respondents acted contrary to the public interest.

50. Staff of the Commission will make such further and other allegations as staff may advise and the Commission may permit.

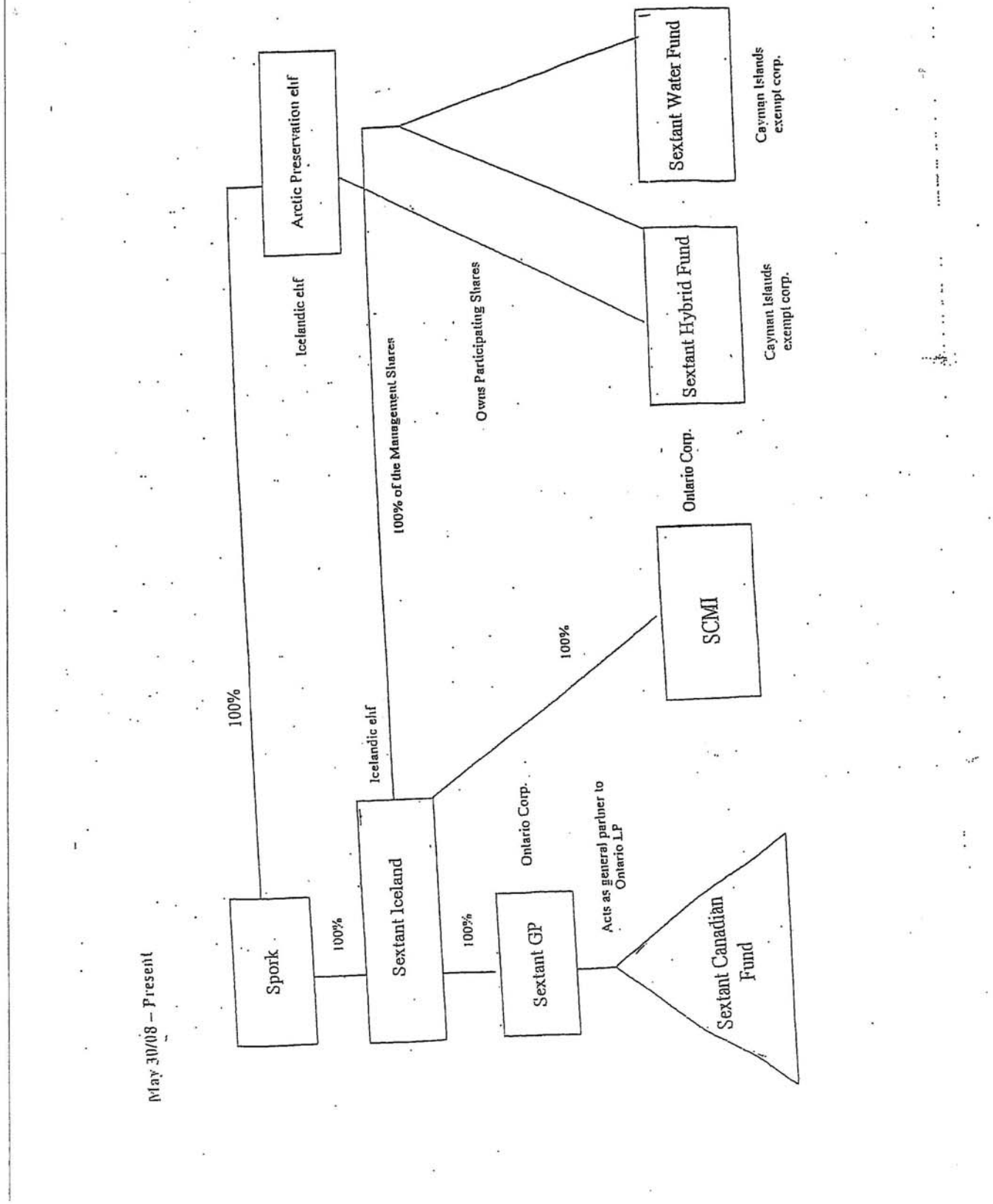
DATED AT TORONTO this 1st day of April, 2010.


APPENDIX "A"
January 01-December 07
Spork
SCMI
Ontario Corp.
100%
Sextant GP
Ontario Corp.
100%
acts as General Partner to Ontario LP
Sextant Canadian Fund
Riambel
Luxembourg S.A.
100%
Sextant Luxembourg
Luxembourg S.à.r.l.
100% of the Management Shares
Sextant Hybrid Fund
Cayman Islands Exempt Corp.
Sextant Water Fund
Cayman Islands Exempt Corp.

APPENDIX "B"


Spork
100%
Riambel
Luxembourg S.A.
100%
Sextant Iceland
Icelandic ehf
100% of the Management Shares
Sextant Water Fund
Cayman Islands exempt corp.
Sextant Hybrid Fund
Cayman Islands exempt corp.
Sextant GP
Ontario Corp.
Acts as general partner to Ontario LP
Sextant Canadian Fund
SCMI
100%
Ontario Corp.
January 08 – May 08

APPENDIX "C"


Arctic Preservation ehf
Icelandic ehf
Sextant Water Fund
Cayman Islands exempt corp.
Sextant Hybrid Fund
Cayman Islands exempt corp.
100% of the Management Shares
Owns Participating Shares
Ontario Corp.
SCMI
100%
Icelandic ehf
Spork
100%
Sextant Iceland
100%
Sextant GP
Ontario Corp.
Acts as general partner to Ontario LP
Sextant Canadian Fund
May 30/08 – Present

1.4.7 Ralph James Tersigni

FOR IMMEDIATE RE LEASE
April 5, 2010

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

AND

IN THE MATTER OF
RALPH JAMES TERSIGNI

TORONTO – The Office of the Secretary issued a Notice of Hearing for a hearing to consider whether it is in the public interest to approve a settlement agreement entered into by Staff of the Commission and the respondent in the above named matter.

The hearing will be held at the offices of the Commission located at 20 Queen Street West, Toronto, 17th Floor, commencing on April 12th, 2010, at 2:15 p.m. or as soon thereafter as the hearing can be held.

A copy of the Notice of Hearing dated April 1, 2010 and Statement of Allegations of Staff of the Ontario Securities Commission dated April 1, 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 Ebden
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)

1.4.8 Roy Michael Steplock

FOR IMMEDIATE RELEASE
April 5, 2010

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

AND

IN THE MATTER OF
ROY MICHAEL STEPLOCK

TORONTO – The Office of the Secretary issued a Notice of Hearing for a hearing to consider whether it is in the public interest to approve a settlement agreement entered into by Staff of the Commission and the respondent in the above named matter.

The hearing will be held at the offices of the Commission located at 20 Queen Street West, Toronto, 17th Floor, commencing on April 12th, 2010, at 2:00 p.m. or as soon thereafter as the hearing can be held.

A copy of the Notice of Hearing dated April 1, 2010 and Statement of Allegations of Staff of the Ontario Securities Commission dated April 1, 2010 are available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
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SECRETARY

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Director, Communications & Public Affairs
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Senior Communications Specialist
416-593-8307

Robert Merrick
Senior Communications Specialist
416-593-2315

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

1.4.9 Edward John Holko

FOR IMMEDIATE RELEASE
April 5, 2010

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

AND

IN THE MATTER OF
EDWARD JOHN HOLKO

TORONTO – The Office of the Secretary issued a Notice of Hearing for a hearing to consider whether it is in the public interest to approve a settlement agreement entered into by Staff of the Commission and the respondent in the above named matter.

The hearing will be held at the offices of the Commission located at 20 Queen Street West, Toronto, 17th Floor, commencing on April 12th, 2010, at 2:30 p.m. or as soon thereafter as the hearing can be held.

A copy of the Notice of Hearing dated April 1, 2010 and Statement of Allegations of Staff of the Ontario Securities Commission dated April 1, 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 Ebden
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)

1.4.10 Christopher Joseph Geddes

FOR IMMEDIATE RELEASE
April 5, 2010

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

AND

IN THE MATTER OF
CHRISTOPHER JOSEPH GEDDES

TORONTO – The Office of the Secretary issued a Notice of Hearing for a hearing to consider whether it is in the public interest to approve a settlement agreement entered into by Staff of the Commission and the respondent in the above named matter.

The hearing will be held at the offices of the Commission located at 20 Queen Street West, Toronto, 17th Floor, commencing on April 12th, 2010, at 2:45 p.m. or as soon thereafter as the hearing can be held.

A copy of the Notice of Hearing dated April 1, 2010 and Statement of Allegations of Staff of the Ontario Securities Commission dated April 1, 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 Ebden
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)

1.4.11 Sextant Capital Management Inc. et al.

FOR IMMEDIATE RELEASE
April 7, 2010

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

AND

IN THE MATTER OF
SEXTANT CAPITAL MANAGEMENT INC.,
SEXTANT CAPITAL GP INC., OTTO SPORK,
KONSTANTINOS EKONOMIDIS,
ROBERT LEVACK AND NATALIE SPORK

TORONTO – The Commission issued an Order which provides that (a) the Pre-Hearing Conference is adjourned to April 23, 2010 at 10:00 a.m., the purpose of the pre-hearing conference will be to discuss the status of disclosure, determine whether any motions will be required by any of the parties and to set down dates for the hearing on the merits; and (b) the Hearing Dates are hereby vacated.

A copy of the Order dated April 6, 2010 is 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 Ebden
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)

Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Resverlogix Corp. et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Application for exemptive relief in relation to a proposed distribution of securities by the issuer by way of an "equity line of credit" – a drawdown under an equity line of credit may be considered to be an indirect distribution of securities by the issuer to purchasers in the secondary market through the equity line purchaser acting as underwriter – relief granted to the issuer and purchaser from certain registration and prospectus requirements, subject to terms and conditions, including a 10% restriction on the number of securities that may be distributed under an equity line in any 11-month period, certain restrictions on the permitted activities of the purchaser and certain notification and disclosure requirements – Under the Distribution Agreement, the Purchaser, its affiliates, associates, partners or insiders, will agree not to hold a “short position” in Shares during the term of the Distribution Agreement.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 25(1), 71, 74(1), 147.
National Instrument 44-101 Short Form Prospectus Distributions.
National Instrument 44-102 Shelf Distributions.

Citation: Resverlogix Corp., Re, 2010 ABASC 73

February 19, 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
RESVERLOGIX CORP. (the Issuer),
YA GLOBAL MASTER SPV LTD. (the Purchaser)
AND YORKVILLE ADVISORS, LLC
(the Purchaser Manager and, together with the
Issuer and the Purchaser, 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**):

(a) that the following prospectus disclosure requirements under the Legislation (the **Prospectus Disclosure Requirements**) do not fully apply to the Issuer in connection with the Distribution (as defined below):

(i) the statement in the Prospectus Supplement (as defined below) respecting statutory rights of withdrawal and rescission in the form prescribed by item 20 of Form 44-101F1 of National Instrument 44-101 *Short Form Prospectus Distributions* (**NI 44-101**); and

(ii) the statements required by Subsections 5.5(2) and (3) of National Instrument 44-102 *Shelf Distributions* (**NI 44-102**);

(b) that the prohibition from acting as a dealer unless the person is registered as such (the **Dealer Registration Requirement**) does not apply to the Purchaser and the Purchaser Manager in connection with the Distribution;

(c) that the requirement that a dealer send a copy of the Prospectus (as defined below) to a subscriber or purchaser in the context of a distribution (the **Prospectus Delivery Requirement**) does not apply to the Purchaser, the Purchaser Manager or the dealer(s) through whom the Purchaser distributes the Shares (as defined below) and that, as a result, rights of withdrawal or rights of rescission, price revision or damages for non-delivery of the Prospectus do not apply in connection with the Distribution; and

(d) that the application for this decision and this decision (collectively, the **Confidential Materials**) be kept confidential until the occurrence of the earliest of the following:

(i) the date on which the Issuer publicly announces by way of a news release the execution of the Distribution Agreement (as defined below);

(ii) the date on which the Issuer advises the Decision Makers that there is no longer any need to hold the Confidential Materials in confidence; and

(iii) 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 Alberta Securities Commission is the principal regulator for this application;

(b) the Filers have provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in 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 meanings if used in this decision, unless otherwise defined.

Representations

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

The Issuer

1. The Issuer was incorporated under the laws of Alberta on August 17, 2000.

2. The head office and principal place of business of the Issuer is located at Calgary, Alberta.

3. The Issuer is a reporting issuer in the provinces of Alberta, British Columbia, Ontario and Québec and is not in default of any requirements under the Legislation.

4. The Issuer is authorized to issue an unlimited number of common shares (the **Shares**) of which 39,418,139 Shares were issued and outstanding as at November 20, 2009.

5. The Shares trade on the Toronto Stock Exchange (the **TSX**) under the symbol RVX.

6. The Issuer is qualified to file a short form prospectus under Section 2.2 of NI 44-101 and therefore to file a base shelf prospectus under NI 44-102.

7. The Issuer intends to file with the securities regulator in each of British Columbia, Alberta and Ontario a base shelf prospectus pertaining to various securities of the Issuer, including the Shares (such base shelf prospectus, and any amendment thereto and renewal thereof, being referred to herein as the **Base Shelf Prospectus**).

8. The statements required by subsections 5.5(2) and (3) of NI 44-102 included in the Base Shelf Prospectus will be qualified by adding the following (the **Additional Disclosure**): "*, except in cases where an exemption from such delivery requirements has been obtained*".

The Purchaser

9. The Purchaser is incorporated in the Cayman Islands.

10. The Purchaser is managed by the Purchaser Manager, a Delaware limited liability company with its head office in Jersey City, New Jersey, United States.

11. Neither the Purchaser nor the Purchaser Manager is a reporting issuer or registered as a "registered firm" as defined in National Instrument 31-103 *Registration Requirements and Exemptions* in any jurisdiction of Canada. The Purchaser and the Purchaser Manager are not in default of any requirements under the Legislation.

The Distribution Agreement

12. The Issuer proposes to enter into a standby equity distribution agreement with the Purchaser (the **Distribution Agreement**) pursuant to which the Purchaser will agree to purchase, and the Issuer will have the right but not the obligation to issue and sell, up to $25 million of Shares (the **Aggregate Commitment Amount**) over a period of 24 months in a series of drawdowns.

13. Under the Distribution Agreement, the Issuer will have the sole ability to determine the timing and the amount of each drawdown, subject to a maximum investment amount per drawdown and the Aggregate Commitment Amount.

14. The purchase price per Share and the number of Shares to be issued to the Purchaser for each drawdown will be calculated based on a predetermined percentage discount from the daily volume-weighted average price of the Shares traded on the TSX over a period of ten trading days following a drawdown notice sent by the Issuer (the **Drawdown Pricing Period**). The Issuer may fix in such drawdown notice a minimum purchase price below which it will not issue any Shares for any given trading day.

15. On the 11th trading day following the date of each drawdown notice (the **Settlement Date**), the amount of that drawdown will be paid by the Purchaser and the relevant number of Shares will be issued by the Issuer.

16. The Distribution Agreement will provide that, at the time of each drawdown notice and at each Settlement Date, the Issuer will make a representation to the Purchaser that the Base Shelf Prospectus, as supplemented (the **Prospectus**), contains full, true and plain disclosure of all material facts relating to the Issuer and the Shares being distributed. The Issuer would therefore be unable to issue Shares when it is in possession of undisclosed information that would constitute a material fact or a material change.

17. On or after the Settlement Date for any drawdown, the Purchaser may seek to sell all or a portion of the Shares purchased under the drawdown.

18. The Purchaser, its affiliates, associates, partners or insiders, will agree not to own at any time, directly or indirectly, more than 9.9% of all issued and outstanding Shares.

19. The Purchaser, its affiliates, associates, partners and insiders:

    (a) will not engage in any short sales with respect to the Shares during the term of the Distribution Agreement, provided that nothing in the Distribution Agreement shall prohibit the Purchaser from selling any Shares that, at the time of sale, the Purchaser either owns or has the unconditional right to acquire (a **Permitted Sale**); and

    (b) except in a Permitted Sale, will not:

        (i) grant any right to purchase or acquire any right to dispose of, nor otherwise dispose for value of, any securities of the Issuer or any securities convertible into or exercisable or exchangeable for, or rights to purchase, any securities of the Issuer; or

        (ii) enter into any swap, hedge or other agreement that transfers, in whole or in part, the economic risk of ownership of any securities of the Issuer.

20. The Purchaser and the Purchaser Manager will also agree, in effecting any resale of Shares, not to engage in any sales, marketing or solicitation activities of the type undertaken by underwriters in the context of a public offering. More specifically, the Purchaser and the Purchaser Manager will not (a) advertise or otherwise hold itself out as a dealer, (b)

purchase or sell securities as principal from or to customers, (c) carry a dealer inventory in securities, (d) quote a market in securities, (e) extend or arrange for the extension of credit in connection with securities transactions, (f) run a book of repurchase and reverse repurchase agreements, (g) use a carrying broker for securities transactions, (h) lend securities for customers, (i) guarantee contract performance or indemnify the Issuer for any loss or liability from the failure of the transaction to be successfully consummated, (j) participate in a selling group, or (k) during a Drawdown Pricing Period, together with any affiliate, associate, subsidiaries, partners or insiders, sell Shares for gross proceeds in the aggregate exceeding the amount of the relevant drawdown.

21. The Purchaser will not solicit offers to purchase Shares and will complete all sales of Shares through one or more dealer(s) unaffiliated with the Purchaser, the Purchaser Manager and the Issuer.

The Prospectus Supplements

22. The Issuer intends to file with the securities regulator in each of British Columbia, Alberta and Ontario a prospectus supplement to the Base Shelf Prospectus (each a **Prospectus Supplement**) within two business days after the Settlement Date for each drawdown under the Distribution Agreement.

23. The Prospectus Supplement will include (i) the number of Shares sold, (ii) the price per Share, (iii) the information required under NI 44-102 including the disclosure required by subsection 9.1(3) of NI 44-102, and (iv) the following statement (the **Amended Statement of Rights**):

> *Securities legislation in the provinces of British Columbia, Alberta and Ontario provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. The securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment are not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. However, such rights and remedies will not be available to purchasers of common shares distributed under this prospectus because the prospectus will not be delivered to purchasers, as permitted under a decision document issued by the Alberta Securities Commission on February ●, 2010.*
>
> *The securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contain a misrepresentation, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. Such remedies remain unaffected by the non-delivery of the prospectus, as permitted under the decision document referred to above.*
>
> *The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.*

24. The Base Shelf Prospectus, as supplemented by each Prospectus Supplement, will: (a) qualify the distribution of Shares to the Purchaser on the Settlement Date of the drawdown disclosed in the relevant Prospectus Supplement; and (b) qualify the distribution of such Shares to purchasers who purchase them from the Purchaser through the dealer(s) engaged by the Purchaser through the TSX or another exchange recognized by the securities regulator in each of the provinces of British Columbia, Alberta and Ontario (**TSX Purchasers**) during the period that commences on the first day of the relevant Drawdown Pricing Period and ends on the earlier of (i) the date on which the distribution of such Shares has ended or (ii) the 40th day following the relevant Settlement Date (collectively, a **Distribution**).

25. The Prospectus Delivery Requirements are not workable in the context of a Distribution because the TSX Purchasers will not be readily identifiable as the dealer(s) acting on behalf of the Purchaser may combine the sell orders made under the Prospectus with other sell orders and the dealer(s) acting on behalf of the TSX Purchasers may combine a number of purchase orders.

26. The Prospectus Supplement will contain an underwriter's certificate in the form set out in Section 2.2 of Appendix B to NI 44-102 signed by the Purchaser.

27. At least three business days prior to the filing of each Prospectus Supplement, the Issuer will provide for comment to the Decision Makers a draft of such Prospectus Supplement.

News Releases / Continuous Disclosure

28. After execution of the Distribution Agreement the Issuer will:

(a) promptly issue and file a news release disclosing the existence and purpose of the Distribution Agreement and the Aggregate Commitment Amount; and

(b) within ten days:

(i) file a material change report disclosing, at a minimum, the information required in paragraph (a); and

(ii) file a copy of the Distribution Agreement.

29. Promptly after delivery of each drawdown notice to the Purchaser, the Issuer will issue and file a news release disclosing, for that drawdown, the aggregate amount, the maximum number of Shares to be issued and the minimum price (if any) per Share.

30. In respect of each Settlement Date the Issuer will:

(a) promptly issue and file a news release disclosing:

(i) the number of Shares sold and the price per Share in the relevant drawdown;

(ii) that the Base Shelf Prospectus and the relevant Prospectus Supplement are available on SEDAR and specifying how a copy of these documents can be obtained; and

(iii) the Amended Statement of Rights; and

(b) within ten days file a material change report if the Distribution constitutes a material change disclosing, at a minimum, the information required in paragraph (a).

31. The Issuer will disclose, in its annual financial statements and MD&A filed on SEDAR, the number and price of Shares sold to the Purchaser pursuant to the Distribution Agreement.

Deliveries upon Request

32. The Issuer will deliver to the Decision Makers and to the TSX, upon request, a copy of each drawdown notice delivered by the Issuer to the Purchaser under the Distribution Agreement.

33. Pursuant to the Distribution Agreement, the Purchaser will agree to make available to the Decision Makers, upon request, full particulars of trading and hedging activities by the Purchaser or the Purchaser Manager (and, if required, trading and hedging activities by their affiliates, associates, partners or insiders) in relation to securities of the Issuer during the term of the Distribution Agreement.

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:

(a) the Prospectus Disclosure Requirements do not apply to the Issuer in connection with the Distribution for so long as:

(i) the Additional Disclosure is included in the Base Shelf Prospectus;

(ii) the Issuer files Prospectus Supplements that: (A) qualify the Distribution; (B) include the disclosure required by subsection 9.1(3) of NI 44-102; and (C) include the Amended Statement of Rights;

(iii) the Issuer issues the news releases described in paragraphs 28, 29 and 30 above;

(iv) the number of Shares distributed by the Issuer under one or more equity lines of credit, including the equity line of credit established under the Distribution Agreement, does not exceed:

A. in any 12 month period, 10% of the aggregate number of Shares outstanding calculated at the beginning of such period; and

B. during the term of the Distribution Agreement, 19.9% of the aggregate number of Shares outstanding calculated at the date of the Distribution Agreement; and

(v) the Issuer delivers to the Decision Makers and the TSX, upon request, a copy of each drawdown notice delivered by the Issuer to the Purchaser under the Distribution Agreement;

(b) the Dealer Registration Requirement does not apply to the Purchaser or the Purchaser Manager in connection with a Distribution for so long as:

(i) the Purchaser and the Purchaser Manager do not solicit offers to purchase the Shares in Canada;

(ii) the Purchase and the Purchaser Manager effect all Distributions to TSX Purchasers through the TSX (or the TSX Venture Exchange, the NASDAQ or the NYSE, provided that the Issuer's securities are listed for trading on such exchange) using one or more dealer(s) unaffiliated with the Purchaser, the Purchaser Manager and the Issuer;

(iii) no extraordinary commission or consideration is paid by the Purchaser or the Purchaser Manager to a person or company in respect of the Distribution to the TSX Purchasers; and

(iv) the Purchaser and the Purchaser Manager make available to the Decision Makers, upon request, full particulars of trading and hedging activities by the Purchaser, the Purchaser Manager and their affiliates, associates, partners or insiders in relation to securities of the Issuer during the term of the Distribution Agreement;

(c) the Prospectus Delivery Requirement does not apply to the Purchaser, to the Purchaser Manager or to the dealer(s) through whom the Purchaser distributes the Shares and, therefore, rights of withdrawal or rights of rescission, price revision or damages for non-delivery of the Prospectus do not apply in connection with the Distribution, for so long as the conditions set out in paragraphs (b)(i) through (iii) of this decision are satisfied;

(d) this decision applies only to Distributions completed within 24 months after execution of the Distribution Agreement; and

(e) this decision will terminate 24 months after execution of the Distribution Agreement.

The further decision of the Decision Makers under the Legislation is that the Request for Confidentiality is granted until the earliest of the following:

(f) the date on which the Issuer publicly announces by way of a news release the execution of the Distribution Agreement;

(g) the date on which the Issuer advises the Decision Makers that there is no longer any need to hold the Confidential Materials in confidence; and

(h) 90 days after the date of this decision.

"Glenda A. Campbell, QC"
Alberta Securities Commission

"Stephen R. Murison"
Alberta Securities Commission

2.1.2 Sirit Inc. – s. 1(10)

Headnote

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

Applicable Legislative Provisions

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

March 31, 2010

Sirit Inc.
372 Bay Street
Suite 1100
Toronto, ON M5H 2W9 Canada

Dear Sirs/Mesdames:

Re: Sirit Inc. (the Applicant) – application for a decision under the securities legislation of Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Yukon and Nunavut (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.

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

2.1.3 O'Leary Funds Management LP et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Mutual funds granted relief from filing the annual management report of fund performance.

Applicable Legislative Provisions

National Instrument 81-106 Investment Fund Continuous Disclosure, s. 4.2, 5.1(2)(c).

[Translation]

March 29, 2010

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

AND

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

AND

**IN THE MATTER OF
O'LEARY FUNDS MANAGEMENT LP
(the Manager)**

AND

**O'LEARY CANADIAN EQUITY YIELD FUND,
O'LEARY CANADIAN BALANCED YIELD FUND,
O'LEARY CANADIAN BOND YIELD FUND,
O'LEARY GLOBAL EQUITY YIELD FUND,
O'LEARY GLOBAL BALANCED YIELD FUND,
O'LEARY GLOBAL BOND YIELD FUND,
O'LEARY GLOBAL INFRASTRUCTURE YIELD FUND
AND O'LEARY MONEY MARKET YIELD FUND
(each a Fund or collectively, the Funds)**

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (**Decision Makers**) have received an application from the Manager, on behalf of each of the Funds for a decision under the securities legislation of the Jurisdictions (the **Legislation**) for an exemption, pursuant to section 17.1 of National Instrument 81-106 – *Investment Fund Continuous Disclosure* (**NI 81-106**), from:

(a) the requirement contained in section 4.2 of NI 81-106 to file a management report of fund performance (**MRFP**) for the financial year ended December 31, 2009; and

(b) the requirement contained in paragraph 5.1(2)(c) of NI 81-106 to deliver to securityholders the MRFP for the financial year ended December 31, 2009.

(collectively, the **Requested Relief**).

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 Manager has provided notice that paragraph 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, Prince Edward Island, Newfoundland and Labrador; 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* **MI 11-102** have the same meaning if used in this decision, unless otherwise defined. The following additional terms shall have the following meanings:

Form 81-106F1 means the form in NI 81-106 that prescribes the content disclosure required in an annual or interim management report of fund performance;

NI 81-102 means National Instrument 81-102 Respecting Mutual Funds;

Provinces of Canada means British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador.

Representations

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

1. The Manager is a limited partnership formed under the laws of Ontario, with its head office in Montreal, Québec.

2. The Manager is the manager and the trustee of each of the Funds.

3. The Funds are open-ended mutual fund trusts established under the laws of Ontario pursuant to a Declaration of Trust dated December 16, 2009.

4. Each Fund became a reporting issuer under applicable securities legislation of the Provinces of Canada on December 17, 2009, following the issuance of a receipt by the principal regulator for the final simplified prospectus and annual information form of the Funds dated December 16, 2009.

5. None of the Funds or the Manager are in default of securities legislation in any of the Provinces of Canada.

6. As at December 16, 2009, only one series A unit of each Fund was issued for a consideration of $10 to the Manager, as reflected in the audited statements of net assets of the Funds, which have been filed at the time of the filing of the final simplified prospectus and annual information form of the Funds.

7. The initial fiscal year end of each Fund is December 31, 2009.

8. As at December 31, 2009, no units of the Funds were issued to the public because, pursuant to paragraph 3.1(1)(b) of NI 81-102, each Fund is prohibited from issuing units unless subscriptions aggregating not less than $500,000 have been received by such Fund from investors other than the Manager and certain other parties specified in paragraph 3.1(1)(b) of NI 81-102.

9. As at December 31, 2009, the Manager was the sole unitholder in each of the Funds.

10. As at December 31, 2009 each Fund solely held cash in its portfolio.

11. In the absence of the Requested Relief, the Funds would be required to file and deliver an MRFP for the financial year ended December 31, 2009.

12. Given the limited activities of the Funds for the period December 17, 2009 to December 31, 2009 and given that the units of the Funds were not offered to the public as of December 31, 2009, no significant information or financial highlights can be provided for the purposes of the preparation of an MRFP as prescribed Form 81-106F1.

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 Requested Relief is granted provided that:

i) the Manager will prepare for each Fund an MRFP for the period ending June 30, 2010 in accordance with Form 81-106F1, except that they will include financial highlights as required by Part B, Item 3 of Form 81-106F1.

"Josée Deslauriers"
Director, Investment Funds and Continuous Disclosure

2.1.4 Pebercan inc. – s. 1(10)

Headnote

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

Ontario Statutes

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

March 31, 2010

Pebercan inc.
C/o LVConseils Institutionnels inc.
750, boulevard Marcel-Laurin, bureau 106
Saint-Laurent (Québec)
H4M 2M4

Attention of: Louise R. Guerrette

Dear Madame:

Re: Pebercan inc. (the Applicant) – application for a decision under the securities legislation of Ontario and Québec (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's status as a reporting issuer is revoked.

"Alida Gualtieri"
Manager, Continuous Disclosure
Autorité des marchés financiers

2.1.5 Athabasca Potash Inc. – s. 1(10)

Headnote

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

Applicable Legislative Provisions

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

March 30, 2010

Athabasca Potash Inc.
198 – 3114th Ave N.
Saskatoon, SK S7K 2L8

Dear Sirs/Mesdames:

Re: Athabasca Potash Inc. (the "Applicant") application for a decision under the securities legislation of Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Yukon Territory, North West Territories and Nunavut (the "Jurisdictions") that the Applicant is not a reporting issuer

The Applicant has applied to the local securities regulatory authority or regulator (the "Decision Makers") 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 order that the Applicant is not to be a reporting issuer.

"Paul Robinson"
Vice-chairperson
Saskatchewan Financial Services Commission

2.1.6 Westaim Holdings Limited – s. 1(10)

Headnote

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

Applicable Legislative Provisions

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

Citation: Westaim Holdings Limited, Re, 2010 ABASC 145

March 31, 2010

Heenan Blaikie LLP
Bay Adelaide Centre
333 Bay Street, Suite 2900
Toronto, ON M5H 2T4

Attention: Helen Tweedie

Dear Madam:

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

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

As the Applicant has represented to the Decision Makers that:

(a) the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 security holders in each of the jurisdictions in Canada and fewer than 51 security holders in total in Canada;

(b) no securities of the Applicant are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*;

(c) the Applicant is applying for a decision that it is not a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer; and

(d) the Applicant is not in default of any of its obligations under the Legislation as a reporting issuer,

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

"Blaine Young"
Associate Director, Corporate Finance

2.1.7 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

2.1.8 Compagnie de Saint-Gobain

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Application for relief from the prospectus and dealer registration requirements for certain trades made in connection with an employee share offering by a French issuer – The offering involves the use of collective employee shareholding vehicles, each a fonds communs de placement d'entreprise (FCPE) – The Filer cannot rely on the employee prospectus exemption in section 2.24 of National Instrument 45-106 Prospectus and Registration Exemptions and the Manager cannot rely on the plan administrator exemption in section 8.16 of National Instrument 31-103 Registration Requirements and Exemptions as the shares are not being offered to Canadian employees directly by the issuer but through the FCPEs – Canadian employees will receive disclosure documents – The FCPEs are subject to the supervision of the French Autorité des marchés financiers – Relief granted, subject to conditions.

Applicable Legislative Provisions

Securities Act (Ontario), ss. 53, 74.
National Instrument 31-103 Registration Requirements and Exemptions, s. 8.16.
National Instrument 45-102 Resale of Securities, s. 2.14.
National Instrument 45-106 Prospectus and Registration Exemptions, s. 2.24.

April 6, 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
COMPAGNIE DE SAINT-GOBAIN
(the "Filer")

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction (the "**Legislation**") for:

1. an exemption from the prospectus requirements of the Legislation[1] (the "**Prospectus Relief**") so that such requirements do not apply to

   (a) trades in units ("**Units**") of

      (i) a compartment named Saint-Gobain Avenir Monde (the "**Principal Classic Compartment**") of a permanent FCPE named Saint-Gobain PEG Monde, which is a *fonds communs de placement d'entreprise* or "FCPE," a form of collective shareholding vehicle of a type commonly used in France for the conservation of shares held by employee-investors; and

      (ii) a temporary FCPE named Saint-Gobain Relais Adhésion 2009 Monde (the "**Temporary Classic FCPE**") which will merge with the Principal Classic Compartment following the Employee Share Offering (as defined below), as further described as the "Merger" in paragraph 10 of the Representations (the term "**Classic Compartment**" used herein means, prior to the Merger, the Temporary Classic FCPE, and following the Merger, the Principal Classic Compartment);

[1] Section 53 of the *Securities Act* (Ontario) (the "**OSA**")

made pursuant to the Employee Share Offering (as defined below) to or with Qualifying Employees (as defined below) of Canadian Affiliates (defined below) resident in the Jurisdiction and in the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick and Nova Scotia who elect to participate in the Employee Share Offering (as defined below) (the "**Canadian Participants**");

(b) trades of ordinary shares of the Filer (the "**Shares**") by the Classic Compartment to Canadian Participants upon the redemption of Units thereof as requested by Canadian Participants; and

2. an exemption from the dealer registration requirements of the Legislation so that such requirements do not apply to the manager of the Classic Compartment, Axa Investment Managers Paris (the "**Management Company**"), to the extent that its activities described in paragraphs 15 and 17 of the Representations are subject to the adviser registration requirements and dealer registration requirements (collectively with the Prospectus Relief, the "**Offering Relief**").

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

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

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick and Nova Scotia.

Interpretation

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

Representations

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

1. The Filer is a corporation formed under the laws of France. It is not and has no current intention of becoming a reporting issuer (or equivalent) under the Legislation. The Shares are listed on Euronext Paris. The Filer is not in default of the securities legislation of any jurisdiction.

2. The Filer has established a global employee share offering for employees of the Saint-Gobain Group (the "**Employee Share Offering**"). The Filer carries on business in Canada through certain affiliated companies and the following affiliated companies will be participating in the Employee Share Offering: CertainTeed Gypsum Canada, Inc., CertainTeed Gypsum North American Services, Inc., Ceramics Hamilton Ltd., Saint-Gobain Ceramic Materials Canada Inc., Saint-Gobain Technical Fabrics Canada, Ltd. and CertainTeed Insurance Canada, Inc. (such participating affiliates, collectively, the "**Canadian Affiliates**," and together with the Filer and other affiliates of the Filer, the "**Saint-Gobain Group**"). Each of the Canadian Affiliates is a direct or indirect-controlled subsidiary of the Filer and is not, and has no current intention of becoming, a reporting issuer (or equivalent) under the Legislation. None of the Canadian Affiliates is in default of the securities legislation of any jurisdiction in Canada. The principal office of the Saint-Gobain Group in Canada is located in Mississauga, Ontario, and the greatest number of employees of Canadian Affiliates are employed in Ontario.

3. As of the date hereof and after giving effect to the Employee Share Offering, Canadian residents do not and will not beneficially own (which term, for the purposes of this paragraph, is deemed to include all Shares held by the Classic Compartment on behalf of Canadian Participants) more than 10% of the Shares and do not and will not represent in number more than 10% of the total number of holders of the Shares as shown on the books of the Filer.

4. The Employee Share Offering is comprised of one subscription option which is an offering of Shares to be subscribed through the Temporary Classic FCPE, which compartment will be merged with the Principal Classic Compartment after completion of the Employee Share Offering, subject to the approval of the French AMF (defined below) and the supervisory board of the FCPE (the "**Classic Plan**").

5. Only persons who are employees of a member of the Saint-Gobain Group during the subscription period for the Employee Share Offering and who meet other employment criteria (the "**Qualifying Employees**") will be allowed to participate in the Employee Share Offering.

6. The Classic Compartment has been established for the purpose of implementing the Employee Share Offering. There is no current intention for the Classic Compartment to become a reporting issuer (or equivalent) under the Legislation.

7. As set forth above, the Temporary Classic FCPE is, and the Principal Classic Compartment is a compartment of, an FCPE (a *fonds communs de placement d'entreprise*) which is a shareholding vehicle of a type commonly used in France for the conservation or custodianship of shares held by employee investors. Each of the Principal Classic Compartment and the Temporary Classic FCPE has been registered with the French Autorité des marchés financiers (the "**French AMF**"). Only Qualifying Employees will be allowed to hold Units of the Classic Compartment issued under the Employee Share Offering in an amount corresponding to their respective investments in the Classic Compartment.

8. All Units acquired in the Employee Share Offering by Canadian Participants will be subject to a hold period of approximately five years (the "**Lock-Up Period**"), subject to certain exceptions prescribed by French law (such as a release on death or termination of employment).

9. Under the Classic Plan:

   (a) The subscription price for Shares under the Classic Plan will be the price that is equal to the price calculated as the average of the opening price of the Shares on the 20 trading days preceding the date of the fixing of the subscription price by the Chief Executive Officer of the Filer, less a 20% discount.

   (b) For each Canadian Participant that makes a contribution to the Classic Plan (such contribution, the "**Employee Contribution**"), the Canadian Affiliate employing such Canadian Participant will make a contribution to the Classic Plan, for the benefit of, and at no costs to, the Canadian Participant, of an amount equal to 10% of such Employee Contribution up to a maximum amount of $1,000 per Canadian Participant (the "**Employer Contribution**").

   (c) The Temporary Classic FCPE will apply the cash received from the Employee Contributions and the cash received from the Employer Contributions to subscribe for Shares of the Filer.

10. Initially, the Shares subscribed for will be held in the Temporary Classic FCPE and the Canadian Participant will receive Units in the Temporary Classic FCPE. After completion of the Employee Share Offering, the Temporary Classic FCPE will be merged with the Principal Classic Compartment (subject to the approval of the French AMF and the supervisory board of the FCPEs). Units of the Temporary Classic Compartment held by Canadian Participants will be replaced with Units of the Principal Classic Compartment on a pro rata basis, and the Shares subscribed for under the Employee Share Offering will be held in the Principal Classic Compartment (the "**Merger**").

11. Under the Classic Plan, at the end of the Lock-Up Period, a Canadian Participant may request the redemption of Units in the Classic Compartment in consideration for the underlying Shares or a cash payment equal to the then market value of the Shares.

12. Under the Classic Plan, in the event of an early redemption resulting from the Canadian Participant exercising one of the exceptions to the Lock-up Period prescribed by French Law, a Canadian Participant may request the redemption of Units in the Classic Compartment in consideration for a cash payment equal to the then market value of the Shares.

13. Dividends paid on the Shares held in the Classic Compartment will be contributed to the Classic Compartment and used to purchase additional Shares. To reflect this reinvestment, new Units (or fractions thereof) of the Classic Compartment will be issued. The declaration of dividends on the Shares is determined by the board of directors of the Filer.

14. Under French law, the Temporary Classic FCPE is, and the Principal Classic Compartment is a compartment of, an FCPE which is a limited liability entity. The Classic Compartment's portfolio will consist almost entirely of Shares of the Filer. The Classic Compartment's portfolio, may, from time to time, include cash in respect of dividends paid on the Shares which will be reinvested in Shares, and, from time to time, the Classic Compartment's portfolio may include cash or cash equivalents that the Classic Compartment may hold pending investments in Shares and for the purposes of Unit redemptions.

15. The Management Company is a portfolio management company governed by the laws of France. The Management Company is registered with the French AMF to manage French investment funds and complies with the rules of the French AMF. The Management Company is not, and has no current intention of becoming, a reporting issuer (or equivalent) under the Legislation.

16. The Management Company's portfolio management activities in connection with the Employee Share Offering and the Classic Compartment are limited to subscribing for Shares from the Filer and selling such Shares as necessary in order to fund redemption requests.

17. The Management Company is also responsible for preparing accounting documents and publishing periodic informational documents as provided by the rules of the Classic Compartment. The Management Company's activities in no way affect the underlying value of the Shares, and the Management Company will not be involved in providing advice to any Canadian Participants.

18. Shares issued in the Employee Share Offering will be deposited in the relevant Compartment through BNP Paribas (the "**Depositary**"), a large French commercial bank subject to French banking legislation.

19. Under French law, the Depositary must be selected by the Management Company from among a limited number of companies identified on a list maintained by the French Minister of the Economy, Finance and Industry and its appointment must be approved by the French AMF. The Depositary carries out orders to purchase, trade and sell securities in the portfolio and takes all necessary action to allow the Classic Compartment to exercise the rights relating to the securities held in its portfolio.

20. Participation in the Employee Share Offering is voluntary, and Qualifying Employees of Canadian Affiliates will not be induced to participate in the Employee Share Offering by expectation of employment or continued employment.

21. The total amount invested by a Canadian Participant in the Employee Share Offering cannot exceed 25% of his or her gross annual compensation for the 2009 calendar year or 25% of his or her gross estimated 2010 annual compensation for the 2010 calendar year, whichever is greater.

22. None of the Filer, the Management Company, the Canadian Affiliates or any of their employees, agents or representatives will provide investment advice to the Canadian Participants with respect to an investment in the Shares or the Units.

23. The Shares are not currently listed for trading on any stock exchange in Canada and there is no intention to have the Shares so listed. As there is no market for the Shares in Canada, and as none is expected to develop, first trades of Shares by Canadian Participants will be effected through the facilities of, and in accordance with the rules and regulations of, Euronext Paris.

24. Canadian Participants who participate in the Employee Share Offering will receive statements at least once per year indicating the number of Units they hold and the value of each Unit.

25. The Canadian Participants will receive an information package in the French or English language, according to their preference, which will include a summary of the terms of the Employee Share Offering, a tax notice containing a description of Canadian income tax consequences of subscribing to and holding the Units in the Classic Compartment and requesting the redemption of Units for cash or Shares at the end of the Lock-Up Period.

26. Upon request, Canadian Participants may receive copies of the Filer's French Document de Référence filed with the French AMF in respect of the Shares and a copy of the Classic Compartment's rules (which are analogous to company by-laws). The Canadian Participants will also have access to copies of the continuous disclosure materials relating to the Filer that are furnished to holders of the Shares.

27. There are approximately 1217 Qualifying Employees of Canadian Affiliates resident in Canada in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick and Nova Scotia (with approximately 757 resident in Ontario), who represent, in the aggregate, less than 1% of the number of employees in the Saint-Gobain Group worldwide.

Decision

The principal regulator is satisfied that the test contained in the Legislation that provides the principal regulator with the jurisdiction to make the decision has been met.

The decision of the principal regulator under the Legislation is that the Offering Relief is granted provided that the prospectus requirements of the Legislation will apply to the first trade in any Units or Shares acquired by Canadian Participants pursuant to this decision unless the following conditions are met:

(a) the issuer of the security

(i) was not a reporting issuer in any jurisdiction of Canada at the distribution date, or

(ii) is not a reporting issuer in any jurisdiction of Canada at the date of the trade;

(b) at the distribution date, after giving effect to the issue of the security and any other securities of the same class or series that were issued at the same time as or as part of the same distribution as the security, residents of Canada

(i) did not own, directly or indirectly, more than 10% of the outstanding securities of the class or series, and

(ii) did not represent in number more than 10% of the total number of owners, directly or indirectly, of securities of the class or series; and

(c) the first trade is made

(i) through the facilities of an exchange, or a market, outside of Canada, or

(ii) to a person or company outside of Canada.

"James D. Carnwath"
Commissioner
Ontario Securities Commission

"Mary Condon"
Commissioner
Ontario Securities Commission

2.1.9 Schneider Electric S.A.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Application for relief from the prospectus and dealer registration requirements for certain trades made in connection with an employee share offering by a French issuer – The offering involves the use of collective employee shareholding vehicles, each a fonds communs de placement d'entreprise (FCPE) – The Filer cannot rely on the employee prospectus exemption in section 2.24 of National Instrument 45-106 Prospectus and Registration Exemptions and the Manager cannot rely on the plan administrator exemption in section 8.16 of National Instrument 31-103 Registration Requirements and Exemptions as the shares are not being offered to Canadian employees directly by the issuer but through the FCPEs – Canadian employees will receive disclosure documents – The FCPEs are subject to the supervision of the French Autorité des marchés financiers – Relief granted, subject to conditions.

Applicable Legislative Provisions

Securities Act (Ontario), ss. 53, 74
National Instrument 31-103 Registration Requirements and Exemptions, s. 8.16.
National Instrument 45-102 Resale of Securities, s. 2.14.
National Instrument 45-106 Prospectus and Registration Exemptions, s. 2.24.

April 6, 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
SCHNEIDER ELECTRIC S.A.
(the "Filer")

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction (the "**Legislation**") for:

1. an exemption from the prospectus requirements of the Legislation[1] (the "**Prospectus Relief**") so that such requirements do not apply to

   (a) trades in units ("**Units**") of

      (i) an FCPE named Schneider Actionnariat Mondial (the "**Principal Classic FCPE**"), which is a *fonds communs de placement d'entreprise* or "FCPE," a form of collective shareholding vehicle of a type commonly used in France for the conservation of shares held by employee-investors;

      (ii) a temporary FCPE named Schneider Relais International 2010 (the "**Temporary Classic FCPE**") which will merge with the Principal Classic FCPE following the Employee Share Offering (as defined below) as further described in paragraph 11 of the Representations; and

      (iii) a compartment named Schneider International SAR 2010 (the "**SAR Compartment**") of an FCPE named Schneider Electric International,

[1] Section 53 of the *Securities Act* (Ontario)

made pursuant to the Employee Share Offering (as defined below) to or with Qualifying Employees (as defined below) resident in the Jurisdiction and in the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Québec, Nova Scotia, New Brunswick and Newfoundland and Labrador who elect to participate in the Employee Share Offering (as defined below), the "**Canadian Participants**");

(b) trades of ordinary shares of the Filer (the "**Shares**") by the Principal Classic FCPE, the Temporary Classic FCPE and the SAR Compartment to or with Canadian Participants upon the redemption of Units thereof as requested by Canadian Participants;

(c) the issuance of Units of the Principal Classic FCPE to holders of SAR Compartment Units upon a transfer of the Canadian Participants' assets in the SAR Compartment to the Principal Classic FCPE at the end of the Lock-Up Period (as defined below) in respect of Canadian Participants that do not request the redemption of their SAR Compartment Units; and

2. an exemption from the dealer registration requirements of the Legislation so that such requirements do not apply to the manager of the Principal Classic FCPE, the Temporary Classic FCPE and the SAR Compartment, AXA Investment Managers (the "**Management Company**"), to the extent that its activities described in paragraphs 25 to 27 of the Representations are subject to the adviser registration requirements and dealer registration requirements (collectively with the Prospectus Relief, the "**Offering Relief**").

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

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

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

Interpretation

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

Representations

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

1. The Filer is a corporation formed under the laws of France. It is not, and has no current intention of becoming, a reporting issuer (or equivalent) under the Legislation. The Shares are listed on Euronext Paris. The Filer is not in default of the securities legislation of any jurisdiction in Canada.

2. The Filer carries on business in Canada through the following affiliated companies: Schneider Electric Canada Inc., Power Measurement Ltd., Juno Lighting Ltd. and APC-MGE Critical Power & Cooling Services (collectively, the "**Local Affiliates**," together with the Filer and other affiliates of the Filer, the "**Schneider Electric Group**").[2] None of the Local Affiliates is in default of the securities legislation of any jurisdiction in Canada.

3. Each of the Local Affiliates is a direct or indirect-controlled subsidiary of the Filer and is not, and has no current intention of becoming, a reporting issuer (or equivalent) under the Legislation. The head office of Schneider Electric Group in Canada is located in Toronto, Ontario, more senior management of the Schneider Electric Group in Canada reside in Ontario than in any other Province, there are more assets of the Schneider Electric Group in Canada in Ontario than in any other Province and there are more clients of the Schneider Electric Group in Canada in Ontario than in any other Province.

4. As of the date hereof and after giving effect to the Employee Share Offering (as defined below), Canadian residents do not and will not beneficially own (which term, for the purposes of this paragraph, is deemed to include all Shares held by the Principal Classic FCPE, the Temporary Classic FCPE and the SAR Compartment on behalf of Canadian Participants) more than 10% of the Shares and do not and will not represent in number more than 10% of the total number of holders of the Shares as shown on the books of the Filer.

5. The Filer has established a global employee share offering for employees of the Schneider Electric Group (the "**Employee Share Offering**"). The Employee Share Offering is comprised of two subscription options:

[2] Schneider Electric Canada Inc., Power Measurement Ltd. and Juno Lighting Ltd. are Canadian Corporations. APC-MGE Critical Power & Cooling Services is a United States corporation that does business in Canada and employs Qualifying Employees resident in Canada.

(a) an offering of Shares to be subscribed through the Temporary Classic FCPE, which Temporary Classic FCPE will be merged with the Principal Classic FCPE after completion of the Employee Share Offering (subject to the approval of the FCPE's supervisory board and the French AMF) (the "**Classic Plan**"); and

(b) an offering of Shares to be subscribed through the SAR Compartment (the "**SAR Plan**").

6. Only persons who are employees of a member of the Schneider Electric Group during the reservation period and the revocation period for the Employee Share Offering and who meet other employment criteria (the "**Qualifying Employees**") will be allowed to participate in the Employee Share Offering. Canadian Participants may indicate the amount they wish to invest in the Employee Share Offering by completing and submitting a subscription/reservation order during a "reservation period." The subscription price will be set following the end of the reservation period, after which there will be a revocation period during which subscribers may cancel all or part of their reservations in the Classic Plan, the SAR Plan, or both, as applicable. If reservations are not revoked at the end of the revocation period, the initial reservation will become a binding subscription.

7. The Principal Classic FCPE, the Temporary Classic FCPE and the SAR Compartment have been established for the purpose of implementing the Employee Share Offering. There is no current intention for any of the Principal Classic FCPE, the Temporary Classic FCPE or the SAR Compartment to become reporting issuers (or equivalent) under the Legislation.

8. As set forth above, each of the Temporary Classic FCPE and the Principal Classic FCPE is, and the SAR Compartment is a compartment of, an FCPE (a *fonds communs de placement d'entreprise*) which is a shareholding vehicle of a type commonly used in France for the conservation or custodianship of shares held by employee investors. The Principal Classic FCPE, the Temporary Classic FCPE and the SAR Compartment have been registered with the French Autorité des marchés financiers (the "**French AMF**"). Only Qualifying Employees will be allowed to hold Units issued pursuant to the Employee Share Offering.

9. All Units acquired in the Employee Share Offering by Canadian Participants will be subject to a hold period of approximately five years (the "**Lock-Up Period**"), subject to certain exceptions provided for in the Schneider Electric International Employee Shareholding Plan (such as a release on death or termination of employment, or the exception that the Canadian Participant's employer ceases to be an affiliate of the Filer).

10. Under the Classic Plan, Canadian Participants will subscribe for Units in the Temporary Classic FCPE, and the Temporary Classic FCPE will then subscribe for Shares on behalf of Canadian Participants using the Canadian Participants' contributions at a subscription price that is equal to the average of the opening price of the Shares (expressed in Euros) on the 20 trading days preceding the date of fixing of the subscription price by the Management Board of the Filer (the "**Reference Price**"), less a 17% discount. The subscription price will be the Canadian-dollar equivalent of the Reference Price less the 17% discount.

11. Initially, the Shares will be held in the Temporary Classic FCPE and the Canadian Participant will receive Units in the Temporary Classic FCPE. Following the completion of the Employee Share Offering, the Temporary Classic FCPE will be merged with the Principal Classic FCPE (subject to the approval of the FCPE's supervisory board and the French AMF). Units of the Temporary Classic FCPE held by Canadian Participants will be replaced with Units of the Principal Classic FCPE on a pro rata basis and the Shares subscribed for under the Employee Share Offering will be held in the Principal Classic FCPE (the "**Merger**").

12. The term "**Classic FCPE**" used herein means, prior to the Merger, the Temporary Classic FCPE, and following the Merger, the Principal Classic FCPE.

13. Under the Classic Plan, at the end of the Lock-Up Period a Canadian Participant may

(a) request the redemption of Units in the Classic FCPE in consideration for the underlying Shares or a cash payment equal to the then market value of the Shares, or

(b) continue to hold Units in the Classic FCPE and request the redemption of those Units at a later date.

14. Dividends paid on the Shares held in the Classic FCPE will be contributed to the Classic FCPE and used to purchase additional Shares. To reflect this reinvestment, no new Units will be issued. Instead, the reinvestment will increase the asset base of the Classic FCPE as well as the value of the Units held by Canadian Participants.

15. The Reference Price and Classic Plan subscription price will not be known to Canadian Participants until after the end of the subscription period. However, this information will be provided to Canadian Participants prior to the start of the revocation period, during which Canadian Participants may choose to revoke all of their subscription under the Classic

Plan, the SAR Plan, or both and thereby not participate in the Employee Share Offering or reduce their investment in the Employee Share Offering.

16. Under the SAR Plan, Canadian Participants will subscribe for Units in the SAR Compartment using the Canadian-dollar equivalent of the Reference Price (the "**Employee Contribution**"), and the SAR Compartment will then subscribe for Shares using the Employee Contribution. The Local Affiliate that employs a Canadian Participant in the SAR Plan will have an obligation (the "**SAR Obligation**") to pay to such Canadian Participant a stock appreciation right bonus at the end of the Lock-Up Period (a "**SAR**") equal to the "**Stock Appreciation Amount**" (if any) plus the "**Personal Contribution Protection Amount**" (if any), as described below.[3]

17. The closing price of the Shares will be taken (in Euros) on each of the 120 trading days prior to the end of the Lock-Up Period (starting January 2, 2015) and an average of the Share price will be determined based on all such readings (the "**Average Share Price**"). If the Average Share Price (expressed in Euros) is greater than the Reference Price (expressed in Euros), then the "Stock Appreciation Amount" for each SAR Plan Unit at the end of the Lock-Up Period (excluding additional Units issued as a result of dividend reinvestment) will be an amount equal to a multiple of between three (3) and five (5) times the difference in Euros between the Average Share Price and the Reference Price. The multiple will be determined prior to the commencement of the reservation period. The payment of the "Stock Appreciation Amount" will be made in Canadian dollars at an exchange rate fixed on or about the payment date. If the Average Share Price (expressed in Euros) is less than the Reference Price (expressed in Euros), then the "**Stock Appreciation Amount**" will be zero.

18. If there is a diminution in value of a Canadian Participant's Employee Contribution in Canadian dollars as at the subscription date as compared to the market value of the Shares in Canadian dollars at the end of the Lock-Up Period, then the "Personal Contribution Protection Amount" will be an amount equal to any such diminution in value (excluding the impact of applicable taxes). The payment of this amount will be made in Canadian dollars. If the market value of the Shares in Canadian dollars at the end of the Lock-Up Period is greater than a Canadian Participant's Employee Contribution in Canadian dollars as at the subscription date, then the "Personal Contribution Protection Amount" will be zero.

19. Pursuant to the SAR Obligation, subject to local tax considerations, a Canadian Participant will be entitled to receive 100% of his or her Employee Contribution in local currency at the end of the Lock-Up Period or in the event of an early unwind. Under no circumstances will a Canadian Participant under the SAR Plan be responsible to contribute an amount greater than his or her Employee Contribution or be liable for any other amount.

20. Dividends paid on the Shares held in the SAR Compartment will be contributed to the SAR Compartment and used to purchase additional Shares. To reflect this reinvestment, new Units (or fractions thereof) will be issued. However, dividends may be paid out directly to Canadian Participants at their specific request. The form of such dividends is decided by the shareholders of the Filer at a shareholders meeting of the Filer and, therefore, may take the form of property other than cash, such as Shares.

21. At the end of the Lock-Up Period, a Canadian Participant may elect to request the redemption of his or her SAR Compartment Units in consideration for (a) cash in Canadian dollars equivalent to the market value of the underlying Shares or (b) the underlying Shares. Payment by the Canadian Participant's employer of an amount equal to the Canadian Participant's SAR (if any) will also be made at the end of the Lock-Up Period.

22. At the end of the Lock-Up Period, the employee contribution will not be covered by the SAR obligation. If a Canadian Participant does not request the redemption of his or her Units in the SAR Compartment, his or her investment in the SAR Compartment will be transferred to the Principal Classic FCPE. New Units of the Principal Classic FCPE will be issued to the Canadian Participant in recognition of the assets transferred to the Principal Classic FCPE. Canadian Participants may request the redemption of these new Units whenever they wish.

23. In the event of an early unwind resulting from the Canadian Participant satisfying one of the exceptions to the Lock-Up Period referenced above and meeting the applicable criteria, a Canadian Participant may request the redemption of Units from the SAR Compartment for cash consideration in accordance with a formula similar to redemptions after the end of the Lock-Up Period. However, in the event of an early unwind, the "Average Share Price" used in the formula will be determined as follows: (a) if the unwind occurs prior to January 1, 2015, the "Average Share Price" shall be the closing Share price on the last trading date of the month in which the early unwind event occurred; or (b) if the unwind occurs on or after January 1, 2015, the "Average Share Price" will be the average of the 120 closing prices of the Shares between January 2, 2015, and the date of the early unwind event. If this period has available less than 120 closing prices to calculate the average, the last actual closing price of the Shares shall be used for all remaining closing prices required to reach 120 closing prices so as to be able to calculate the average of 120 closing prices.

[3] At the request of the Filer, the Local Affiliate will hedge its financial obligations resulting from the SARs by entering into a hedge agreement with a bank.

24. Under French law, the Temporary Classic FCPE and the Principal Classic FCPE is, and the SAR Compartment is a compartment of, an FCPE which is a limited liability entity. The portfolio of each of the Principal Classic FCPE, the Temporary Classic FCPE and the SAR Compartment will consist almost entirely of Shares of the Filer, but may, from time to time, include cash in respect of dividends paid on the Shares which will be reinvested in Shares. From time to time, each portfolio may also include cash or cash equivalents that the Principal Classic FCPE, the Temporary Classic FCPE and the SAR Compartment may hold pending investments in Shares and for the purposes of Unit redemptions.

25. The Management Company is a portfolio management company governed by the laws of France. The Management Company is registered with the French AMF to manage French investment funds and complies with the rules of the French AMF. The Management Company is not, and has no current intention of becoming, a reporting issuer (or equivalent) under the Legislation.

26. The Management Company's portfolio management activities in connection with the Employee Share Offering and the Principal Classic FCPE, the Temporary Classic FCPE and the SAR Compartment are limited to subscribing for Shares from the Filer and selling such Shares as necessary in order to fund redemption requests.

27. The Management Company is also responsible for preparing accounting documents and publishing periodic informational documents as provided by the rules of each of the Principal Classic FCPE, the Temporary Classic FCPE and the SAR Compartment. The Management Company's activities in no way affect the underlying value of the Shares and the Management Company will not be involved in providing advice to any Canadian Participants with respect to an investment in the Units.

28. Shares issued in the Employee Share Offering will be deposited in either the Principal Classic FCPE, the Temporary Classic FCPE or the SAR Compartment, as applicable, through BNP Paribas Securities Services (the "**Depositary**"), a large French commercial bank subject to French banking legislation.

29. Under French law, the Depositary must be selected by the Management Company from among a limited number of companies identified on a list maintained by the French Minister of the Economy, Finance and Industry and its appointment must be approved by the French AMF. The Depositary carries out orders to purchase, trade and sell securities in the portfolio and takes all necessary action to allow each of the Principal Classic FCPE, the Temporary Classic FCPE and the SAR Compartment to exercise the rights relating to the securities held in its respective portfolio.

30. The Unit value of the Classic FCPE and the SAR Compartment will be calculated and reported to the French AMF on a regular basis, based on the net assets of the Classic FCPE or SAR Compartment, as applicable, divided by the number of Units outstanding. The number of Units in the SAR Compartment will be adjusted on the basis of the market price of the Shares and other assets (cash, in exceptional circumstances) held by the SAR Compartment, effective from the first date on which the net asset value is calculated and whenever Shares or other assets are contributed to the SAR Compartment. No such adjustment will take place in respect of the Classic FCPE. The value of Classic FCPE Units will be based on the value of the underlying Shares, but the number of Units of the Classic FCPE will not correspond to the number of the underlying Shares (e.g., dividends will be reinvested in additional Shares and increase the value of each Unit).

31. All management charges relating to the Classic FCPE and the SAR Compartment will be paid from the assets of the relevant FCPE or compartment or by the Filer, as provided in the regulations of the applicable FCPE or compartment.

32. Participation in the Employee Share Offering is voluntary, and the Canadian resident Qualifying Employees will not be induced to participate in the Employee Share Offering by expectation of employment or continued employment.

33. The total amount invested by a Canadian Participant in the Employee Share Offering cannot exceed 25% of his or her gross annual compensation for the 2009 calendar year. In addition, the total amount invested by a Canadian Participant in the SAR Plan cannot exceed the lesser of (i) 5% of his or her gross annual compensation for 2009 or (ii) the Canadian dollar equivalent of €3,000. Notwithstanding the foregoing, the employer of a Canadian Participant shall have the discretion to permit a Canadian Participant to use his or her estimated gross annual compensation for the 2010 calendar year instead of actual 2009 gross annual compensation for the above-mentioned limits.

34. None of the Filer, the Management Company, the Local Affiliates or any of their employees, agents or representatives will provide investment advice to the Canadian Participants with respect to an investment in the Shares or the Units.

35. The Canadian Participants will receive an information package in the French or English language, according to their preference, which will include a summary of the terms of the Employee Share Offering, a tax notice relating to the Classic FCPE and the SAR Compartment containing a description of Canadian income tax consequences of subscribing to and holding Units of the Classic FCPE and/or the SAR Compartment and requesting the redemption of such Units for cash or Shares at the end of the Lock-Up Period, a reservation form (in electronic format), a revocation form (in electronic format) and a SAR Explanation Notice. These documents will be available in both English and French.

36. Upon request, Canadian Participants may receive copies of the Filer's French Document de Référence filed with the French AMF in respect of the Filer and a copy of the rules of the Temporary Classic FCPE, Principal Classic FCPE and SAR Compartment (which are analogous to company by-laws). The Canadian Participants will also have access to copies of the continuous disclosure materials relating to the Filer that are furnished to holders of the Shares.

37. Canadian Participants will receive an initial statement of their holdings under the Classic Plan and/or SAR Plan, together with an updated statement at least once per year.

38. There are approximately 1,497 Qualifying Employees resident in Canada, in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia, New Brunswick, and Newfoundland and Labrador (with the greatest number, approximately 687 and 500, resident in British Columbia and Ontario, respectively), who represent, in the aggregate, less than 2% of the number of employees in the Filer Group worldwide.

39. The Units will not be listed on any exchange.

Decision

The principal regulator is satisfied that the test contained in the Legislation that provides the principal regulator with the jurisdiction to make the decision has been met.

The decision of the principal regulator under the Legislation is that the Offering Relief is granted provided that:

1. the prospectus requirements of the Legislation will apply to the first trade in any Units or Shares acquired by Canadian Participants pursuant to this decision unless the following conditions are met:

    (a) the issuer of the security

        (i) was not a reporting issuer in any jurisdiction of Canada at the distribution date, or

        (ii) is not a reporting issuer in any jurisdiction of Canada at the date of the trade;

    (b) at the distribution date, after giving effect to the issue of the security and any other securities of the same class or series that were issued at the same time as or as part of the same distribution as the security, residents of Canada

        (i) did not own, directly or indirectly, more than 10% of the outstanding securities of the class or series, and

        (ii) did not represent in number more than 10% of the total number of owners, directly or indirectly, of securities of the class or series; and

    (c) the first trade is made

        (i) through the facilities of an exchange, or a market, outside of Canada, or

        (ii) to a person or company outside of Canada.

2. prior to participating in the Employee Share Offering, each Canadian Participant will receive disclosure that:

    (a) the Employee Share Offering is made through a person or company not registered under the Legislation as a dealer; and

    (b) certain investor protections under the Legislation may not be available to the Canadian Participants who purchase or sell Units or Shares pursuant to or in connection with the Employee Share Offering.

"James D.Carnwath"
Commissioner
Ontario Securities Commission

"Mary Condon"
Commissioner
Ontario Securities Commission

2.1.10 Arkema

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Application for relief from the prospectus and dealer registration requirements for certain trades made in connection with an employee share offering by a French issuer – The offering involves the use of collective employee shareholding vehicles, each a fonds communs de placement d'entreprise (FCPE) – The Filer cannot rely on the employee prospectus exemption in section 2.24 of National Instrument 45-106 Prospectus and Registration Exemptions and the Manager cannot rely on the plan administrator exemption in section 8.16 of National Instrument 31-103 Registration Requirements and Exemptions as the shares are not being offered to Canadian employees directly by the issuer but through the FCPEs – Canadian employees will receive disclosure documents – The FCPEs are subject to the supervision of the French Autorité des marchés financiers – Relief granted, subject to conditions.

Applicable Legislative Provisions

Securities Act (Ontario), ss. 53, 74.
National Instrument 31-103 Registration Requirements and Exemptions, s. 8.16.
National Instrument 45-102 Resale of Securities, s. 2.14.
National Instrument 45-106 Prospectus and Registration Exemptions, s. 2.24.

April 5, 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
ARKEMA (THE "FILER")

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the "**Legislation**") for:

1. an exemption from the prospectus requirements of the Legislation[1] (the "**Prospectus Relief**") so that such requirements do not apply to:

   (a) trades in units ("**Units**") of

      (i) Arkema Actionnariat International (the "**Fund"**, which is a *fonds communs de placement d'entreprise* or "FCPE"); and

      (ii) Arkema Actionnariat International Relais 2010 (the "**Temporary Fund**", and together with the Fund, the "**Funds**") which will merge with the Fund following the completion of the Employee Share Offering (as defined below), such transaction being described as the "**Merger**" in paragraph 6(c) of the Representations. The term "**Classic Fund**" used herein means, prior to the Merger, the Temporary Fund, and following the Merger, the Fund;

[1] Section 53 of the *Securities Act* (Ontario) (the "OSA").

made pursuant to the global employee share offering of the Filer (the "**Employee Share Offering**") to or with Qualifying Employees (as defined below) resident in the Jurisdiction and in Québec (the "**Offering Jurisdictions**") who elect to participate in the Employee Share Offering (the "**Canadian Participants**"); and

(b) trades of ordinary shares of the Filer (the "**Shares**") by the Funds to or with Canadian Participants upon the redemption of Units as requested by Canadian Participants; and

2. an exemption from the dealer registration requirements of the Legislation[2] so that such requirements do not apply to the manager of the Funds, Crédit Agricole Asset Management (the "**Manager**"), to the extent that its activities described in paragraphs 9 and 10 of the Representations are subject to the dealer registration requirements of the Legislation (collectively, with the Prospectus Relief, the "**Offering Relief**").

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

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

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* ("**MI 11-102**") is intended to be relied upon in Québec.

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, National Instrument 45-106 *Prospectus and Registration Exemptions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

Representations

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

1. The Filer is a corporation formed under the laws of France. It is not, and has no current intention of becoming, a reporting issuer under the Legislation or under the securities legislation of the other Offering Jurisdiction. The Shares are listed on Euronext Paris. The head office of the Filer is located in Paris, France.

2. The Filer carries on business in Canada through the following affiliate of the Filer: Arkema Canada Inc. (the "**Canadian Affiliate**," and together with the Filer and other affiliates of the Filer, the "**Arkema Group**"). The Canadian Affiliate is a directly or indirectly controlled subsidiary of the Filer and is not, and has no current intention of becoming, a reporting issuer under the Legislation or under the securities legislation of the other Offering Jurisdiction. The head office of the Arkema Group in Canada is located in Burlington, Ontario.

3. As of the date hereof and after giving effect to the Employee Share Offering, Canadian residents do not and will not beneficially own (which term, for the purposes of this paragraph, is deemed to include all Shares held by the Funds on behalf of Canadian Participants) more than 10% of the Shares and do not and will not represent in number more than 10% of the total number of holders of the Shares as shown on the books of the Filer.

4. Only persons who are employees of a member of the Arkema Group during the subscription period for the Employee Share Offering and who meet other employment criteria (the "**Qualifying Employees**") will be invited to participate in the Employee Share Offering.

5. As set forth above, the Funds are *fonds communs de placement d'entreprise*, or FCPEs, which is a shareholding vehicle of a type commonly used in France for the conservation or custodianship of shares held by employee investors, which must be registered with and approved by the Autorité des marchés financiers in France (the "**French AMF**") at the time of its creation. The Funds are established for the purpose of implementing the Employee Share Offering. There is no current intention for the Funds to become reporting issuers under the Legislation or under the securities legislation of the other Offering Jurisdiction. Only Qualifying Employees will be allowed to hold Units of the Funds and such holdings will be in an amount reflecting the number of Shares held by the Funds on their behalf.

6. Qualifying Employees will be invited to participate in the Employee Share Offering under the following terms:

(a) Canadian Participants will receive Units in the Temporary Fund, which will subscribe for Shares on behalf of the Canadian Participants at a subscription price that is equal to the price calculated as the average of the opening price of the Shares (expressed in Euros) on the 20 trading days preceding the date of the fixing of the

[2] Section 25(1) of the OSA.

subscription price by the Board of Directors of the Filer (the "**Reference Price**"), less a 20% discount. The subscription price will be the Canadian dollar equivalent of the Reference Price less the 20% discount.

(b) The Shares will be held in the Temporary Fund and the Canadian Participant will receive Units in the Temporary Fund.

(c) After completion of the Employee Share Offering, the Temporary Fund will be merged with the Fund (subject to the approval of the French AMF and the decisions of the supervisory board of the FCPEs). Units of the Temporary Fund held by Canadian Participants will be replaced with Units of the Fund on a pro rata basis and the Shares subscribed for under the Employee Share Offering will be held in the Fund (the "**Merger**").

(d) The Units will be subject to a hold period of approximately five years (the "**Lock-Up Period**"), subject to certain exceptions prescribed by French law (such as a release on death, disability or involuntary termination of employment).

(e) At the end of the Lock-Up Period, a Canadian Participant may:

(i) request the redemption of his or her Units in the Fund in consideration for the underlying Shares or a cash payment equal to the then-market value of the Shares (expressed in Euros) held by the Fund; or

(ii) continue to hold Units in the Fund and request the redemption of those Units at a later date.

(f) In the event of an early redemption resulting from the Canadian Participant exercising one of the exceptions to the Lock-Up Period prescribed by French law, the Canadian Participant may request the redemption of his or her Units in the Classic Fund in consideration for the underlying Shares or a cash payment equal to the then-market value of the Shares (expressed in Euros) held by the Classic Fund.

(g) Any dividends paid on the Shares held in the Classic Fund will be contributed to the Classic Fund and used to purchase additional Shares. To reflect this reinvestment, new Units (or fractions thereof) will be issued to participants.

7. The Classic Fund's portfolio will principally consist of Shares and may also include, from time to time, cash in respect of dividends paid on the Shares which will be reinvested in Shares. The Classic Fund may also hold cash or cash equivalents pending investments in the Shares and for the purposes of Unit redemptions.

8. The Manager is a portfolio management company governed by the laws of France. The Manager is registered with the French AMF to manage French investment funds. The Manager is not a reporting issuer under the Legislation or under the securities legislation of the other Offering Jurisdiction.

9. The Manager's portfolio management activities in connection with the Employee Share Offering and the Classic Fund are limited to purchasing Shares from the Filer using amounts contributed by Canadian Participants and selling such Shares as necessary in order to fund redemption requests.

10. The Manager is also responsible for preparing accounting documents and publishing periodic informational documents as provided by the rules of the Classic Fund. The Manager's activities do not affect the underlying value of the Shares and the Manager will not be involved in providing advice to any Canadian Participants.

11. Shares issued in the Employee Share Offering will be deposited in the Classic Fund through CACEIS Bank (the "**Depositary**"), a large French commercial bank subject to French banking legislation.

12. Under French law, the Depositary must be selected by the Manager from among a limited number of companies identified on a list maintained by the French Minister of the Economy, Finance and Industry and its appointment must be approved by the French AMF. The Depositary carries out orders to purchase, trade and sell securities in the portfolio and takes all necessary action to allow the Classic Fund to exercise the rights relating to the securities held in its portfolio.

13. Participation in the Employee Share Offering is voluntary, and the Canadian-resident Qualifying Employees will not be induced to participate in the Employee Share Offering by expectation of employment or continued employment.

14. The total amount invested by a Canadian Participant in the Employee Share Offering cannot exceed 25% of his or her gross annual remuneration for the 2009 calendar year.

15. None of the Filer, the Manager, the Canadian Affiliate or any of their employees, agents or representatives will provide investment advice to the Canadian Participants with respect to an investment in the Units.

16. The Shares are not currently listed for trading on any stock exchange in Canada and there is no intention to have the Shares so listed. As there is no market for the Shares in Canada, and as none is expected to develop, first trades of Shares by Canadian Participants will be effected through the facilities of, and in accordance with, the rules and regulations of Euronext Paris.

17. Canadian Participants will receive an information package in the English or French language, as applicable, which will include a summary of the terms of the Employee Share Offering and a description of the relevant Canadian income tax considerations relating to subscribing for and holding the Units in the Classic Fund and redeeming Units at the end of the Lock-Up Period.

18. Canadian Participants may also consult the Filer's annual report posted on the Filer's website and will have access to the continuous disclosure materials relating to the Filer that are furnished to the Filer's shareholders generally. In addition, upon request, a copy of the relevant Fund's rules (which are analogous to company by-laws) and the French Document de Référence filed with the French AMF in respect of the Shares will be available to participating employees.

19. There are approximately 62 Qualifying Employees resident in Canada in the provinces of Ontario and Québec, who represent, in the aggregate, less than 2% of the number of employees in the Arkema Group worldwide.

20. The Filer and the Canadian Affiliate are not in default under the Legislation or under the securities legislation of the other Offering Jurisdiction.

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 Offering Relief is granted provided that the prospectus requirements of the Legislation will apply to the first trade in any Units or Shares acquired by Canadian Participants pursuant to this decision unless the following conditions are met:

(a) the issuer of the security

  (i) was not a reporting issuer in any jurisdiction of Canada at the distribution date, or

  (ii) is not a reporting issuer in any jurisdiction of Canada at the date of the trade;

(b) at the distribution date, after giving effect to the issue of the security and any other securities of the same class or series that were issued at the same time as or as part of the same distribution as the security, residents of Canada

  (i) did not own directly or indirectly more than 10% of the outstanding securities of the class or series, and

  (ii) did not represent in number more than 10% of the total number of owners directly or indirectly of securities of the class or series; and

(c) the trade is made

  (i) to a person or company outside of Canada, or

  (ii) through the facilities of a stock exchange outside of Canada.

"Carol S. Perry"
Commissioner
Ontario Securities Commission

"James Turner"
Commissioner
Ontario Securities Commission

2.1.11 Australian Solomons Gold Limited

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 under applicable securities laws – issuer has no publicly held securities – issuer is in default of certain continuous disclosure obligations – requested relief granted.

Applicable Legislative Provisions

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

April 6, 2010

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA, BRITISH COLUMBIA, MANITOBA
AND ONTARIO
(the Jurisdictions)

AND

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

AND

IN THE MATTER OF
AUSTRALIAN SOLOMONS GOLD LIMITED
(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**) that the Filer is not a reporting issuer (the **Exemptive Relief Sought**).

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

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

(b) the decision is the decision of the principal regulator and evidences the decision of each other Decision Maker.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* have the same meanings 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 existing under the *Corporations Act 2001* (Commonwealth of Australia) (the **Australian Act**).

2. The head office and registered and records office of the Filer is located in Albion, Brisbane, Queensland, Australia.

3. The Filer is a reporting issuer in each of the Jurisdictions.

4. On September 16, 2009, Allied Gold Limited (**Allied Gold**) and AGL (ASG) Pty Ltd, a wholly-owned subsidiary of Allied Gold (collectively, the **Offerors**), announced their intention to make an offer (the **Offer**) to acquire all of the outstanding ordinary shares of the Filer (**ASG Shares**) by way of a share exchange take-over bid.

5. The Offer expired at 8:00 p.m. (Toronto time) on December 14, 2009 (the **Expiry Time**). As at the Expiry Time, an aggregate of 125,788,776 ASG Shares, representing approximately 96.6% of the issued and outstanding ASG Shares, were deposited under the Offer and not withdrawn.

6. As of December 17, 2009, all of the ASG Shares deposited under the Offer had been taken up by the Offerors in consideration for the issuance of an aggregate of 106,920,459 ordinary shares of Allied Gold.

7. On January 13, 2010, Allied Gold commenced a compulsory acquisition of the outstanding ASG Shares not owned by it pursuant to the compulsory acquisition provisions of the Australian Act (the **Compulsory Acquisition**). Pursuant to the compulsory acquisition provisions of the Australian Act, the Compulsory Acquisition was required to be completed by February 27, 2010.

8. On February 26, 2010, Allied Gold completed the Compulsory Acquisition and became the owner of all of the issued and outstanding ASG Shares. The Filer has no securities outstanding other than the ASG Shares held by Allied Gold.

9. The Filer is not in default of any of its obligations under the Legislation as a reporting issuer other than its obligation to file and deliver on or before February 15, 2010 (the **Filing Deadline**) interim financial statements and management's discussion and analysis for the period ended December 31, 2009 as required under National Instrument 51-102 *Continuous Disclosure Obligations* and the related certificates as required under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*.

10. As Allied Gold commenced the Compulsory Acquisition prior to the Filing Deadline and, pursuant to the Australian Act, the Compulsory Acquisition was required to be completed by February 27, 2010, the Filer did not prepare or file such interim financial statements, management's discussion and analysis or related certificates.

11. The outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 security holders in each of the jurisdictions in Canada and less than 51 security holders in total in Canada.

12. The ASG Shares were listed and posted for trading on the Toronto Stock Exchange under the symbol "SGA" on August 28, 2006. The ASG Shares were delisted from trading on the Toronto Stock Exchange effective as of the close of business on January 28, 2010.

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

14. The Filer has no current intention to seek public financing by way of an offering of securities.

15. The Filer is applying for a decision that it is not a reporting issuer in all jurisdictions of Canada in which it is currently a reporting issuer.

16. The Filer did not voluntarily surrender its status as a reporting issuer in British Columbia pursuant to BC Instrument 11-102 *Voluntary Surrender of Reporting Issuer Status* (the **BC Instrument**) in order to avoid the 10-day waiting period under the BC Instrument.

17. The Filer is not eligible to use the simplified procedure under CSA Staff Notice 12-307 *Applications for a Decision that an Issuer is not a Reporting Issuer* in order to apply for the Exemptive Relief Sought because it is in default of certain filing obligations under the Legislation as described in paragraph 9 above.

18. The Filer, upon the grant of the Exemptive Relief Sought, will no longer be a reporting issuer or the equivalent in any jurisdiction of Canada.

Decision

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

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

"Carol S. Perry"
Ontario Securities Commission

"Kevin J. Kelly"
Ontario Securities Commission

2.1.12 Broadview Press Inc. – s. 1(10)

Headnote

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

Ontario Statutes

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

April 6, 2010

Broadview Press Inc.
c/o McLeod & Company LLP
3rd Floor, 14505 Bannister Road SE
Calgary, Alberta T2X 3J3

Dear Sirs/Mesdames:

Re: Broadview Press Inc. (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.

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

2.2 Orders

2.2.1 Shermag Inc. – s. 144

Headnote

Section 144 – partial revocation of cease trade order to permit certain trades pursuant to the terms of a CCAA approved share recapitalization, conversion, repurchase and private placement transaction.

Statutes Cited

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

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

AND

**IN THE MATTER OF
SHERMAG INC.**

**ORDER
(Section 144)**

WHEREAS a Director of the Ontario Securities Commission (the "Commission") issued a temporary cease trade order dated November 20, 2009 pursuant to paragraphs 2 and 2.1 of subsection 127(1) and subsection 127(5) of the Act, as extended by an order dated December 2, 2009 pursuant to paragraphs 2 and 2.1 of subsection 127(1) and subsection 127(5) of the Act (the "**Ontario CTO**") which provided that all trading of the securities of Shermag Inc. (the "**Applicant**") are subject to a cease trade order;

AND WHEREAS the Applicant has applied to the Commission pursuant to section 144 of the Act (the "**Application**") for a partial revocation of the Ontario CTO;

AND WHEREAS the Applicant has represented to the Commission that:

1. The Applicant is incorporated under the *Companies Act* (Quebec) on January 28, 1977 and continued under Part IA of the *Companies Act* (Quebec) on January 30, 1981.

2. The Applicant is a reporting issuer in the Provinces of Quebec and Ontario.

3. The connecting factor used to identify Quebec as the principal regulator is the location of the Applicant's head office and business operations.

4. The Applicant's authorized capital consists of an unlimited number of common shares (the "**Common Shares**") and preferred shares (the "**Preferred Shares**"), of which 55,015,391 Common Shares and 700,000 Second-ranking

Series 1 Preferred Shares are issued and outstanding at the date hereof. In addition, at the date hereof, there are two convertible debentures of the Applicant that are issued and outstanding, one in the aggregate principal amount of $1,000,000 and the other in the aggregate principal amount of $3,000,000, leach being convertible into Common Shares and Preferred Shares of the Applicant (collectively, the "**Debentures**"). The holders of all stock options issued by the Applicant that were outstanding have waived their rights in connection therewith.

5. The Ontario CTO was issued by the Commission as a result of the Applicant's failure to file the following continuous disclosure materials as required by Ontario Securities law:

   a. its audited annual financial statements for the years ended March 31, 2008 and 2009;

   b. management's discussion and analysis relating to audited annual financial statements for the years ended March 31, 2008 and 2009; and

   c. its interim financial statements and related management discussion and analysis for the interim periods ending June 30 2008, September 30, 2008, December 31, 2008 and June 30 2009.

6. The Applicant is also subject to cease trade orders (collectively, the "**Quebec CTO**") issued by the *Autorite des marches financiers du Quebec* (the "**AMF**") dated November 16, 2009 and December 1, 2009. The Applicant has concurrently applied to the AMF for the revocation of the Quebec CTO (the "**Quebec Partial Revocation**").

7. The Preferred Shares have never been listed on an exchange and trading of the Common Shares on the TSX was halted on May 1s" 2009, and subsequently de-listed on July 31, 2009.

8. On May 5, 2008 (the "**Filing Date**"), the Applicant and its subsidiaries, Jaymar Furniture Corp., Scierie Montauban Inc., Megabois (1989) Inc., Shennag Corporation and Jaymar Sales Corporation (collectively, the "**Applicants**") applied for and obtained an order (the "**CCAA Order**") of the Quebec Superior Court (the "**Court**") for their protection under the *Companies' Creditors Arrangement Act*, including a general stay of proceedings against the Applicants until June 4, 2008 (the "**Stay Termination Date**").

9. The CCAA Order, *inter alia*, allowed the Applicant to continue operating as it attempted to develop a restructuring plan by staying, as of the Filing Date, substantially all claims against the Applicants, their respective property and assets and their respective directors, officers, agents, contractors and employees.

10. Pursuant to the CCAA Order, the Applicant obtained from the Court an order releasing it from certain obligations, and in particular that of preparing: (a) any document related to a potential shareholders' meeting; (b) any annual and interim financial statements; (c) any management information circulars; and (d) any annual information forms.

11. From June 4, 2008 onwards, the Applicants received successive new orders from the Court, inter alia, further extending the Stay Termination Date. The last such order was issued on August 12, 2009, and extended the Stay Termination Date to October 16, 2009.

12. On August 20, 2009, the Applicant filed a restructuring plan (the "**Plan**") before the Court which provided, among other things, that Groupe Bermex Inc. would subscribe for 41,666,667 Common Shares for aggregate consideration of $1,250,000, or $0.03 per share. On September 10, 2009, the creditors of the Applicant approved the Plan and the Court sanctioned the Plan on September 15, 2009. The transactions comprising the Plan closed on October 9, 2009 and on October 14, 2009, all the conditions precedent to the closing of the transactions comprising the Plan were met.

13. Since the closing of the transaction comprising the Plan, Groupe Bermex Inc. is the Applicant's controlling shareholder, holding 44,279,567 Common Shares, or 80.5% of the issued and outstanding Common Shares.

14. On February 12, 2010, the Applicant filed the following the following continuous disclosure materials on SEDAR (the "**Materials**"):

   a. its audited annual financial statements for the year ended April 3, 2009 (including unqualified audited comparative information for the year ended April 4, 2008);

   b. its management's discussion and analysis relating to audited annual financial statements for the year ended April 3, 2009; and

   c. its interim financial statements and related management discussion and analysis for the interim periods ending July 3, 2009 and October 2, 2009.

15. The Applicant is not otherwise in default of any requirements of the Ontario Act, the Quebec Act or the rules or regulations thereunder, other than as described in paragraph 5, its failure to file its

annual information form for the years 2008 and 2009 and, in respect of the Ontario Act, that the Applicant has taken the following steps, one or more of which may constitute an act in furtherance of a trade:

a. the Applicant has filed a news release setting out the terms of the Reorganization (as defined below), the terms of which are described in more detail in paragraph 18 hereof; and

b. the Applicant has mailed disclosure materials to shareholders for the purpose of obtaining shareholder approval of the Reorganisation.

16. The Applicant's current financial situation is precarious and it is currently operating as a going concern.

17. The Applicant's board of directors are of the opinion that the Applicant's status as a reporting issuer is inappropriate and that a reorganization of the Applicant, leading to the privatization of the Applicant, is necessary and desirable. In addition, such a reorganization would provide otherwise inaccessible liquidity for the holders of Common Shares.

18. On February 26, 2010, the Applicant mailed to its shareholders and filed on SEDAR a management information circular containing prospectus-level disclosure in connection with a proposed reorganization of the Applicant. The Applicant will hold an annual and special shareholders meeting (the "**Meeting**") on March 25, 2010 at which the shareholders of the Applicant will, *inter alia*, be asked to approve a corporate reorganization of the Applicant (the "**Reorganization**") comprised of the following transactions:

a. the adoption of by-law 2010-1 abrogating the authorised share capital of the Applicant, replacing it with a share capital comprising three classes of shares, namely common shares, class A preferred shares and class B preferred shares (the "**Recapitalization**");

b. the conversion of the presently issued and outstanding Common Shares into class B preferred shares and the presently issued and outstanding Preferred Shares into class A preferred shares (the "**Conversion**");

c. concurrent with the Recapitalization and Conversion, the subscription by way of private placement of Groupe Bermex Inc. of 100 new common shares of the Applicant for a total subscription price of $100 (the "**Private Placement**"); and

d. immediately following the Recapitalization, the Conversion and the Private Placement, the repurchase by the Applicant of all the issued and outstanding class B preferred shares at a price of $0.03 per share.

19. The Reorganization constitutes a "business combination" within the meaning of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**") and the Applicant intends to avail itself of the exemption from the formal valuation requirement provided for in Section 4.4(1)(a) thereof.

20. The Reorganization must obtain "minority approval" as defined in MI 61-101.

21. The Applicant cannot complete the Reorganization without a partial revocation of the Ontario CTO and the Quebec CTO.

22. In connection with the Reorganization, the Applicant will:

a. provide to the Commission and the AMF, statements from the holders of the Debentures and the shareholders of the Applicant following the completion of the Reorganization (i) acknowledging that the issuance of this partial revocation order does not guarantee the issuance of a full revocation order in the future and (ii) acknowledging receipt of a copy of each of the Ontario CTO, the Quebec CTO, the Quebec Partial Revocation and this partial revocation order; and

b. provide a copy of the Ontario CTO, the Quebec CTO, the Quebec Partial Revocation and this partial revocation order to holders of the Debentures and the shareholders of the Applicant following the completion of the Reorganization.

23. Pursuant to an agreement with its principal regulator, the AMF, in connection with the Reorganization, the AMF agreed that the filing of the Materials by the Applicant would be sufficient to relieve it of its default under the Quebec CTO.

24. The Applicant acknowledges that the Ontario CTO and the Quebec CTO will remain in effect following the conclusion of the Reorganization and that trading in the securities of the Applicant will remain ceased.

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

26. The Applicant's SEDAR profile and SEDI issuer profile supplement are current and accurate.

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

AND WHEREAS the Director being satisfied that to do so would not be prejudicial to the public interest;

IT IS ORDERED, pursuant to section 144 of the Act, that the Ontario CTO be and is hereby partially revoked solely to permit trades in securities of the Applicant in connection with the Reorganization subject to:

a. the approval of the Recapitalization by two-thirds of the votes cast at the Meeting;

b. obtaining minority approval (as such term is defined in MI 61-101) of the Reorganization;

c. following the completion of the Reorganization, the Applicant providing each of the holders of the Debentures and each of its shareholders with a copy of the Ontario CTO, the Quebec CTO, the Quebec Partial Revocation and this partial revocation order;

d. the Applicant providing the Commission with statements from the holders of the Debentures and the shareholders of the Applicant following the completion of the Reorganization (i) acknowledging that the issuance of this partial revocation order does not guarantee the issuance of a full revocation order in the future, and (ii) acknowledging receipt of a copy of each of the Ontario CTO, the Quebec CTO, the Quebec Partial Revocation and this partial revocation order.

Dated at Toronto this 25th day of March, 2010.

"Michael Brown"
Assistant Manager, Corporate Finance Branch

2.2.2 Anthony Ianno and Saverio Manzo

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

AND

IN THE MATTER OF
ANTHONY IANNO AND SAVERIO MANZO

ORDER

WHEREAS on March 8, 2010 the Ontario Securities Commission (the "Commission") issued a Notice of Hearing and Statement of Allegations in this matter pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended;

AND WHEREAS the Notice of Hearing provided that an inital hearing would be held at the offices of the Commission on Tuesday March 30, 2010 at 2:30 pm;

AND WHEREAS Saverio Manzo ("Manzo") attended the hearing in person, and Anthony Ianno ("Ianno") and Staff of the Commission ("Staff") were represented by counsel;

AND WHEREAS the Commission was advised that all parties consented to the following order;

IT IS ORDERED THAT the hearing is adjourned to a pre-hearing conference to be scheduled by the Secretary's Office, and in any case with best efforts to be held no later than July 31, 2010. The purpose of the pre-hearing conference will be to discuss the status of disclosure, determine whether any motions will be required by any of the parties and to set down dates for the hearing on the merits.

DATED at Toronto this 30th day of March, 2010.

"Carol S. Perry"

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

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

AND

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

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

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

1. that all trading in any securities by 1621852 Ontario Limited ("162 Ontario"), Hillcorp International Services ("Hillcorp International"), Hillcorp Wealth Management ("Hillcorp Wealth"), Suncorp Holdings or their agents or employees shall cease;

2. that all trading in any securities by Steven John Hill ("Hill"), John C. McArthur ("McArthur"), Daryl Renneberg ("Renneberg") and Danny De Melo ("De Melo") shall cease;

3. that the exemptions contained in Ontario securities law do not apply to 162 Limited, Hillcorp International, Hillcorp Wealth, Suncorp Holdings or their agents or employees; and

4. that the exemptions contained in Ontario securities law do not apply to Hill, McArthur, Renneberg and De Melo;

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

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

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

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

AND WHEREAS the Commission ordered on February 5, 2010 that the Amended Order was extended against 162 Ontario, Hillcorp International, Hillcorp Wealth, Suncorp Holdings, Hill and De Melo until July 12, 2010 and against Renneberg until March 31, 2010;

AND WHEREAS Staff of the Commission ("Staff") request a further order continuing the Amended Order against Renneberg;

AND WHEREAS Renneberg consents to an order continuing the Amended Order;

AND WHEREAS the Commission reviewed the written consent of Renneberg;

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

IT IS HEREBY ORDERED pursuant to subsections 127(7) and 127(8) of the Act that the Amended Order is extended against Renneberg to April 30, 2010 and specifically:

1. that all trading in any securities by Renneberg shall cease; and

2. that the exemptions contained in Ontario securities law do not apply to Renneberg;

3. with the exception that Renneberg may trade in certain securities for his own account or for the account of his registered retirement savings plan or registered retirement income fund (as defined in the Income Tax Act (Canada)) in which he has sole legal or beneficial ownership, provided that:

    a. the securities consist only of securities that are listed and posted for trading on the Toronto Stock Exchange or the New York Stock Exchange (or their successor exchanges) or are issued by a mutual fund which is a reporting issuer;

    b. Renneberg submits to Staff, at least five business days prior to the first trade made under this Order, a detailed written statement showing his direct or indirect legal or beneficial ownership of or control or direction over all securities referred to in paragraph (a), as of the date of this Order;

    c. Renneberg does not have direct or indirect legal or beneficial ownership of or control or direction over more than one per cent of the outstanding securities of the class or series of the class in question;

    d. Renneberg must trade only through a registered dealer and through accounts opened in his name only and must immediately close any trading accounts that were not opened in his name only; and

    e. Renneberg must submit standing instructions to each registrant with whom he has an account, or through or with whom he trades any securities, directing that copies of all trade confirmations and monthly account statements be forwarded directly to Staff at the same time such documents are sent to Renneberg, and Renneberg must ensure that such instructions are complied with.

Dated at Toronto this 30th day of March, 2010

“Carol S. Perry”

2.2.4 Richvale Resource Corp. et al. – ss. 127(1), 127(8)

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

AND

IN THE MATTER OF
RICHVALE RESOURCE CORP., MARVIN WINICK,
HOWARD BLUMENFELD, PASQUALE SCHIAVONE,
AND SHAFI KHAN

ORDER
(Subsections 127(1) and 127(8))

WHEREAS on March 19, 2010, the Ontario Securities Commission (the "Commission") issued a temporary cease trade order pursuant to subsections 127(1) and 127(5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") ordering i) that trading in the securities of Richvale Resource Corp. ("Richvale") shall cease and ii) Richvale and its representatives, including Marvin Winick ("Winick"), Howard Blumenfled ("Blumenfeld"), Pasquale Schiavone (previously identified as Paquale Schiavone in the March 19, 2010 temporary cease trade order) ("Schiavone") and Shafi Khan ("Khan") cease trading in all securities (the "Temporary Order");

AND WHEREAS, on March 19, 2010, the Commission ordered that the Temporary Order shall expire on the 15th day after its making unless extended by order of the Commission;

AND WHEREAS on March 19, 2010, the Commission issued directions under section 126(1) of the Act freezing assets in bank accounts in the name of Richvale and Khan (collectively, the "Freeze Directions");

AND WHEREAS on March 22, 2010, the Commission issued a notice of hearing to consider, among other things, the extension of the Temporary Order, to be held on April 1, 2010 at 10:00 a.m. (the "Notice of Hearing");

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

AND WHEREAS Staff of the Commission ("Staff") have served all of the respondents with copies of the Temporary Order, the Notice of Hearing, and documents related to the Freeze Directions as evidenced by the Affidavit of Kathleen McMillan, sworn on March 31, 2010, and filed with the Commission;

AND WHEREAS Richvale, Blumenfeld, Schiavone and Khan did not appear before the Commission to oppose Staff's request for the extension of the Temporary Order;

AND WHEREAS Winick communicated to the Commission through an agent that he was not opposed to the extension of the Temporary Order;

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

AND WHEREAS, pursuant to subsection 127(8) of the Act, satisfactory information has not been provided to the Commission;

AND WHEREAS the Commission is of the opinion that it is in the public interest to extend the Temporary Order;

IT IS HEREBY ORDERED that the Temporary Order is amended as follows to create the "Amended Temporary Order", dated today:

i) the name "PAQUALE SCHIAVONE" in the style of cause is amended to "PASQUALE SCHIAVONE";

ii) paragraph 5 of the Temporary Order is amended to read as follows: Shafi Khan ("Khan") is acting as a representative of Richvale;

iii) paragraph 9(i) is amended to read as follows: trading in securities of Richvale without proper registration or an appropriate exemption from the registration requirements under the Act contrary to section 25 of the Act; and

iv) pursuant to clause 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities laws in respect of Richvale, Winick, Blumenfeld, Schiavone and Khan do not apply;

IT IS FURTHER ORDERED, pursuant to subsection 127(8) of the Act, that the Amended Temporary Order is extended to June 4, 2010; and,

IT IS FURTHER ORDERED that the hearing in this matter is adjourned to June 3, 2010, at 10:00 a.m.

DATED at Toronto this 1st day of April, 2010.

"David L. Knight"

2.2.5 IGM Financial Inc. – s. 104(2)(c)

Headnote

Clause 104(2)(c) – Issuer bid – relief from issuer bid requirements in sections 94 to 94.8 and 97 to 98.7 of the Act – Issuer proposes to purchase, at a discounted purchase price, up to 500,000 of its common shares from one of its shareholders and/or such shareholder's affiliates – due to discounted purchase price, proposed purchases cannot be made through TSX trading system – but for the fact that the proposed purchases cannot be made through the TSX trading system, the Issuer could otherwise acquire the subject shares in reliance upon the issuer bid exemption available under section 101.2 of the Act and in accordance with the TSX rules governing normal course issuer bid purchases – no adverse economic impact on or prejudice to issuer or public shareholders – proposed purchases exempt from issuer bid requirements in sections 94 to 94.8 and 97 to 98.7 of the Act, subject to conditions.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 94 to 94.8, 97 to 98.7, 104(2)(c).

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

AND

IN THE MATTER OF
IGM FINANCIAL INC.

ORDER
(Clause 104(2)(c))

UPON the application (the "**Application**") of IGM Financial Inc. (the "**Issuer**") to the Ontario Securities Commission (the "**Commission**") for an order pursuant to Section 104(2)(c) of the *Securities Act* (Ontario) (the "**Act**") exempting the Issuer from the requirements of Sections 94 to 94.8 and 97 to 98.7 of the Act (the "**Issuer Bid Requirements**") in connection with the proposed purchase or purchases (the "**Proposed Purchases**") of up to an aggregate of 500,000 (the "**Subject Shares**") of the Issuer's common shares (the "**Shares**") from Royal Bank of Canada and/or its affiliates (collectively, the "**Selling Shareholders**");

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

AND UPON the Issuer having represented to the Commission that:

1. The Issuer is a corporation governed by the *Canada Business Corporations Act*.

2. The head office of the Issuer is located at 447 Portage Avenue, Winnipeg, Manitoba, R3C 3B6.

3. The Issuer is a reporting issuer in each of the provinces and territories of Canada and the Shares are listed for trading on the Toronto Stock Exchange (the "**TSX**"). The Issuer is not in default of any requirement of the securities legislation in the jurisdictions in which it is a reporting issuer.

4. As at December 31, 2009, the authorized common share capital of the Issuer consisted of an unlimited number of Shares, of which 262,633,255 were issued and outstanding.

5. Pursuant to a "Notice of Intention to Make a Normal Course Issuer Bid" filed with the TSX and dated March 18, 2009 (the "**Notice**"), the Issuer is permitted to make normal course issuer bid (the "**Bid**") purchases (each a "**Bid Purchase**") to a maximum of 13,123,814 Shares. To date, 1,742,800 Shares have been purchased under the Bid.

6. In addition to making Bid Purchases by means of open market transactions, the Notice contemplates that the Issuer may purchase Shares by way of exempt offer.

7. The Issuer and the Selling Shareholders intend to enter into one or more agreements of purchase and sale (the "**Agreement**") pursuant to which the Issuer will agree to acquire, by one or more trades occurring prior to the end of day on March 22, 2010, the Subject Shares from the Selling Shareholders for a purchase price or prices (the "**Purchase Price**") that will be negotiated at arm's length between the Issuer and the Selling Shareholders. The Purchase Price will be at a discount to the prevailing market price and below the prevailing bid-ask price for the Shares. The discount is expected to be approximately 7% and will be determined by the lower of the closing price and the volume weighted average price.

8. The purchase of the Subject Shares by the Issuer pursuant to the Agreement will constitute an "issuer bid" for purposes of the Act, to which the Issuer Bid Requirements would otherwise apply.

9. Because the Purchase Price will be at a discount to the prevailing market price and below the bid-ask price for the Shares at the time of each trade, the Proposed Purchases cannot be made through the TSX trading system and, therefore, will not occur "through the facilities" of the TSX. As a result, the Issuer will be unable to acquire the Subject Shares from the Selling Shareholders in reliance upon the exemption from the Issuer Bid Requirements that is available pursuant to Section 101.2(1) of the Act.

10. But for the fact that the Purchase Price will be at a discount to the prevailing market price and below the bid-ask price for the Shares at the time of the trade, the Issuer could otherwise acquire the

Subject Shares as a "block purchase" (a "**Block Purchase**") in accordance with Section 629(l)7 of Part VI of the TSX Company Manual (the "**TSX Rules**") and Section 101.2(1) of the Act.

11. Each of the Selling Shareholders is at arm's length to the Issuer and is not an "insider" of the Issuer, an "associate" of an "insider" of the Issuer or an "associate" or "affiliate" of the Issuer, as such terms are defined in the Act. In addition, each of the Selling Shareholders is an "accredited investor" within the meaning of National Instrument 45-106 *Prospectus and Registration Exemptions* ("**NI 45-106**").

12. The Issuer will be able to acquire the Subject Shares from the Selling Shareholders in reliance upon the exemption from the dealer registration requirements of the Act that is available as a result of the combined effect of Section 2.16 of NI 45-106 and Section 4.1(a) of Commission Rule 45-501 *Ontario Prospectus and Registration Exemptions*.

13. The Issuer is of the view that the purchase of the Subject Shares at a lower price than the price at which the Issuer would be able to purchase the Shares under the Bid is an appropriate use of the Issuer's funds.

14. The purchase of Subject Shares will not adversely affect the Issuer or the rights of any of the Issuer's securityholders. The purchase of the Subject Shares will not affect affect control of the Issuer.

15. The Proposed Purchases will be carried out with a minimum of cost to the Issuer.

16. The market for the Shares is a "liquid market" within the meaning of Section 1.2 of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*. The purchase of Subject Shares would not have any effect on the ability of other shareholders of the Issuer to sell their common shares in the market.

17. Other than the Purchase Price, no additional fee or other consideration will be paid in connection with the Proposed Purchases.

18. The Selling Shareholders have advised the Issuer that they do not directly or indirectly own more than 5% of the issued and outstanding Shares;

19. To the knowledge of the Issuer after reasonable inquiry, the Selling Shareholders own the Subject Shares and the Subject Shares were not acquired in the anticipation of resale pursuant to the Proposed Purchases.

20. To the best of the Issuer's knowledge, as of December 31, 2009, the public float for the Shares consisted of approximately 39.89% for purposes of the TSX Rules.

AND UPON the Commission being satisfied that it would not be prejudicial to the public interest for the Commission to grant the requested exemption;

IT IS ORDERED pursuant to Section 104(2)(c) of the Act that the Issuer be exempt from the Issuer Bid Requirements in connection with the Proposed Purchases, provided that:

(a) the Proposed Purchases will be taken into account by the Issuer when calculating the maximum annual aggregate limit for the Bid Purchases in accordance with the TSX Rules;

(b) the Issuer will refrain from conducting a Block Purchase in accordance with the TSX Rules during the calendar week it completes each Proposed Purchase and may not make any further Bid Purchases for the remainder of that calendar day;

(c) the Purchase Price is not higher than the last "independent trade" (as that term is used in paragraph 629(l)1 of the TSX Rules) of a board lot of Shares immediately prior to the execution of each Proposed Purchase;

(d) the Issuer will otherwise acquire any additional Shares pursuant to the Bid and in accordance with the TSX Rules;

(e) immediately following its purchase of the Subject Shares from the Selling Shareholders, the Issuer will report the purchase of the Subject Shares to the TSX and issue and file a news release disclosing the purchase of the Subject Shares; and

(f) at the time that the Agreement is entered into by the Issuer and the Selling Shareholders and at the time of each Proposed Purchase, neither the Issuer nor the Selling Shareholders will be aware of any "material change" or "material fact" (each as defined in the Act) in respect of the Issuer that has not been generally disclosed.

DATED at Toronto this 12th day of March, 2010

"Margot C. Howard"
Commissioner
Ontario Securities Commission

"Paulette Kennedy"
Commissioner
Ontario Securities Commission

2.2.6 Sextant Capital Management Inc. et al. – s. 127

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

AND

IN THE MATTER OF
SEXTANT CAPITAL MANAGEMENT INC.,
SEXTANT CAPITAL GP INC., OTTO SPORK,
KONSTANTINOS EKONOMIDIS,
ROBERT LEVACK AND NATALIE SPORK

ORDER
(Section 127)

WHEREAS the Ontario Securities Commission (the "Commission") issued a temporary order on December 8, 2008 (the "Temporary Order") against Sextant Capital Management Inc. ("SCMI"), Sextant Capital GP Inc. ("Sextant GP"), the Sextant Strategic Opportunities Hedge Fund L.P. (the "Sextant Canadian Fund"), Otto Spork, Robert Levack and Natalie Spork (together, the "Respondents");

AND WHEREAS the Temporary Order ordered that: (1) pursuant to clause 1 of section 127(1) and section 127(5) of the Act, SCMI's registration as investment counsel, portfolio manager and limited market dealer is subject to the terms and conditions that its advising and dealing activities may be applied exclusively to and in respect of the Sextant Canadian Fund and not to or in respect of any other entities; (2) pursuant to clause 2 of section 127(1) and section 127(5) of the Act, trading in securities of and by the Respondents shall cease with the sole exception that SCMI may place sell orders in respect of the securities and futures contracts held on deposit on behalf of the Sextant Canadian Fund in accounts at Newedge Canada Inc.; and (3) pursuant to clause 3 of section 127(1) and section 127(5) of the Act, any exemptions contained in Ontario securities law do not apply to any of the Respondents;

AND WHEREAS on December 16, 2008, staff of the Commission ("Staff") and counsel for Otto Spork, Robert Levack and Natalie Spork (the "Individual Respondents") appeared before the Commission, counsel for SCMI, Sextant GP and the Sextant Canadian Fund having advised of those Respondents' position in writing, and the Commission ordered that the Temporary Order is continued until March 17, 2009 or further order of the Commission and the hearing is adjourned to March 16, 2009 at 10:00 a.m., or such other date as is agreed by Staff and the Respondents and is determined by the Office of the Secretary;

AND WHEREAS on March 16, 2009, Staff, counsel for the Individual Respondents and counsel for SCMI and Sextant GP appeared before the Commission, no one appearing on behalf of the Sextant Canadian Fund, and the Commission ordered that the Temporary Order is continued until June 17, 2009 or further order of the Commission and the hearing is adjourned to June 16, 2009 at 10:00 a.m., or such other date as is agreed by Staff and the Respondents and is determined by the Office of the Secretary;

AND WHEREAS on June 16, 2009, Staff, counsel for Otto Spork and Natalie Spork and counsel for SCMI and Sextant GP appeared before the Commission, counsel for Robert Levack having advised Staff of his position and no one appearing on behalf of the Sextant Canadian Fund, and the Commission ordered that the Temporary Order is continued until September 17, 2009 or further order of the Commission and the hearing is adjourned to September 16, 2009 at 10:00 a.m., or such other date as is agreed by Staff and the Respondents and is determined by the Office of the Secretary;

AND WHEREAS by Order of the Ontario Superior Court of Justice dated July 17, 2009, PricewaterhouseCoopers Inc. was appointed as Receiver and Manager for SCMI, Sextant GP and the Sextant Canadian Fund;

AND WHEREAS Staff have provided or made available disclosure to the Respondents on October 9, 2010 and April 1, 2010;

AND WHEREAS on September 16, 2009, the Commission ordered that the hearing on the merits in this matter be scheduled from May 3 to 28, 2010 (the "Hearing Dates") and that the Temporary Order be continued until the conclusion of the hearing on the merits in this matter;

AND WHEREAS on April 1, 2010, Staff filed an Amended Statement of Allegations dated April 1, 2010, which, among other things, added Konstantinos Ekonomidis ("Ekonomidis") as a Respondent;

AND WHEREAS Staff intends to withdraw its allegations as against Sextant Canadian Fund;

AND WHEREAS a pre-hearing conference was held on April 6, 2010 and counsel for Ekonomidis, Otto Spork and Natalie Spork requested an adjournment of the Hearing Dates, and Staff, counsel for Robert Levack and counsel for the Receiver on behalf of SCMI and Sextant GP appeared before the Commission, and did not object to the request for an adjournment;

IT IS ORDERED that:

a) the Pre-Hearing Conference be adjourned to April 23, 2010 at 10:00 a.m., the purpose of the pre-hearing conference will be to discuss the status of disclosure, determine whether any motions will be required by any of the parties and to set down dates for the hearing on the merits; and

b) the Hearing Dates are hereby vacated.

DATED at Toronto this 6th day of April, 2010.

"Carol S. Perry"

Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions, Orders and Rulings

3.1.1 XI Biofuels Inc. et al.

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

AND

IN THE MATTER OF
XI BIOFUELS INC., BIOMAXX SYSTEMS INC.,
XIIVA HOLDINGS INC. CARRYING ON BUSINESS
AS XIIVA HOLDINGS INC., XI ENERGY COMPANY,
XI ENERGY AND XI BIOFUELS,
RONALD CROWE AND VERNON SMITH

REASONS AND DECISION

Hearing:	January 5, 7, 8, 9, 12, 13, 14, 15 and 16, 2009, and May 1, 2009		
Decision:	March 31, 2010		
Panel:	Wendell S. Wigle, QC	–	Commissioner and Chair of the Panel
	David L. Knight, FCA	–	Commissioner
Appearances:	Michelle Vaillancourt	–	For Staff of the Ontario Securities Commission
	Mary L. Biggar	–	For Ronald Crowe and Vernon Smith
			No one appeared for XI Biofuels Inc., Biomaxx Systems Inc., or Xiiva Holdings Inc.

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REASONS AND DECISION

I. BACKGROUND

A. Introduction

[1] This was a hearing before the Ontario Securities Commission (the "**Commission**") pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "**Act**") to consider whether it is in the public interest to make an order imposing sanctions on XI Biofuels Inc. ("**XI Biofuels**"), Biomaxx Systems Inc. ("**Biomaxx**"), Xiiva Holdings Inc. carrying on business as Xiiva Holdings Inc., XI Energy Company, XI Energy and XI Biofuels (collectively, "**Xiiva**"), Ronald Crowe ("**Crowe**") and Vernon Smith ("**Smith**") (collectively the "**Respondents**").

[2] This matter arose out of a Notice of Hearing issued by the Commission on October 16, 2008 in relation to a Statement of Allegations issued by Staff of the Commission ("**Staff**") on that date. An Amended Statement of Allegations was issued by Staff on December 30, 2008. Staff alleges that from December 2004 to November 2007 (the "**Material Time**") the Respondents breached subsections 25(1)(a) and 53(1) of the Act, and that their actions were contrary to the public interest and harmful to the integrity of the Ontario capital markets. Staff also alleges that Smith and Crowe (collectively, the "**Individual Respondents**"), in their capacity as directors and/or officers or *de facto* directors and/or officers of Biomaxx, Xiiva, and XI Biofuels (collectively, the "**Corporate Respondents**"), authorized, permitted or acquiesced in the Corporate Respondents' non-compliance with Ontario securities law, contrary to section 129.2 of the Act. Staff also made allegations in relation to subsection 38(3) of the Act which have since been withdrawn.

[3] On November 22, 2007, the Commission issued a Temporary Order, pursuant to subsections 127(1) and (5) of the Act, ordering that all trading by XI Biofuels and Biomaxx cease, that XI Biofuels, Biomaxx, Crowe, and Smith cease trading in all securities, and that the exemptions contained in Ontario securities law do not apply to the Respondents (the "**Biomaxx Temporary Order**").

[4] On November 22, 2007, the Commission issued a Direction, pursuant to subsection 126(1) of the Act, freezing the bank accounts of XI Biofuels at the National Bank of Canada (the "**Freeze Direction**"). The Freeze Direction was subsequently extended by order of the Ontario Superior Court of Justice and remains in effect until 30 days after the Commission makes a final determination in this matter (the "**Freeze Order**").

[5] On December 14, 2007, the Commission issued another Temporary Order, pursuant to subsections 127(1) and (5) of the Act, ordering that all trading in securities of Xiiva cease and that exemptions contained in Ontario securities law do not apply to it (the "**Xiiva Temporary Order**").

[6] The Biomaxx Temporary Order and the Xiiva Temporary Order have been extended and remain in effect until 30 days after the Commission issues its decision in the matter (collectively, the "**Temporary Orders**").

[7] On May 21, 2008, the Corporate Respondents were petitioned into bankruptcy by Heritage Transfer Agency, Inc. ("**Heritage**"), the transfer agent for Xiiva and Biomaxx. Soberman Tessis Inc. was appointed the trustee in bankruptcy for Xiiva, Biomaxx, and XI Biofuels (the "**Trustee**").

B. The Respondents

[8] None of the Respondents is registered under the Act. No prospectus was filed and no receipts were issued to qualify the distribution of Xiiva and Biomaxx securities. The Respondents have not claimed any exemptions under the Act in relation to the distribution and sale of Xiiva and Biomaxx securities.

1. Xiiva

[9] Xiiva was incorporated in Ontario on June 7, 1995 as Ramworks International. The name was changed to SFH Holdings Inc. on April 6, 2001 and then to Xiiva Holdings Inc. on February 20, 2003. Xiiva's corporate registration was cancelled on June 25, 2005 for non-payment of corporate taxes, and revived on September 24, 2007.

[10] Xiiva is quoted on the Pink Sheets under the symbol XIVAF. Xiiva is also quoted on the Xetra Exchange operated by the Deutsche Börse. It has never filed a prospectus or been registered with the Commission.

[11] Xiiva's Corporation Profile Reports list Crowe as the President and a director of Xiiva since September, 2003.

[12] Xiiva's corporate minute book identifies Smith as a director of Xiiva from July 10 to July 19, 2007. From December 2004 to July 2005, and on August 10, 2007, Smith, as a director of Xiiva, signed directions to Heritage to issue shares of Xiiva ("**Treasury Directions**").

[13] "XI Energy" (sometimes called "XI Energy Company"), is a trade name for Xiiva. It is not incorporated. XI Energy maintained its own website.

[14] Crowe and Smith, as directors of Xiiva, signed Treasury Directions instructing Heritage to issue shares of Xiiva "operating as XI Energy". Crowe's signature appears on the share certificates above the title of President and Secretary.

2. XI Biofuels

[15] XI Biofuels is a trade name for Xiiva. It had its own website, and share certificates were issued in the name of Xiiva "operating as XI Biofuels". The company's Corporation Profile Reports indicate that it was incorporated on September 24, 2007, with Crowe as its sole director and officer.

[16] XI Biofuels has never filed a prospectus or been registered with the Commission.

[17] Bank records show that Crowe opened three accounts for XI Biofuels within a few weeks of incorporating the company: a Canadian dollar account and a U.S. dollar account at the National Bank of Canada ("**National**"), and a Canadian dollar account at the Meridian Credit Union ("**Meridian**"), both in Barrie, Ontario.

3. Biomaxx

[18] Biomaxx was incorporated as Edgevision Media Inc. in Ontario on October 22, 2001 and renamed Biomaxx Systems Inc. in September, 2004.

[19] Biomaxx is quoted on the Pink Sheets under the symbol BMXSF. Biomaxx is also quoted on the Xetra Exchange operated by Deutsche Börse. It has never filed a prospectus or been registered with the Commission.

[20] Biomaxx's Corporation Profile Report indicates that Smith has been a director since the company was created, and that Crowe was an officer and director of Biomaxx from May 31, 2005 and was its President from February 10, 2006. In an affidavit, Crowe stated that he resigned from Biomaxx on June 30, 2007.

[21] Biomaxx had a Canadian dollar and a U.S. dollar account at the Canadian Imperial Bank of Commerce ("**CIBC**").

4. Crowe

[22] Crowe is a resident of Barrie, Ontario. He has never been registered with the Commission under the Act.

[23] As noted above, Crowe has been the President and a director of Xiiva since February 2003. He signed directions to Heritage to issue Xiiva shares to investors.

[24] Crowe is the sole director of XI Biofuels.

[25] Crowe was an officer and director of Biomaxx from May 2005, and its President from February 2006. In an affidavit, he stated that he resigned from Biomaxx on June 30, 2007.

5. Smith

[26] Smith is a resident of Barrie, Ontario. He has never been registered with the Commission under the Act.

[27] As noted above, Smith was identified as a director of Xiiva from July 10 to July 19, 2007. He issued Treasury Directions with respect to Xiiva shares and Xiiva "operating as XI Energy" shares from December 2004 to July, 2005, and on August 10, 2007, and signed Treasury Directions as a director of Xiiva.

[28] Smith has been a director of Biomaxx since the company was created in 2001.

C. The Positions of the Parties

1. Staff

[29] In the Amended Statement of Allegations, Staff alleges that from December 2004 to November 2007:

(a) the Respondents traded in securities of Biomaxx and/or Xiiva without being registered to trade in securities contrary to section 25(1)(a) of the Act and contrary to the public interest;

(b) the Respondents traded in securities of Biomaxx and/or Xiiva when a preliminary prospectus and a prospectus had not been filed and receipts had not been issued for either of Biomaxx or Xiiva by the Director, contrary to section 53(1) of the Act and contrary to the public interest;

(c) the Respondents engaged or participated in acts, practices or courses of conduct relating to the distribution of and trading of Biomaxx and/or Xiiva securities that were contrary to the public interest and harmful to the integrity of the Ontario capital markets;

(d) representatives or agents of Xiiva and/or XI Biofuels made representations without the written permission of the Director, with the intention of effecting a trade in securities of Xiiva, that such security would be listed on a stock exchange or quoted on any quotation or trade reporting system, contrary to section 38(3) of the Act and contrary to the public interest;

(e) Smith and Crowe, as directors and/or officers or de facto directors and/or officers of Biomaxx, authorized, permitted or acquiesced in Biomaxx's non-compliance with sections 25 and 53 of the Act, set out above, contrary to section 129.2 of the Act; and

(f) Smith and Crowe, as directors and/or officers of Xiiva and XI Biofuels, or de facto directors and/or officers of Xiiva and XI Biofuels, authorized, permitted or acquiesced in Xiiva's and XI Biofuels' non-compliance with sections 25, 38 and 53 of the Act, set out above, contrary to section 129.2 of the Act.

[30] Staff withdrew the allegations relating to section 38 of the Act, described in paragraph (d) and (f) above, during the hearing.

[31] Staff submits that during the Material Time, Xiiva issued treasury shares to over 80 individual investors, and Biomaxx issued treasury shares to over 270 individual investors. No prospectus was filed and no receipts were issued by the Director to qualify the shares. None of the Respondents is registered under the Act. The Respondents have not claimed any exemptions under the Act in relation to the trade and distribution of Xiiva and Biomaxx shares.

[32] Staff submits that Xiiva has not carried on any business other than the business of raising capital, and that while Biomaxx entered into certain letters of intent and/or memoranda of understanding with third parties that appear to be related to its stated biofuels business, Biomaxx's main business was the business of raising capital.

[33] Staff submits that some Xiiva and Biomaxx investors were cold-called by various entities that purported to be based in Europe but appear to be unknown to the appropriate regulators. Staff further submits that most of the proceeds of the trades did not make their way to the issuers or their bank accounts. Further, while some Xiiva investor funds were deposited into bank accounts opened in the name of XI Biofuels, most of these funds in one bank account were transferred to the Bahamas. An attempted offshore transfer of investor funds from another XI Biofuels account led to the Commission's Freeze Direction in November 2007.

[34] Staff further submits that the Respondents acted contrary to the public interest by making a number of misleading statements on the XI Biofuels and Biomaxx websites, including by misrepresenting Xiiva (XI Biofuels) and Biomaxx as biofuels technology companies with offices in Mississauga and New York (XI Biofuels) and Toronto (Biomaxx). In fact, the Respondents were market intermediaries in the primary business of raising capital and they had virtual offices only.

2. The Respondents

[35] The Respondents claim they were engaged in a biofuels technology business, not the business of raising capital. The Respondents claim that in or about 2004, Smith entered into discussions on behalf of Biomaxx with Naim Kosaric ("**Kosaric**"), a Professor Emeritus with the Department of Chemical and Biochemical Engineering at the University of Western Ontario and a well-published internationally recognized expert in the area of biofuels technologies. In November 2004, Biomaxx entered into an agreement with Kosaric's company, Kayplan Engineering Consultants ("**Kayplan**") with respect to Kosaric providing consulting services to Biomaxx relating to the development of new biotechnologies. The agreement was renewed in December 2006.

[36] The Respondents claim that at some point, Biomaxx decided to use Xiiva as a separate entity to commercialize Kosaric's biofuels technology. Further, the Respondents submit that Crowe resigned as a director of Biomaxx in June 2007 to concentrate his energies on Xiiva. Xiiva holds 100 percent of the issued and outstanding shares of XI Biofuels and is the entity that trades. XI Biofuels is also a trade name of Xiiva.

[37] The Respondents claim that Biomaxx and Xiiva prepared proposals or entered into agreements with third parties with respect to proposed biofuel projects in Canada, India, Bosnia, Fiji, Thailand and Australia. The Respondents claim that it was the Commission's Freeze Direction and Temporary Orders that frustrated these arrangements and led to the bankruptcy of the Corporate Respondents. The Respondents submit there is no evidence to support Staff's allegation that the majority of investor funds never made their way to the Corporate Respondents.

[38] The U.S. Securities and Exchange Commission (the "**SEC**") suspended trading in Biomaxx shares for ten days on September 24, 2007, and suspended trading in Xiiva shares for ten days on December 14, 2007. The Respondents submit that there is no evidence that these suspensions related to their conduct. They submit that SEC press releases indicate that the SEC was concerned that Biomaxx and Xiiva shares were being sold by entities related to Gerald and Marie Levine (the "Levines"). The Respondents submit there is no evidence of any connection between them and the Levines; they submit there is evidence that Biomaxx and Xiiva are themselves victims.

[39] The Respondents submit that the Xiiva and Biomaxx shares held by Ontario residents are held in the names of the founders and family members. Further, the Respondents submit that shares sold to non-residents were appropriately legended to restrict their sale in the US. Finally, the Respondents submit that the Commission has no jurisdiction in respect of offshore distributions of shares.

II. THE ISSUES

[40] We must decide the following issues:

1. Did the Corporate Respondents engage in trades and distributions?

2. Did the Individual Respondents engage in trades and distributions?

3. Did the Respondents breach sections 25 and 53 of the Act?

4. Did the Individual Respondents authorize, permit or acquiesce in the Corporate Respondents' non-compliance with Ontario securities law, contrary to section 129.2 of the Act?

5. Was the Respondents' conduct contrary to the public interest?

[41] In addition, the Respondents submit that this case involves offshore distributions to which the Act has no constitutional applicability. Accordingly, we must decide the following issue:

6. Does the Commission have jurisdiction in the circumstances of this case?

III. THE EVIDENCE

[42] Staff called nine witnesses at the hearing: Mehran Shahviri and Don Panchuk, Staff investigators; Grace Smith, Manager of Customer Service for National; three Biomaxx investors; three Xiiva investors; Filomena Nucaro ("**Nucaro**"), Senior

Administrative Assistant at Heritage; Mozes Wortzman ("**Wortzman**"), owner of Heritage; and John Zaba ("**Zaba**"), the accountant for Xiiva and Biomaxx.

[43] Smith and Crowe did not testify. Staff and the Respondents read into the evidence excerpts from an affidavit by Crowe, cross-examination on the affidavit and compelled examination by Staff, and an affidavit by Smith, cross-examination on the affidavit and compelled examination by Staff.

[44] The Respondents called no witnesses. Counsel for the Trustee advised that no one would be in attendance at the hearing on behalf of the Corporate Respondents. Counsel for Smith and Crowe stated that this was due to a lack of funds as a result of the Freeze Order.

IV. ANALYSIS

A. Did the Corporate Respondents engage in trades and distributions?

1. The Law

[45] Subsection 1(1) of the Act states:

> "distribution", where used in relation to trading in securities, means:
>
> (a) a trade in securities of an issuer that has not been previously issued, ...

[46] Subsection 1(1) of the Act defines "trade" or "trading" as including:

> (a) any sale or disposition of a security for valuable consideration whether the terms of payment be on margin, installment or otherwise, …
>
> (e) any act, advertisement, solicitation, conduct or negotiation directly or indirectly in furtherance of the foregoing.

[47] The Commission has adopted a contextual approach when determining whether or not conduct constitutes an act in furtherance of a trade, as enunciated in *Re Costello* (2003), 26 O.S.C.B. 1617 ("***Re Costello***") at para. 47:

> There is no bright line separating acts, solicitations and conduct indirectly in furtherance of a trade from acts, solicitations and conduct not in furtherance of a trade. Whether a particular act is in furtherance of an actual trade is a question of fact that must be answered in the circumstances of each case. A useful guide is whether the activity in question had a sufficiently proximate connection to an actual trade.

[48] Moreover in *Re Momentas Corp.* (2006), 29 O.S.C.B. 7408 ("***Re Momentas***") at para. 77, the Commission stated:

> Such approach requires an examination of the totality of the conduct and the setting in which the acts have occurred, the primary consideration of which is the effects the acts had on those to whom they were directed [citations omitted].

[49] And at paras. 78-80 of the same decision, the Commission stated:

> Further, a final sale is not a necessary element of an act in furtherance of a trade. Accordingly, a final sale need not occur in order for the conduct in issue to constitute trading. Further, the acceptance of funds can equally constitute an act in furtherance of a trade within the meaning of the Act, even where no specific sales have occurred as a result of the conduct.
>
> The inclusion of the word "indirectly" in the definition of acts in furtherance of trade reflects the intention by the Legislature to capture conduct which seeks to avoid registration requirements by doing indirectly that which is prohibited directly.
>
> Examples of activities found in the jurisprudence that have fallen within the definition of a trade as "acts in furtherance" include:
>
> (a) providing potential investors with subscription agreements to execute;
>
> (b) distributing promotional materials concerning potential investments;

(c) issuing and signing share certificates;

(d) preparing and disseminating of materials describing investment programs;

(e) preparing and disseminating of forms of agreements for signature by investors;

(f) conducting information sessions with groups of investors; and

(g) meeting with individual investors. [citations omitted]

[50] For the following reasons, we conclude that the Respondents engaged in acts in furtherance of trades in Xiiva and Biomaxx securities contrary to the Act and contrary to the public interest.

2. Admissions

[51] Smith, in his affidavit dated March 17, 2008, made the following admission in his capacity as the sole director of Biomaxx:

> Biomaxx admits that it conducted a "distribution" of securities without complying with section 53 of the *Securities Act* and its representatives have "traded" in their securities without being registered pursuant to section 25 of the *Securities Act*.

[52] Crowe, in his affidavit dated March 17, 2008, made the following admission in his capacity as the sole director of Xiiva:

> Xiiva admits that it has "distributed" its securities without complying with section 53 of the *Securities Act* and that its representatives have "traded" its securities without being registered pursuant to section 25 of the *Securities Act*.

[53] These admissions are supported by the evidence, including investor evidence, bank records, treasury directions, shareholder lists and financial statements and other documents the Corporate Respondents provided to the Trustee. The evidence indicates that Xiiva and Biomaxx shares were not sold directly but through a number of offshore entities.

3. Trades and Distributions by Xiiva and XI Biofuels

[54] Xiiva investors indicated in answers to questionnaires sent by Staff that they were contacted by entities named Venture Alliance Partners (also known as Venpar) ("**Venpar**"), VC Private Management (also known as VCPM) ("**VCPM**"), Emerging Equity Group ("**EEG**"), Strategic Investment Group ("**SIG**"), Crickmore and Lutz ("**Crickmore**"), and Prestige Asset Management ("**Prestige**").

[55] All of these entities purported to be domiciled in countries other than Canada. Venpar purported to be in Denmark, EEG and SIG purported to be domiciled in Barcelona, and Prestige purported to be domiciled in Luxembourg.

[56] VCPM purported to be operating in Switzerland though it was registered in the British Virgin Islands ("**BVI**"). The Swiss Federal Banking Commission advised Staff that VCPM was not known to them and that the telephone number attributed to VCPM was forwarded out of the country to an unknown location.

[57] Crickmore purported to be domiciled in Luxembourg. The Luxembourg Commission de Surveillance du Secteur Financier advised Staff that Crickmore was not incorporated or registered with the Luxembourg Trade and Company Register, and that the company has neither requested nor been granted the required authorization to offer financial services in or from Luxembourg and is not a regulated entity under Luxembourg law.

[58] Three Xiiva investors testified, all of whom received Xiiva "operating as XI Biofuels" share certificates.

[59] Investor One, a resident of the Netherlands, testified that he was contacted by a representative of VCPM who identified himself as Eric Larsson ("**Larsson**") and said he was calling from Switzerland. Investor One had previously purchased shares in a company called the DK Group through VCPM, and Larsson offered to buy them back if he made an investment in XI Biofuels. Investor One agreed and returned his DK Group shares in exchange for a discount on his purchase of the XI Biofuels shares. He paid $7,500 USD for 2,000 shares of XI Biofuels, which he was told would otherwise have cost $11,500 USD at the cost of $5.75 USD per share. Larsson told him he could easily sell his shares for $6.25 USD each. On Larsson's instructions, Investor One directed his payment to the XI Biofuels National account, and it was credited to the account on November 14, 2007. Investor One received a form of subscription agreement after he paid for the shares. When he received a share certificate in the name of Xiiva "operating as XI Biofuels", he called Larsson, who told him not to worry.

[60] Investor Two, a resident of South Africa, testified that he was cold-called by a representative of Venpar who identified himself as Richard Walker ("**Walker**"). He was not provided with a prospectus or offering circular, but received an email from Walker, which stated that XI Biofuels was listed on the "NASDAQ Exchange under the ticker symbol XIVAF.PK". The email included the same pro forma financial statements published on XI Biofuels' website. Investor Two paid $2,625 USD for 500 XI Biofuels shares at a cost of $5.25 USD each. On Venpar's instructions, he directed his payment to XI Biofuels' Meridian account, and it was credited to the account on October 11, 2007. Investor Two received a Xiiva "operating as XI Biofuels" share certificate by mail, the envelope of which bears a Canada Post stamp and a Mississauga return address for XI Biofuels. He then received a form of subscription agreement after receiving his share certificate.

[61] Investor Four, a resident of the United Kingdom, testified that he received an unsolicited telephone call from a representative of SIG who identified himself as Ed Connelly ("**Connelly**"). Connelly said he was calling from Barcelona, Spain. Investor Four stated that he was told that XI Biofuels was on the "American Stock Exchange" in New York. Investor Four purchased a total of 6,000 shares in two transactions, and paid a total of $23,800 USD for them. On SIG's direction, he sent his payment to a Bank of America account in New York held by International Escrow Services ("**IES**"). Investor Four testified that he never received a prospectus. He received Xiiva "operating as XI Biofuels" share certificates from an entity named Global Escrow Services, with an address in Toronto.

[62] In total, Xiiva issued approximately 7,877,000 shares from treasury from March, 2003 to November, 2007.

[63] Of that number, approximately 3,100,000 Xiiva shares were issued to a series of offshore companies from June 11, 2007 to November 16, 2007: Hogarth Ltd. ("**Hogarth**"), Transocean Securities Ltd. ("**Transocean**") and Pro Capital Asset Management and Trust LLC ("**PCAMT**").

[64] Hogarth has an address in Belize, and received approximately 936,000 shares. Of that number, approximately 882,000 shares were redistributed to individual investors between June 25, 2007 and November 23, 2007, either directly or through Aura Trading Ltd. ("**Aura**"), a company with the same address in Belize as Hogarth.

[65] Transocean, which is domiciled in the BVI, received approximately 500,000 Xiiva shares, approximately 158,000 of which were redistributed to individual investors between July 20, 2007 and December 12, 2007.

[66] PCAMT, which has an address in Costa Rica, received approximately 500,000 Xiiva shares. MMTC & CO., and Secure Capital Partners Inc. ("**Secure**"), which share the same Costa Rica address as PCAMT, received 650,000 and 500,000 shares respectively.

[67] From December 2004 to July 2006, 41,000 **Xiiva "operating as XI Energy"** shares were distributed to twelve individual investors as a result of six Treasury Directions to Heritage signed by Smith or Crowe. The Treasury Directions show London or Barcelona addresses for all but one of the investors. An internet search indicates that the Barcelona address has been the subject of regulatory warnings concerning various companies using the address.

[68] From July 10, 2007 to November 22, 2007, approximately 204,000 **Xiiva "operating as XI Biofuels"** shares were distributed to 61 individual investors, as a result of Treasury Directions to Heritage signed by Smith or Crowe.

[69] Investors who purchased Xiiva treasury shares from XI Biofuels, Venpar or VCPM were instructed to wire transfer funds to the XI Biofuels account at National or Meridian.

[70] We find that Xiiva and XI Biofuels engaged in trades and distributions of securities.

4. Trades and Distributions by Biomaxx

[71] Between December 14, 2004 and November 27, 2007, Biomaxx issued approximately 68,828,000 shares, including a two for one dividend or three for one split declared in February 2007. During this period, Biomaxx shares were issued to 271 investors.

[72] Biomaxx issued a total of 642,000 shares to PCAMT in three transactions on January 28, 2005, February 21, 2005 and May 12, 2005. All the Biomaxx investors contacted by Staff, including the three Biomaxx investors who testified, stated they purchased their shares through PCAMT, which they were told was domiciled in Cyprus, and wire transferred their payments to a bank account in Cyprus held in the name of PCAMT.

[73] Three Biomaxx investors testified.

[74] Investor Three, a resident of Australia, testified that he was repeatedly cold-called by a representative of PCAMT who identified himself as Jamie Adams ("**Adams**") and said he was calling from Cyprus. Investor Three testified that Adams called

him at "all hours of the night" and then contacted him by email. He purchased 4,000 Biomaxx shares, at a price of $1.80 USD per share, for a total of $7,276.44 USD.

[75] Investor Five, another resident of Australia, testified that he was initially called by a PCAMT representative who identified himself as Mark Bennett ("**Bennett**"), though he later dealt with other people at PCAMT, including Scott Meadows ("**Meadows**"). Investor Five testified that Bennett contacted him regularly to tell him that PCAMT had acquired a "parcel of shares at usually a discount to the market price". Investor Five purchased a total of 219,000 Biomaxx shares over eight separate transactions, paying approximately $600,000 USD for the shares.

[76] Investor Six testified that she was contacted by Meadows in regard to Biomaxx. She purchased a total of 2,000 shares of Biomaxx in two transactions at a cost of approximately $7,000 USD. She also received a dividend of 4,000 shares after she purchased the initial 2,000 shares of Biomaxx, giving her a total of 6,000 shares in the company.

[77] Hogarth received 1,000,000 treasury shares on January 15, 2007, and 2,000,000 dividend shares on February 19, 2007, for a total of 3,000,000 shares. Approximately 2,380,000 of those shares were redistributed to individual investors, either directly or through Aura or Transocean. Hogarth also redistributed shares, through Aura, to PCAMT.

[78] We find that Biomaxx engaged in trades and distributions of securities.

B. Did the Individual Respondents engage in trades and distributions?

[79] Staff acknowledges that there is no evidence that Crowe or Smith directly contacted investors to solicit sales. Staff alleges that Crowe and Smith engaged in acts "directly or indirectly in furtherance of" trades in Xiiva, XI Biofuels and Biomaxx securities, and that these trades were distributions because the securities had not been previously issued.

[80] We accept that Crowe and Smith traded in Xiiva, XI Biofuels and Biomaxx securities, based on the totality of their conduct, considered in context. We place particular weight on the evidence that they signed Treasury Directions and share certificates, opened bank accounts in the names of the Corporate Respondents, deposited investor funds into the accounts, and created and maintained the Corporate Respondents' websites.

1. Treasury Directions and Share Certificates

[81] Staff submits that Smith and Crowe, as the directing minds of Xiiva and Biomaxx, signed Treasury Directions to Heritage, signed share certificates, and attended at Heritage to pick up and acknowledge receipt of share certificates. We find there is ample evidence to support these allegations.

(a) Xiiva

[82] Crowe was the President and a director of Xiiva from September 2003, and Smith was a director of Xiiva from July 10 to July 19, 2007. Crowe's signature appears on all of the share certificates as President and Secretary of Xiiva. Crowe regularly signed Treasury Directions authorizing Heritage to issue shares and certifying that "the Company [had] received the full consideration therefor".

[83] Smith also signed Treasury Directions, as director, with similar representations on behalf of Xiiva, from December 2004 to July 2005 and on August 10, 2007.

[84] n his compelled examination, Crowe testified that Smith would tell him when Xiiva shares were sold.

[85] Nucaro testified that Smith was her main contact for Xiiva, but she would speak to Crowe if Smith was unavailable. She testified that Xiiva's Treasury Directions were usually received by fax, and that Smith and Crowe normally attend together at the Heritage office once or twice a month, but less often near the end of 2007, to pick up the share certificates. Staff entered into evidence copies of some of the Treasury Directions on which Smith, or, on a few occasions, Crowe, signed a handwritten note to indicate that the share certificates had been received from Heritage.

[86] We find that Smith and Crowe, as the directing minds of Xiiva, signed Treasury Directions to Heritage authorizing the issuance of Xiiva shares and attended at Heritage to pick up and acknowledge receipt of the share certificates. In addition, Crowe's signature appears on all of the Xiiva share certificates as President of Xiiva.

(b) Biomaxx

[87] Smith has been a director of Biomaxx since 2001, when the company was created. Crowe was an officer and director of Biomaxx from May 2005, and served as its President from February 2006, until, according to his affidavit, he resigned on June 30, 2007.

[88] Treasury Directions to Heritage were signed by Smith, Crowe, or Richard Farley Crowe, another director, whom Staff alleges is Crowe's son. The Biomaxx share certificates were signed by Smith as President.

[89] Nucaro testified that Smith was her main contact for Biomaxx, but Smith and Crowe attended regularly to pick up share certificates. Staff entered into evidence copies of some of the Treasury Directions on which Smith signed a handwritten note to indicate that the share certificates had been received from Heritage.

[90] We find that Smith and Crowe, as the directing minds of Biomaxx, signed Treasury Directions to Heritage authorizing the issuance of Biomaxx shares and attended at Heritage to pick up the share certificates. Smith acknowledged receipt of the share certificates, and his signature appears on the share certificates as President of Biomaxx.

(c) Conclusion on Treasury Directions and Share Certificates

[91] Issuing and signing share certificates have been found to fall within the definition of "acts in furtherance of a trade" (*Del Bianco v. Alberta (Securities Commission)*, [2004] A.J. No. 1222 (Alta. C.A.), at para. 9; *Re Momentas*, *supra*, at para. 80).

[92] We accept that Crowe and Smith engaged in acts in furtherance of trades by signing the Xiiva and Biomaxx Treasury Directions to Heritage, signing the share certificates, attending at Heritage to pick up the share certificates and providing a receipt for them.

2. Bank Accounts

[93] Staff submits that Crowe opened the Xiiva (XI Biofuels) bank accounts and Smith opened the Biomaxx bank accounts into which investor funds were deposited. Further, Staff alleges that Crowe was responsible for the transfer and attempted transfer of Xiiva funds to offshore accounts. We find that there is ample evidence to support these allegations.

(a) Xiiva

[94] On September 25, 2007, Crowe opened a bank account for XI Biofuels at Meridian. On the account application form, which is signed by Crowe as President, Crowe is listed as the only principal for XI Biofuels and its sole owner.

[95] We find that approximately $99,500 from XI Biofuels investors was deposited into the Meridian account in October and November 2007. There is no other source of funds for this account.

[96] Of that amount, Meridian's records show that Crowe wire transferred approximately $85,000 to the Sentinel Bank & Trust Ltd. in the Bahamas ("**Sentinel**") in favour of Timber Trace Investments ("**Timber Trace**"), which purports to be a "premier investor relations company" in three transactions on October 23, November 6 and November 21, 2007. Approximately $8,800 was withdrawn in cash, and the remainder went for exchange fees and other minor business expenses.

[97] Crowe also opened two bank accounts for XI Biofuels at National. A Canadian dollar account was opened on October 17, 2007 and a U.S. dollar account was opened on October 31, 2007. Both account application forms were signed by Crowe as President.

[98] We find that in October and November 2007, approximately $131,500 was deposited into the Canadian dollar account at National from investors who purchased Xiiva "operating as XI Biofuels" shares. Approximately $59,500 USD was deposited into the U.S. dollar account at National from individual investors who purchased Xiiva "operating as XI Biofuels" shares. Approximately $94,500 USD was deposited into the U.S. dollar account from an entity called "the Subaraschi Foundation" on November 30, 2007, after the Commission issued the First Temporary Order and the Freeze Order. There are no other sources of funds for these accounts, except for a $1,000 deposit from an unknown source.

[99] Grace Smith testified that on November 7, 2007, Crowe requested that $8,863.54 from the Canadian dollar account and $70,250 USD from the U.S. dollar account be wired to Sentinel in favour of Timber Trace. The balance of the Canadian dollar account was $12,635.16 at the time and the balance of the U.S. dollar account was $81,083.59, with a hold on $10,800 of the balance. National did not allow the transfers to be completed, but contacted the RCMP, who contacted Staff on November 16, 2007. The Commission's Freeze Direction was issued on November 22, 2007.

[100] We find that Crowe, as President of XI Biofuels, opened three bank accounts for XI Biofuels into which funds were deposited from Xiiva and Xiiva "operating as XI Biofuels" investors. We also find that Crowe was responsible for the offshore transfer of funds from the Meridian account and attempted to transfer funds from the National accounts.

(b) Biomaxx

[101] On April 20, 2005, Smith and Richard Farley Crowe opened a Canadian dollar bank account at CIBC for Biomaxx. In the account application form, Richard Farley Crowe is listed as President and Smith as Secretary of Biomaxx, each with 50% equity ownership. The application form is signed by both individuals, and both are given signing authority.

[102] On July 10, 2007, Smith submitted a banking resolution giving himself sole signing authority as President and Secretary of Biomaxx.

[103] On the same day, Smith opened a U.S. dollar bank account at CIBC for Biomaxx. The account application form is signed by Smith, identifies him as President and Secretary of Biomaxx with 100% equity ownership, and gives him sole signing authority.

[104] We find that approximately $275,000 from investors was deposited into the Canadian dollar account. Of that amount, approximately $232,000 was deposited by PCAMT between July 16, 2006 and November 1, 2007 through approximately 25 transactions. In addition, three deposits totaling $9,000 came from Ontario investors, and seven other deposits totaling approximately $33,500 came from unknown sources.

[105] We find that approximately $71,000 USD from investors was deposited into the U.S. dollar account. Of that amount, apart from a $200 deposit from an unknown source, the remainder came from five deposits from PCAMT between July 10, 2007 and September 14, 2007.

[106] We find that Smith, as President of Biomaxx, opened two bank accounts for Biomaxx into which funds were deposited from Biomaxx investors.

(c) Conclusion on Bank Accounts and Investor Funds

[107] Accepting and depositing investor funds are acts in furtherance of trades (*Re Lett* (2004), 27 O.S.C.B. 3215 ("***Re Lett***"), at paras. 48-64; *Re Allen* (2005), 28 O.S.C.B. 8541 ("***Re Allen***"), at para. 85; *Re Limelight Entertainment Inc.* (2008), 31 O.S.C.B. 1727 ("***Re Limelight***"), at paras. 131 and 133).

[108] We find that Crowe and Smith engaged in acts in furtherance of trades in Xiiva and Biomaxx shares by opening the bank accounts for the Corporate Respondents for which they had signing authority and depositing investor funds into those accounts.

3. Websites

[109] Crowe and Smith admitted they were involved in creating and maintaining the Xiiva and Biomaxx websites. Staff submits that by doing so, they engaged in acts in furtherance of trades.

(a) Xiiva

[110] During cross-examination on his affidavit, Crowe admitted he had been involved in the material on the Xiiva website.

[111] Aside from general background information on the company, the XI Biofuels website included an "Investor Info" section which set out the company's future plans to "design, develop and construct 12 small scale biomass-to-ethanol plants in the next 5 years totaling 180 million gallons in production and approximately $252 million in gross revenue by 2011 with earnings in excess of $80 million", as well as pro forma financial statements for the years 2007 to 2011.

[112] The XI Biofuels website also included a "Current News" section which contained a series of press releases issued by the company. Each of the press releases started with a reference to XI Biofuels' trade name on the Pink Sheets, "XI Biofuels (Other OTC: XIVAF)". In addition, each of the press releases directed the reader to contact the "Investor Relations Department" for further information.

(b) Biomaxx

[113] During his compelled examination, Smith stated that he was the sole decision maker for Biomaxx, that he had control over the content of the Biomaxx website, which was designed by a web developer, and that he created the Biomaxx press releases that appeared on the website.

[114] The Biomaxx website included a "News" section that contained a number of press releases, all of which started with a reference to Biomaxx's trade name and symbol on the Pink Sheets, "Biomaxx Systems Inc. (Other OTC: BMXSF)". Each of the press releases also directed the reader to contact "Investor Relations" for further information, and provided an email address for

that purpose. The website also included an "Investors" section, which contained a phone number and email address for the Investor Relations department.

(c) Conclusion on Websites

[115] We are satisfied that Crowe was involved in the content on the XI Biofuels (Xiiva) website and that Smith created the press releases on the Biomaxx website.

[116] Staff submits that setting up a website that offers securities to investors over the internet constitutes an act in furtherance of a trade (*First Federal Capital (Canada) Corp.* (2004), 27 O.S.C.B. 1603 ("***Re First Federal***"), at para. 45).

[117] Further, Staff submits that a website need not specifically offer securities for its creation and maintenance to constitute an act in furtherance of a trade. Where a website is designed to "excite the reader" about the company's prospects, the website is considered an "advertisement or solicitation" for investment (*Re American Technology Exploration Corp.* (1998), 1998 LNBCSC 1 (B.C. Securities Commission) ("***Re AETC***"), at p. 7).

[118] We note, as well, that in *Re First Global Ventures, S.A.* (2007), 30 O.S.C.B. 10473 ("***Re First Global***"), the Commission relied on *Re First Federal* and *Re AETC* in holding that "setting up a website that offers securities and information about securities to investors over the Internet constitutes an act in furtherance of a trade" (at para. 127).

[119] In *Re Costello*, the Commission stated that a "useful guide" to whether an activity is an act in furtherance of a trade "is whether the activity in question had a sufficiently proximate connection to an actual trade" (*Re Costello*, *supra*, at para. 47). In *Re Momentas*, the Commission stated that the primary consideration in determining whether conduct is an "act in furtherance of a trade" is the effect of the conduct on investors and potential investors (*Re Momentas*, *supra*, at para. 77).

[120] In this case, two of the Xiiva investor witness testified that they reviewed the XI Biofuels website before making their purchases, and two of the Biomaxx investor witnesses testified that they reviewed the Biomaxx website before making their purchases. We find that the XI Biofuels and Biomaxx websites were intended to "excite the reader" and solicit potential investors by numerous misleading statements, and that at least some Xiiva and Biomaxx investors relied on the websites in making their decisions to invest. In the circumstances of this case, we find that the websites had a "proximate connection" to a trade, and accordingly, that Crowe and Smith engaged in acts in furtherance of a trade by creating and maintaining the websites.

4. Conclusion

[121] Considering the conduct of the Individual Respondents in its entirety and in context, we find that Smith and Crowe engaged in acts in furtherance of trades, including signing Treasury Directions to Heritage, signing share certificates, attending at Heritage to pick up share certificates, opening bank accounts and depositing investor funds into them, and creating and maintaining the XI Biofuels and Biomaxx websites.

C. Are Registration and Prospectus Exemptions available to the Respondents?

[122] Staff having established that the Respondents traded shares without registration and distributed shares without qualifying them under a prospectus, the onus shifts to the Respondents to prove that an exemption from those requirements was available to them in the circumstances (*Re Limelight*, *supra*, at para. 142).

[123] Section 2.3 of National Instrument 45-106, *Prospectus and Registration Exemptions*, ((2005) 28 O.S.C.B. (Supp-4) 3, (2006), 29 O.S.C.B. 75, and (2007), 30 O.S.C.B. 10522 ("**NI 45-106**")) provides an exemption from the prospectus and registration requirements if the purchaser purchases the security as principal and is an "accredited investor", which is defined in section 1.1 of NI 45-106 to include:

> (j) an individual who, either alone or with a spouse, beneficially owns, directly or indirectly, financial assets having an aggregate realizable value that before taxes, but net of any related liabilities, exceeds $1,000,000,
>
> (k) an individual whose net income before taxes exceeded $200,000 in each of the 2 most recent calendar years or whose net income before taxes combined with that of a spouse exceeded $300,000 in each of the 2 most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year,
>
> (l) an individual who, either alone or with a spouse, has net assets of at least $5,000,000,

[124] The Respondents did not expressly claim the benefit of the accredited investor exemption, and did not lead any evidence to support such a claim, though some questions were asked of the investor witnesses relating to the exemption. Based

on the evidence received, we find that at least two of the three Xiiva investors who testified and two of the three Biomaxx investors who testified were not accredited investors.

[125] In any event, even if the Respondents had proven that purchasers of Xiiva and Biomaxx shares were accredited investors, we find that Xiiva and Biomaxx are "market intermediaries" and therefore, pursuant to section 3.9 of NI 45-106, as it read at the Material Time, the accredited investor exemption is not available to the Respondents.

[126] At the Material Time, "market intermediary" was defined in subsection 204(1) of O. Reg. 1015, R.R.O. 1990, as amended ("**Regulation 1015**") to include "a person or company that engages or holds himself, herself or itself out as engaging in Ontario in the business of trading in securities as principal or agent, other than trading in securities purchased by the person or company for his, her or its own account for investment only and not with a view to resale or distribution, . . . "

[127] In *Re Momentas*, the Commission held that an issuer may be a market intermediary, if a "significant part" of its business is selling its own securities, even if the issuer is involved in more than one business (*Re Momentas*, *supra*, at paras. 56-57). In determining the "business purpose" of an issuer, the Commission considered the source of its revenue, the composition of its workforce, and the nature of its expenditures (*Re Momentas*, *supra*, at paras. 57-63). The Commission stated:

> . . . a key consideration for us is the degree to which management's activities and the proceeds of the offering were allocated to the raising of capital as opposed to being invested in the company's stated business activities.
>
> (*Re Momentas*, *supra*, at para. 54)

[128] In *Re Lett*, the Commission held that the respondents were market intermediaries because "a substantial part" of their time was spent on the high yield program, and investors deposited and the respondents accepted monies for the purpose of the high yield program (*Re Lett*, *supra*, at para. 68; see also *Re Allen*, *supra*, at paras. 78-83).

[129] In this case, Xiiva and Biomaxx held themselves out to investors as operating a biofuels technology business, but there is little evidence to support that claim. For the following reasons, we find that the primary business of the Corporate Respondents was the business of raising capital.

(a) Xiiva

[130] XI Biofuels and XI Energy are trade names for Xiiva.

[131] The following statement is found on the "Investor Info" page of the XI Biofuels website:

> XI Biofuels is in the process of designing and building a small scale, modular, fully automated micro bio refineries [sic] specializing in the production of quality ethanol from waste wood products. We will build our first plant in a Canadian province that has a large supply of abandoned wood waste.
>
> XI Biofuels' goal for 2007 is to design, build and operate our first small, inexpensive high-value fuel production facility that specializes in the production of ethanol from wood waste. While other companies are building large scale expensive mega factories to produce ethanol we believe that small footprint production facilities will prove to be more economical, more innovative and can be located closer to the feedstock source.
>
> **XI Biofuels' future plans** are to design, develop and construct 12 small scale biomass-to-ethanol plants in the next 5 years totaling 180 million gallons in production and approximately $252 million in gross revenue by 2011 with earnings in excess of $80 million. [emphasis in original]

[132] We were presented with no evidence that XI Biofuels was in fact in the "process of designing and building" a refinery, or that there was any reasonable basis for its stated future plan to "develop and construct 12 small scale biomass-to-ethanol plants in the next 5 years totaling 180 million gallons in production and approximately $252 million in gross revenue by 2011".

[133] XI Energy stated the following on the "About the Company" page of its website:

> XI Energy provides environmental consulting services in the fields of Bio Technology, Bio Fuels and Renewable energy with international consultants and agents in most major world wide markets. The key to the success of XI Energy is the ability to leverage a network of experienced professionals each with distinct specializations in the key areas of biotechnology and bioenergy.

[134] And the following statement is found on the "Investor Relations" page of the XI Energy website, under the heading Management and Advisors:

> The Management and Professional advisors have extensive knowledge in the areas of biotechnology, biochemistry, finance and professional consulting. The primaries have diverse backgrounds and extensive practical experience. The key to the success of the company is the employment of qualified consultants in the areas of science and technology, environmental consulting, and management consulting. XI Energy has also build [sic] and will continue to develop an advisory council comprised of industry advocates and experienced professionals.

[135] We were presented with no evidence that XI Energy had in fact provided "environmental consulting services", that it had "international consultants and agents in most major world wide markets", or that it had built an "advisory council comprised of industry advocates and experienced professionals". Though he signed at least one Treasury Direction authorizing Heritage to issue Xiiva "operating as XI Energy" share certificates and his signature appears on all the Xiiva "operating as XI Energy" share certificates entered into evidence, Crowe stated, during his compelled examination, that he could not remember what the business of XI Energy was.

[136] Xiiva operated out of virtual offices. Staff's investigation showed that the street address given on the XI Energy and XI Biofuels websites – Suite 401, 50 Burnhamthorpe Road West, Mississauga – is the address for MacKenzie Business Centre, a provider of temporary office facilities, mail and phone services, with which XI Biofuels had an account.

[137] Further, Staff presented evidence that the U.S. address given on the XI Biofuels website – 44 Wall Street, 12th floor, New York City – is the address of Prime Office Centers, another virtual office, and that a US investor was directed to send payment for XI Biofuels shares to another U.S. address – 1001 Avenue of the Americas, New York City, a virtual office operated by Corporate Suites.

[138] The Trustee's Report to the Bankruptcy Court, which included all the documents provided by the Corporate Respondents, was entered into evidence (the "**Trustee's Binders**"). The Statements of Affairs and unaudited financial statements included in the Trustee's Binders provide no evidence that Xiiva or XI Biofuels or XI Energy earned any revenue or that they entered into any contracts with third parties for the purchase or provision of goods and services, except for opening the bank accounts. The only expenses on Xiiva's financial statements included in the Trustee's Binders are office expenses, management fees, and transfer agent's fees and expenses.

[139] As noted at para. 96, above, approximately $85,000 of the $99,500 on deposit in XI Biofuels' Meridian account was wire-transferred to what purported to be an investor relations company in the Bahamas in October and November 2007. The remainder went for exchange fees, fees for Heritage and other minor business expenses, or was withdrawn in cash.

[140] At Crowe's request, Zaba prepared a financial statement for Xiiva for the year ended June 30, 2008. It lists an expense of $90,541 for "marketing expenses" relating to the Meridian account, and Zaba testified that this was based on information provided by Crowe. Zaba stated that he did not know why the company was incurring such a large marketing expense, or what it was marketing.

[141] Prior to the Freeze Direction, the only debits on the Canadian dollar account at National were two small cheques for business expenses and a transfer of $67,440 to the U.S. dollar account. There were no debits on the U.S. dollar account.

[142] There is no evidence that Xiiva (XI Biofuels) conducted any business activities relating to biofuels technology. Based on the evidence, including evidence about Xiiva's use of virtual offices and the disposition of investor funds, we find that Xiiva was in the business of raising capital and was not in the biofuels technology business.

(b) Biomaxx

[143] In most of the Biomaxx press releases available on its website, the following statement appears, describing the business of the company:

> BioMaxx Systems is a biotechnology consulting company that focuses on the development of innovative technology solutions to address our dependence on fossil fuels. The company develops technologies to produce clean fuels such as Ethanol and Hydrogen and promotes clean, efficient alternatives that reduce harmful carbon dioxide emissions and Green House Gases.
>
> BioMaxx Systems Inc. provides professional consulting services in the fields of biotechnology, bio-fuels, renewable energy and related specializations. BioMaxx will leverage the knowledge of our experienced professionals and consultants with distinct specializations in the key areas of

> biotechnology and bio-energy. BioMaxx Systems Inc. is a Canadian company with international reach, covering most global markets.

[144] We were presented with little evidence that Biomaxx was developing "technologies to produce clean fuels", that it had provided any "professional consulting services", that it had multiple "experienced professionals and consultants", or that it had an "international reach covering most global markets".

[145] Based on various Biomaxx financial documents that are included in the Trustee's Binders, it appears that Biomaxx retained Kosaric as its "principal and independent consultant" though an agreement with Kayplan in November, 2004 and that the contract was extended, as amended, in December, 2006. There is evidence that Biomaxx paid Kayplan $80,260 for Kosaric's services.

[146] We also accept that in June and August, 2007, Biomaxx purchased equipment from Buffalo Biodiesel Inc. ("**Buffalo Biodiesel**") in two separate transactions totaling $63,000. Roughly the same amount was listed on Biomaxx's September, 2007 financial statement as a capital asset, described as a "biodiesel plant under construction", but this actually related to purchased equipment, some of which was refurbished. We received no evidence that Biomaxx undertook any capital projects. In fact, Staff presented evidence that the address given on the Biomaxx website – Suite 1801, 1 Yonge Street, Toronto – is a virtual office operated by Telsec Business Centres Inc.

[147] We also accept that Biomaxx entered into memoranda of understanding and letters of intent with various third parties. However, there is no evidence that these arrangements generated any revenue for Biomaxx. In fact, there is no evidence that Biomaxx earned any revenue whatsoever. Zaba prepared unaudited financial statements for Biomaxx for the year ended December 31, 2006 and for the nine-month period ended September 30, 2007, both of which listed Biomaxx's gross revenue as zero.

[148] Nor are Biomaxx's business expenses consistent with a biofuels technology business. Based on the bank records, Biomaxx's funds were disbursed to Kayplan ($80,260); Buffalo Biodiesel ($63,000); Smith ($58,412); Crowe ($16,507); Richard Crowe ($8,200); FedEx ($24,999) and UPS ($1,602) for courier services; travel ($21,884); unexplained ATM withdrawals ($19,041); Heritage ($11,000, plus another $11,604.30 owed at the time of the bankruptcy); and other expenses totaling $23,348. The unaudited financial statements list automotive expenses, business meals, consulting fees, courier fees, management fees, marketing expenses, memberships, office expenses, professional fees, telecommunication, transfer agent fees and expenses and travel expenses.

[149] Although the evidence with respect to Kosaric, Buffalo Biodiesel and arrangements with third parties is consistent with the Respondents' claim that Biomaxx was engaged in developing biofuels technology, we find that the weight of the evidence, taken as a whole, establishes that Biomaxx was primarily in the business of raising capital.Conclusion on Trading and Distribution

[150] Accordingly, we conclude that the Respondents were "market intermediaries" and cannot rely on the accredited investor exemption.

[151] We find that the Respondents contravened s. 25(1)(a) of the Act by trading Xiiva and Biomaxx shares without registration, and contravened s. 53(1) of the Act by distributing those shares without qualifying them under a prospectus, in circumstances where a registration and prospectus exemption was not available.

D. Did the Respondents act contrary to the public interest?

[152] Staff alleges that the Respondents' conduct was contrary to the public interest and harmful to the integrity of Ontario's capital markets.

[153] We agree. We find that the Respondents acted contrary to the public interest by engaging in illegal trades and distributions of shares contrary to the Act, as stated at para. 151, above.

[154] We also find that the Respondents acted contrary to the public interest by (i) making false or misleading statements on the XI Biofuels and Biomaxx websites; (ii) failing to account for the disposition of investor funds, most of which never made their way to the Corporate Respondents or their bank accounts; and (iii) transferring and attempting to transfer investor funds offshore.

[155] Each allegation is discussed in detail below.

1. False or Misleading Statements

[156] In *First Global*, the Commission reaffirmed the importance of disclosure in protecting investors and the capital markets:

> The efficient functioning of the capital markets relies on investors making informed choices based on accurate information. Indeed, this is also one of the purposes of the Act pursuant to section 1.1, "to foster fair and efficient capital markets and confidence in capital markets." When investors base their choices on false and/or misleading information this harms the capital markets because investors can lose money and the public will lose confidence in the proper functioning of the capital markets. Transparency and efficiency in the markets is diminished when inaccurate information is disseminated in the market place.
>
> (*First Global*, *supra,* at para. 182. See also *Re Koonar* (2002), 25 O.S.C.B. 2691.)

[157] For the reasons given at paras. 130-149, above, we find that the XI Biofuels, XI Energy and Biomaxx websites contained numerous false or misleading statements, contrary to the public interest, including by misrepresenting Xiiva (XI Biofuels) and Biomaxx as biofuels technology companies with offices in Mississauga and New York (XI Biofuels) and Toronto (Biomaxx). Investors relied on these misrepresentations in making their investments. In fact, the Respondents were market intermediaries in the primary business of raising capital who were operating out of virtual offices, and there is no evidence investor funds were committed to the development of a biofuels technology business.

2. Disposition of Investor Funds

[158] Staff submits that most of the investor funds received in exchange for shares in Xiiva or Biomaxx are not accounted for in the Corporate Respondents' known bank accounts.

(a) Xiiva

[159] During his compelled examination, Crowe stated that the Meridian and National accounts, which are held in the name of XI Biofuels, are Xiiva's only bank accounts. Nor was any other information included in the Trustee's Binders. Crowe opened the Meridian account in September 2007 and the National accounts in October 2007.

[160] Staff presented evidence that of the 7,877,223 shares issued from treasury, only 27,200 were paid for by remittances to the National and Meridian accounts, leaving approximately 7,800,923 shares unaccounted for.

[161] Between July 10, 2007 and November, 2007, when the Freeze Direction was issued, Xiiva issued 203,896 shares to 61 individual investors. However, deposits into the Meridian and National accounts represent payments from only 23 investors for 76,300 shares. No funds for the other 127,596 shares issued to 38 individual investors during this period were deposited. Of those 38 investors, 13 indicated on their investor questionnaires that they were directed by SIG, EEG, or Crickmore to make payments to a Bank of America account, and that they transferred a total of $240,000 USD to the account. We received no evidence as to the disposition of funds from the remaining 25 individual investors.

[162] In addition, we received no evidence as to the disposition of the funds received from 12 individual investors for 41,000 shares of Xiiva "operating as XI Energy" from December, 2004 to July, 2006.

[163] Finally, as stated at para. 63, above, approximately 3,100,000 Xiiva shares were issued to offshore entities, some of whom re-distributed shares to individual investors. No proceeds from the distributions to Hogarth, Transocean, MMTC, PCAMT or Secure were deposited into Xiiva's known accounts.

(b) Biomaxx

[164] During his compelled examination, Smith stated that Biomaxx deposited investor funds into its bank account at CIBC. As stated at paras. 88 and 101, above, Smith and Richard Farley Crowe opened a Canadian dollar account at CIBC in April 2005, and Smith opened a U.S. dollar account at CIBC on July 10, 2007, both in the name of Biomaxx.

[165] As stated at para. 104, above, approximately $275,000 was deposited into the Canadian dollar account, of which approximately $230,000 is attributable to 25 transactions through PCAMT from July 14, 2006 to November 1, 2007. Another seven deposits totaling approximately $23,000 came from unknown sources, and three deposits totaling $9,000 came directly from three Ontario investors.

[166] Apart from a deposit of $200 from unknown sources, the approximately $71,000 deposited into the CIBC U.S. dollar account came from PCAMT in five transactions from July 10, 2007 to September 14, 2007.

[167] However, there is evidence that the sale of Biomaxx shares raised considerably more than the amounts deposited into the CIBC accounts.

[168] For example, Investor Five paid PCAMT a total of $598,195 USD for Biomaxx treasury shares, and information collected from six other investors by Staff indicates that they paid a total of $133,882 USD to PCAMT in exchange for Biomaxx treasury shares. These amounts, alone, exceed the total amount deposited by PCAMT into the CIBC accounts.

[169] Further, there are no funds credited to the CIBC accounts that are attributable to Hogarth, Aura or Transocean, which redistributed Biomaxx shares to the public.

3. Offshore Transfers

[170] As stated at para. 96, above, Meridian's records show that of the approximately $99,500 deposited into XI Biofuels' Meridian account, approximately $85,000 was wire transferred to a bank in the Bahamas in October and November 2007. Meridian's records show that the wire transfers were completed shortly after investor remittances were received.

[171] As stated in para. 99, above, in November 2007, Crowe also attempted to wire transfer, to the same Bahamas account, $8,863.54 of the $12,635.16 that was then on deposit in XI Biofuels' Canadian dollar account at National, and $70,250 USD of the $81,083.59 USD that was then on deposit in XI Biofuels' U.S. dollar account at National, with a hold on $10,800 USD of that amount for cheques deposited. As stated, National refused the request and began an investigation which eventually led to the Commission's Freeze Direction, issued on November 22, 2007. At that time, the Canadian dollar account at National held approximately $63,000 and the U.S. dollar account held approximately $224,000 USD.

[172] In his affidavit dated March 17, 2008, Crowe stated that he attempted to transfer the funds in the National accounts to pay business expenses owed to Timber Trace. In his compelled examination, he stated that the money in the Meridian account was transferred to the Bahamas because Timber Trace "was owed money".

[173] In his compelled examination, Crowe stated that he was not aware of any written agreement between Timber Trace and XI Biofuels or Xiiva. The Trustee's Binders do not include any invoices or other documents to explain the transfers and attempted transfers, and Timber Trace is not listed as a creditor in the Statement of Affairs of Xiiva or XI Biofuels.

[174] As stated, Xiiva's financial statements for the year ended June 30, 2008 list an expense of $90,541 for "marketing expenses" relating to the Meridian account. Zaba testified that this was based on information provided by Crowe. Zaba stated that he did not know why the company was incurring such a large marketing expense, or what it was marketing.

[175] Documents provided to Staff by the Securities Commission of the Bahamas show that the funds that were wired from the Meridian account to Timber Trace were converted to USD and withdrawn from the Sentinel account shortly afterwards. Staff was unable to obtain information about the beneficial ownership of Timber Trace.

[176] We do not find Crowe's explanation for the offshore transfers to be credible, because it was not supported by any evidence as to the nature and amounts of these expenses. We note that the transfers from the Meridian account accounted for most of the investor funds held in that account, and the attempted transfer from the National accounts would have had the same result if it had been completed. We are not satisfied that the offshore transfers and attempted transfer have been explained, and accordingly we conclude that this conduct was contrary to the public interest.

(c) Discussion and Conclusion

[177] The Respondents submit that discrepancies in the evidence as to the numbers of issued and outstanding shares and the proceeds received for them are the result of confusion or errors in their records or those of Heritage.

[178] The Respondents also submit that while the proceeds of sales of Xiiva shares by Venpar and VCPM/VC Private Management were remitted to Xiiva's bank accounts, the proceeds of sales by SIG, EEG and Crickmore were not remitted to Xiiva's bank accounts, but were remitted to two Bank of America accounts held in the name of IES. The Respondents note that the SEC Litigation Release concerning the Levines sets out the SEC's allegation that the Levines are involved in "the ongoing fraudulent sale of the shares of several thinly-capitalized issuers traded in the grey market", including Xiiva and Biomaxx. The Respondents also submit that some of the Xiiva investors who purchased shares had previously bought shares in entities that are related to the Levines, according to the SEC. The Respondents submit that there is no evidence of any connection between IES and the Respondents.

[179] Staff submits that the offshore entities were agents of the Respondents and alleges that the conduct of the offshore entities was contrary to the public interest.

[180] We are satisfied that there is some relationship between Biomaxx and PCAMT, based on (i) the evidence of two Biomaxx investor witnesses that when they contacted Biomaxx to ask about the status of PCAMT, they received a letter from Ralph Bayer ("**Bayer**") stating that PCAMT was acting for Biomaxx in the context of a private placement, that the representative dealing with the investor was an employee of PCAMT and that PCAMT shared Biomaxx's vision of integrity and professionalism; and (ii) Smith's statement, during his compelled examination, that Bayer had been an employee of Biomaxx for a time. The third Biomaxx investor witness testified that she had made similar enquiries of Biomaxx and received an email response from Biomaxx stating that PCAMT "bought and sold shares for them".

[181] Based on the limited evidence we received about the role of the offshore entities in the distribution of Xiiva and Biomaxx securities and disposition of investor funds, we do not find it necessary to determine whether the offshore entities acted as the agents of the Respondents. We received ample evidence that the Respondents, through their own conduct, contravened the Act and acted contrary to the public interest.

E. Did the Individual Respondents authorize, permit or acquiesce in the Corporate Respondents' non-compliance with Ontario securities law, contrary to s. 129.2 of the Act?

[182] As stated above, we find that the Corporate Respondents (Xiiva, XI Biofuels and Biomaxx) and the Individual Respondents (Smith and Crowe) contravened s. 25(1)(a) of the Act by engaging in acts in furtherance of trades in Xiiva and Biomaxx shares without being registered, and contravened s. 53(1) of the Act by distributing Xiiva and Biomaxx shares when a preliminary prospectus and prospectus had not been filed and receipted, in circumstances where an exemption from the registration and distribution requirements was not available.

[183] In addition, Staff alleges that Smith and Crowe, as directors and/or officers or *de facto* directors and/or officers of Xiiva, XI Biofuels and Biomaxx, authorized, permitted or acquiesced in the Corporate Respondents' non-compliance with Ontario securities law, contrary to section 129.2 of the Act, which is as follows:

> **129.2 Directors and officers** – For the purpose of this Act, if a company or a person other than an individual has not complied with Ontario securities law, a director or officer of the company or person who authorized, permitted or acquiesced in the non-compliance shall be deemed to also have not complied with Ontario securities law, whether or not any proceeding has been commenced against the company or person under Ontario securities law or any order has been made against the company or person under section 127.

[184] Our findings are as follows.

1. Crowe

[185] We find that Crowe authorized, permitted or acquiesced in the non-compliance by Xiiva and Biomaxx with Ontario securities law.

(a) Xiiva

[186] Crowe was the principal of Xiiva and XI Biofuels. We made the following findings about his involvement:

- Xiiva's Corporation Profile Reports list Crowe as President and a director of Xiiva since September 2003 (para. 11, above).
- Crowe's signature appears on the Xiiva "operating as XI Energy" share certificates as President and Secretary of Xiiva (14, above).
- XI Biofuels' Corporation Profile Reports list Crowe as the company's sole director and officer (para. 15, above).
- Crowe signed Treasury Directions to Heritage directing Heritage to issue share certificates for Xiiva "operating as XI Energy" and Xiiva "operating as XI Biofuels" (paras. 67-68, above).
- Nucaro testified that Smith was her main contact for Xiiva, but that she would speak to Crowe if Smith were unavailable. Smith and Crowe normally attended at the Heritage office together to pick up Xiiva share certificates, and although it was usually Smith who provided a receipt for them, Crowe did so on some occasions (para. 85, above).
- Bank records show that Crowe opened bank accounts for XI Biofuels at National and Meridian, identifying himself as President of the company (paras. 17, 94 and 97, above).

- Crowe wire transferred most of the investor funds in the Meridian account to the Timber Trace account in the Bahamas in October and November 2007 (para. 96, above).

- On November 7, 2007, Crowe requested that most of the funds in the National accounts be wire transferred to Timber Trace (para. 99, above).

[187] Accordingly, we find that Crowe, as a director and officer of Xiiva and XI Biofuels, authorized, permitted or acquiesced in Xiiva's and XI Biofuels' non-compliance with Ontario securities law and is therefore deemed to also have not complied with Ontario securities law.

(b) Biomaxx

[188] As stated at para. 20, above, Biomaxx's Corporation Profile Report identifies Crowe as an officer and director of Biomaxx from May 2005, and its President from February 2006. In his affidavit, Crowe stated that he resigned from Biomaxx on June 30, 2007.

[189] We find that during the Material Time, Crowe was a de facto director and officer of Biomaxx, within the meaning of s. 1(1) of the Act, which defines "director" and "officer". "Director" is defined to mean "a director of a company or an individual performing a similar function or occupying a similar position for any person". "Officer", with respect to an issuer or registrant, is defined to mean:

(a) a chair or vice-chair of the board of directors, a chief executive officer, a chief operating officer, a chief financial officer, a president, a vice-president, a secretary, an assistant secretary, a treasurer, an assistant treasurer and a general manager,

(b) every individual who is designated as an officer under a by-law or similar authority of the registrant or issuer, and

(c) every individual who performs functions similar to those normally performed by an individual referred to in clause (a) or (b);

[190] As stated above, we find that Crowe:

- was an officer and director of Biomaxx from May 2005, and served as its President from February 2006 until, according to his affidavit, he resigned on June 30, 2007 (para. 87, above);

- signed Biomaxx Treasury Directions during the Material Period (para. 88, above); and

- attended regularly at Heritage, with Smith, to pick up Biomaxx share certificates (para. 90, above).

[191] We find that Crowe was a *de facto* director and officer of Biomaxx, and that he authorized, permitted or acquiesced in Biomaxx's non-compliance with Ontario securities law and is therefore deemed to also have not complied with Ontario securities law.

2. Smith

[192] We find that Smith authorized, permitted or acquiesced in the non-compliance by Biomaxx and Xiiva with Ontario securities law.

(a) Biomaxx

[193] As stated above, we made the following findings about Smith's involvement in Biomaxx:

- Smith has been a director of Biomaxx since the company was created (paras. 20 and 28, above).

- Smith signed some of the Treasury Directions to Heritage, and his signature appears on the Biomaxx share certificates as President (para. 88, above).

- Smith was Nucaro's main contact for Biomaxx. Smith and Crowe attended regularly at the Heritage office together to pick up Biomaxx share certificates, and Smith sometimes made a handwritten note on the Treasury Directions to indicate that the share certificates had been received (para. 89, above).

- Smith and Richard Farley Crowe opened a Canadian dollar account for Biomaxx at CIBC, identifying Smith as Secretary and Richard Farley Crowe as President of the company, each with 50% equity ownership. Both signed the application form and both were given signing authority. On July 10, 2007, Smith submitted a banking resolution giving himself sole signing authority as President and Secretary of Biomaxx (paras. 101-102, above).

- On the same day, Smith opened a US dollar bank account at CIBC for Biomaxx. The application form identified him as President and Secretary with 100% equity ownership, and gave him sole signing authority (para. 103, above).

[194] We find that Smith, as a director and officer of Biomaxx, authorized, permitted or acquiesced in Biomaxx's non-compliance with Ontario securities law and is therefore deemed to also have not complied with Ontario securities law.

(b) Xiiva

[195] We make the following findings about Smith's conduct in relation to Xiiva:

- Xiiva's corporate minute book identifies Smith as a director from July 10 to July 19, 2007 (para. 12, above).

- From December 2004 to July 2005 and on August 10, 2007, Smith signed Treasury Directions to Heritage to issue shares of Xiiva (paras. 12 and 83, above).

- Smith was Nucaro's main contact for Xiiva. Smith and Crowe normally attended at the Heritage office together to pick up Xiiva share certificates, and it was usually Smith who made a handwritten note on the Treasury Directions to indicate that the share certificates had been received (para. 85, above).

[196] Though Smith was identified as a director of Xiiva for only one week during the Material Time, we find that Smith was a *de facto* director and officer of Xiiva throughout the Material Time. We find that Smith, as a director and officer or *de facto* director and officer of Xiiva and XI Biofuels, authorized, permitted or acquiesced in Xiiva's and XI Biofuels' non-compliance with Ontario securities law and is therefore deemed to also have not complied with Ontario securities law.

F. The Commission's Jurisdiction

1. Background

[197] At an earlier stage in this proceeding, the Respondents brought a constitutional motion before the Commission on the basis that the Act has no application to offshore distributions and therefore the Commission had no authority to issue a section 11 order or to compel the Respondents' evidence under section 13 of the Act. That motion was withdrawn in June 2008.

[198] The Respondents took the same position before Madam Justice Hoy, in response to the Commission's application, under subsection 126(5) of the Act, to continue the Freeze Direction ordered by the Commission on November 22, 2007, which was continued on consent by order of Justice Siegel, dated November 29, 2007. Justice Hoy continued the Freeze Order. In her endorsement, dated February 29, 2008, she made the following statement:

> The funds in the Ontario accounts are or strongly appear to be the proceeds of trades in securities of Xiiva Holdings Inc. ("Xiiva"), also an Ontario corporation. The directing minds of Xiiva are residents of Ontario, and they gave instructions, from Ontario to an Ontario transfer agent regarding the issuance of Xiiva shares.
>
> . . . .
>
> It is conceded that ss. 53 (prospectus requirement) and 25(1) (the registration requirement) of the Act were not complied with. Xiiva and its principals argue that they were not required to, because the investors were not residents of Ontario. The OSC relies, *inter alia*, on Gregory & Co. v. Quebec Securities Commission, [1961] S.C.R. [584], in support of its position that it nonetheless has jurisdiction to regulate Xiiva's activities.
>
> In this factual context, the OSC has at a minimum a *prima facie* case that Xiiva has breached ss. 53 and 25(1), and the OSC has jurisdiction to regulate Xiiva's activities. . . .

[199] The Respondents raised the issue again in closing written submissions during the hearing on the merits. Notice of Constitutional Question was provided to the Attorney General of Ontario and the Attorney General of Canada, and the Attorneys

General advised, as they had when the issue was raised previously before the Commission, that they did not intend to participate in the hearing of the constitutional issue.

[200] Accordingly, we agreed to hear the issue as part of the parties' oral argument.

[201] In the Notice of Constitutional Question, the Individual Respondents identified the question in the following way:

> Whether the facts give rise to a sufficient nexus to the Province of Ontario such that the application of the *Securities Act* is properly within property and civil rights in the Province of Ontario or whether the application of the *Securities Act* is more properly characterized as an attempt to regulate extra-provincial, indeed, international activity beyond the jurisdiction of the Province of Ontario.

2. Positions of the Parties

[202] The Respondents submit that the Act has no application in this case. They note that the provinces have enacted securities legislation under their authority, pursuant to subsection 92(1) of the *Constitution Act, 1867*, to legislate in relation to "Property and Civil Rights in the Province". They submit that there is no evidence that shares in Biomaxx or Xiiva came to rest in Ontario, except for shares issued to the founders and their families. Further, Smith stated, in his affidavit, that he did not believe that Biomaxx was required to comply with subsections 25(1) and 53(1) of the Act because Biomaxx did not participate in the capital markets of Ontario, and Crowe made the same statement about Xiiva in his affidavit. Finally, the Respondents submit that lack of clarity with respect to the extra-jurisdictional application of the Act to offshore distributions does not allow market participants to have the certainty by which they can plan their business operations to be legally compliant.

[203] Staff submits that the Respondents have structured their affairs in a sophisticated multi-jurisdictional fashion (involving at least Ontario, the U.S., the Bahamas and Cyprus) with a view to avoiding regulatory oversight. Staff submits the case law is clear that the Commission has jurisdiction in these circumstances.

3. Analysis and Conclusion

[204] We reject the Respondents' position. We note that the Respondents are unable to cite a single case in support of their position that the Act does not apply to their conduct in this case. We find that there is ample authority for Staff's submission that the Commission has jurisdiction where respondents engaged in acts in furtherance of a trade in Ontario, though the securities were distributed to investors outside of Ontario.

[205] In *Gregory & Company Inc. v. Quebec (Securities Commission)*, [1961] S.C.R. 584 ("***Gregory***"), the corporate respondent argued that it was not subject to the jurisdiction of the Quebec Securities Commission. Although the respondent had its head office in Montreal, mailed promotional materials and telephoned investors from Montreal, and directed investors to mail payment cheques to Montreal, where it maintained its bank account, the investors resided outside Quebec. The Supreme Court of Canada stated that on these facts "one can only conclude" that the respondent carried on the business of trading in securities and acting as investment counsel in Quebec:

> The fact that the securities traded by [the] appellant would be for the account of customers outside of the province or that its weekly bulletins would be mailed to clients outside of the province, does not, as decided in the Courts below, support the submission that [the] appellant was not trading in securities or acting as investment counsel, in the province, within the meaning and for the purposes of the Act Respecting Securities.
>
> The paramount object of the Act is to ensure that persons who, in the province, carry on the business of trading in securities or acting as investment counsel, shall be honest and of good repute and, in this way, to protect the public, **in the province or elsewhere**, from being defrauded as a result of certain activities initiated in the province by persons therein carrying on such a business. . . .
>
> (*Gregory*, *supra*, at p. 4 (QL)) [emphasis added]

[206] In *R. v. W. McKenzie Securities Ltd. et al* (1966), 56 D.L.R. 56, leave to appeal to the Supreme Court of Canada denied, [1966] S.C.R. ix ("***McKenzie Securities***"), the issue was whether the accused individuals, who operated out of Toronto and solicited a resident of Manitoba to buy securities, could be convicted of unlawfully trading without being registered, contrary to the *Securities Act* of Manitoba. The Manitoba Court of Appeal, in upholding the convictions, concluded that the provincial legislation did not impinge on the federal trade and commerce power:

> . . . . The Securities Act of Manitoba is not designed to reach out beyond the provincial borders and to restrain conduct carried on in other parts of Canada or elsewhere. Its operation is effective within

> Manitoba, and nowhere else. For a person to become subject to its restraint, he must trade in securities in Manitoba. This is not to say that a non-resident of Manitoba can never become subject to the controls of the statute. If the activities of such a non-resident can fairly and properly be construed as constituting trading with the Province, then they fall within the purview of the Act.
>
> (*McKenzie Securities*, *supra*, at p. 63)

[207] In *R. v. Libman*, [1985] 2 S.C.R. 178 ("***Libman***"), the Supreme Court of Canada held that the accused could be charged with fraud and conspiracy to commit fraud under the *Criminal Code*, R.S.C. 1985, c. C-46, as amended, though some elements of the offences occurred outside of Canada. Libman and his employees allegedly telephoned U.S. residents and attempted to sell them shares in two Costa Rican gold mining companies. Promotional materials were mailed out from Costa Rica or Panama, investors were told to send their money to offices in Costa Rica or Panama, and Libman met with associates in Costa Rica and Panama to receive his share of the proceeds. However, the "boiler room" was located in Toronto and some of the proceeds were wired back to Toronto.

[208] In the following passage, the Court in *Libman* noted that in *McKenzie Securities*, the Manitoba Court of Appeal had "underlined that an offence could occur in more than one place":

> Although offences are local, the nature of some offences is such that they can properly be described as occurring in more than one place. This is peculiarly the case where a transaction is carried on by mail from one territorial jurisdiction to another, or indeed by telephone from one such jurisdiction to another. This has been recognized by the common law for centuries.
>
> (*McKenzie Securities*, *supra*, at para. 22, cited in *Libman*, *supra*, at para. 53)

[209] Recently, the Ontario Court of Appeal followed the *Libman* analysis in *R. v. Stucky*, [2009] O.J. No. 600. In that case, the accused was charged, under subsection 52(1) of the *Competition Act*, R.S.C. 1985, c. C-34, as amended, with making false or misleading representations "to the public". The accused operated a direct mail business in Ontario that sold lottery tickets and merchandise only to persons outside of Canada. The Court held the phrase "to the public" in subsection 52(1) was not restricted to "the Canadian public".

[210] We accept Staff's submission that the Court's reasoning in Libman applies in this case.

[211] Staff also relies on two Commission cases, *Re Lett* and *Re Allen*.

[212] In *Re Lett*, the Commission found that the respondents had acted in furtherance of trades and that those acts occurred in Ontario, although there was no evidence that the trades involved investors in Ontario::

> The Respondents were all based in the Toronto area, had bank accounts in the Toronto area, carried on business in the Toronto area. Most, if not all, of the documents referred to in the Agreed Statement of Facts and in the six volumes of documents composing the Joint Hearing Brief consist of documents that were either sent by the Respondents from the Toronto area or addressed to them in the Toronto area.
>
> (*Re Lett*, *supra*, at para. 66)

[213] In *Re Allen*, the Commission dealt with the issue in the following way:

> In this case, sales of securities of Andromeda were made by the Respondents to investors in Ontario and in Alberta. A substantial portion of the activities surrounding the sales of these securities by the Respondents took place in Ontario. The issuer is located in Welland, Ontario. The Respondent's offices and operations were based in Toronto, Ontario. The promotional materials were mailed from Toronto. The phone calls made by the Respondents were made from their Toronto offices and cheques in payment for the purchase of Andromeda securities were also sent to this location.
>
> The Commission has jurisdiction over a trade in securities, notwithstanding that the purchaser is in a different province, provided that some substantial aspect of the transaction occurred within Ontario. In *Gregory & Co. Inc. v. Quebec Securities Commission*, [1961] S.C.R. 584, at para. 10, the Supreme Court of Canada concluded that the fact that the offices and operations of the vendor were in Montreal was sufficient to give the Quebec Securities Commission jurisdiction over sales to extra-provincial purchasers.
>
> (*Re Allen*, *supra*, at paras. 20 and 21)

[214] We accept Staff's submission that there is "ample connection to Ontario" in this case. The registered offices of the Corporate Respondents are in Ontario, and Crowe and Smith, the directing minds of the Corporate Respondents, are residents of Ontario. Heritage, the transfer agent for Xiiva and Biomaxx, is located in Ontario. Crowe and Smith issued Treasury Directions in Ontario, instructing Heritage to issue Xiiva and Biomaxx shares, and Crowe and Smith regularly picked up the share certificates at Heritage's offices in Toronto. Funds for the purchase of some Xiiva treasury shares were deposited into Ontario bank accounts at National and Meridian. Funds for the purchase of some or all of Biomaxx's treasury shares were sent to a bank account in Cyprus to the benefit of PCAMT. PCAMT frequently wired funds from Cyprus to Biomaxx's bank accounts at CIBC in Ontario. On these facts, we conclude that the Respondents' conduct has a sufficient and substantial connection to Ontario and that the Act applies to it.

[215] Finally, the Respondents rely on Interpretation Note 1 to Former Commission Policy 1.5, "Distribution of Securities outside of Ontario" (the "**Interpretation Note**") in support of their submission that "securities regulators have understood that they have very limited ability to regulate the distribution of securities outside of their respective borders". In dismissing this submission, it is sufficient to refer to the following excerpt, which we find to be pertinent to the case before us:

> **5. The Integrity of the Ontario Capital Markets and the Jurisdiction of the OSC**
>
> Needless to say, the Commission will not hesitate to intervene, to the extent of its powers, in distributions of securities outside of Ontario which negatively impact upon the integrity of Ontario capital markets.
>
> Where the Commission becomes aware of distributions abroad by Ontario issuers that bring the reputation of Ontario's capital markets into disrepute, the Commission is of the view that it has the jurisdiction, for the due administration of the Act and in order to preserve the integrity of the Ontario capital markets, to exercise its cease trade powers or to take other appropriate action against issuers, underwriters and other participants so distributing abroad.

[216] We accept Staff's submission that the Respondents in this case structured a sophisticated multi-jurisdictional scheme in order to avoid regulatory oversight. We find that the Respondents sought to benefit from the reputation of Ontario's capital markets, and that many investors outside of Ontario thought they were investing in an Ontario biofuels technology company. In fact, most of the funds paid by the investors never made their way to Xiiva or Biomaxx. Of the investor funds that were deposited into Xiiva's bank accounts in Ontario, the funds deposited into the Meridian account were transferred offshore almost immediately, and Crowe attempted to transfer the funds deposited into the National account. We find that the Respondents' conduct negatively impacts upon the reputation and integrity of Ontario's capital markets, and that the Commission has the authority and responsibility to intervene.

V. CONCLUSION

[217] We conclude that:

(a) the Respondents traded in securities of Xiiva and Biomaxx without being registered to trade in securities and without any registration exemption being available, contrary to s. 25(1)(a) of the Act and contrary to the public interest;

(b) the Respondents distributed securities of Xiiva and Biomaxx when a preliminary prospectus and a prospectus had not been filed and receipts had not been issued by the Director, and without any prospectus exemption being available, contrary to s. 53(1) of the Act and contrary to the public interest;

(c) Smith and Crowe, as directors and/or officers or *de facto* directors and/or officers of the Corporate Respondents, authorized, permitted or acquiesced in the contraventions of s. 25(1)(a) and s. 53(1) of the Act by the Corporate Respondents set out in paras. (a) and (b) above, contrary to s. 129.2 of the Act and contrary to the public interest; and

(d) the Respondents engaged in conduct that is contrary to the public interest and harmful to the integrity of the Ontario capital markets by contravening s. 25(1)(a), s. 53(1) and s. 129.2 of the Act, as set out above in paras. (a), (b) and (c), and by making false or misleading statements to investors on the XI Biofuels, XI Energy and Biomaxx websites, failing to account for the disposition of investor funds, most of which never made their way to the Corporate Respondents, and transferring or attempting to transfer Xiiva investor funds offshore.

[218] The parties are required to contact the Office of the Secretary to the Commission within ten days of the release of this decision to arrange a date for a hearing on Sanctions and Costs.

DATED in Toronto this 31st day of March, 2010.

“Wendell S. Wigle”

“David L. Knight”

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
Tahera Diamond Corporation	23 Mar 10	05 Apr 10	06 Apr 10	
Bearcat Explorations Ltd.	06 Apr 10	19 Apr 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
Frontera Copper Corporation	06 April 10	19 Apr 10			
Genesis Worldwide Inc.	06 April 10	19 Apr 10			
Homeland Energy Group Ltd.	06 April 10	19 Apr 10			
Virgin Metal Inc.	07 April 10	20 Apr 10			
High River Gold Mines Ltd.	07 April 10	20 Apr 10			
Redline Communications Group Inc.	07 April 10	19 Apr 10			

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		
Frontera Copper Corporation	06 April 10	19 Apr 10			
Genesis Worldwide Inc.	06 April 10	19 Apr 10			
Homeland Energy Group Ltd.	06 April 10	19 Apr 10			
Virgin Metal Inc.	07 April 10	20 Apr 10			
High River Gold Mines Ltd.	07 April 10	20 Apr 10			
Redline Communications Group Inc.	07 April 10	19 Apr 10			

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Chapter 5

Rules and Policies

5.1.1 CSA Notice of Amendments to NI 81-101 Mutual Fund Prospectus Disclosure and Form 81-101F2 Contents of Annual Information Form and to NI 41-101 General Prospectus Requirements and Form 41-101F2 Information Required in an Investment Fund Prospectus

CANADIAN SECURITIES ADMINISTRATORS

NOTICE OF AMENDMENTS TO
NATIONAL INSTRUMENT 81-101 MUTUAL FUND PROSPECTUS DISCLOSURE AND
FORM 81-101F2 CONTENTS OF ANNUAL INFORMATION FORM

AND TO

NATIONAL INSTRUMENT 41-101 GENERAL PROSPECTUS REQUIREMENTS AND
FORM 41-101F2 INFORMATION REQUIRED IN AN INVESTMENT FUND PROSPECTUS

I. INTRODUCTION

The Canadian Securities Administrators (the CSA or we) have made amendments to the following investment fund prospectus disclosure forms (the Forms):

(a) Form 81-101F2 *Contents of Annual Information Form* under National Instrument 81-101 *Mutual Fund Prospectus Disclosure*, and

(b) Form 41-101F2 *Information Required in an Investment Fund Prospectus* under National Instrument 41-101 *General Prospectus Requirements* (collectively, the Amendments).

The Amendments are consequential to the coming into force of National Instrument 23-102 *Use of Client Brokerage Commissions* (NI 23-102) on June 30, 2010.

The final text of the Amendments is being published with this Notice and can also be obtained on the websites of various CSA members.

In Ontario, the Amendments and other required materials were delivered to the Minister of Finance on April 2, 2010. The Minister may approve or reject the Amendments or return them for further consideration. If the Minister approves the Amendments or does not take any further action, the Amendments will come into force on June 30, 2010.

II. BACKGROUND

On October 9, 2009, the CSA published the Amendments for a 90-day comment period. No comments were received.

III. SUBSTANCE AND PURPOSE OF THE AMENDMENTS

The substance and purpose of the Amendments is to ensure consistency between the disclosure requirements for advisers under NI 23-102 relating to client brokerage commissions and similar disclosure prescribed for investment funds in the Forms.

The disclosure is intended to provide investment fund investors with relevant qualitative information concerning goods and services other than order execution obtained in connection with client brokerage commissions paid on an investment fund's portfolio transactions.

The final text of the Amendments contains non-material changes. We deleted item 10.4(2)(a) of the proposed amendments to Form 81-101F2 and item 19.2.1(b)(i) of the proposed amendments to Form 41-101F2. The disclosure they proposed duplicated the disclosure required under proposed items 10.4(1) of Form 81-101F2 and 19.2.1(a) of Form 41-101F2. The final text of the Amendments otherwise remains unchanged from first publication.

IV. QUESTIONS

Please refer your questions to any of:

Susan Thomas
Legal Counsel, Investment Funds
Ontario Securities Commission
Phone: (416) 593-8076
Email: sthomas@osc.gov.on.ca

Chantal Mainville
Senior Legal Counsel, Investment Funds
Ontario Securities Commission
Phone: (416) 593-8168
Email: cmainville@osc.gov.on.ca

Vera Nunes
Assistant Manager, Investment funds
Ontario Securities Commission
Phone: (416) 593-2311
Email: vnunes@osc.gov.on.ca

Meg Tassie
Senior Advisor
British Columbia Securities Commission
Phone: (604) 899-6819
Email: MTassie@bcsc.bc.ca

Ian Kerr
Senior Legal Counsel
Alberta Securities Commission
Phone: (403) 297-4225
Email: ian.kerr@asc.ca

Dean Murrison
Deputy Director, Legal & Registration
Saskatchewan Financial Services Commission
Phone: (306) 787-5879
Email: dean.murrison@gov.sk.ca

Bob Bouchard
Director and Chief Administration Officer
Manitoba Securities Commission
Phone: (204) 945-2555
Email: Bob.Bouchard@gov.mb.ca

Serge Boisvert
Analyste en réglementation
Autorité des marchés financiers
Phone: (514) 395-0337 ext. 4358
Email: Serge.Boisvert@lautorite.qc.ca

Jacques Doyon
Senior Investment Funds Analyst
Autorité des marchés financiers
Phone: (514) 395-0337 ex. 4474
Email: Jacques.Doyon@lautorite.qc.ca

Jason Alcorn
Legal Counsel
New Brunswick Securities Commission
Phone: (506) 643-7857
Email: jason.alcorn@nbsc-cvmnb.ca

Shirley Lee
Director, Policy and Market Regulation
Nova Scotia Securities Commission
Phone: (902) 424-5441
Email: leesp@gov.ns.ca

April 9, 2010

NATIONAL INSTRUMENT 81-101
MUTUAL FUND PROSPECTUS DISCLOSURE AND
FORM 81-101F2 CONTENTS OF ANNUAL INFORMATION FORM
AMENDMENT INSTRUMENT

1. National Instrument 81-101 *Mutual Fund Prospectus Disclosure* is amended by this Instrument.

2. Form 81-101F2 *Contents of Annual Information Form* is amended by repealing Item 10.4, including the Instructions under that Item, and substituting the following:

"*10.4 – Brokerage Arrangements*

(1) If any brokerage transactions involving the client brokerage commissions of the mutual fund have been or might be directed to a dealer in return for the provision of any good or service, by the dealer or a third party, other than order execution, state

(a) the process for, and factors considered in, selecting a dealer to effect securities transactions for the mutual fund, including whether receiving goods or services in addition to order execution is a factor, and whether and how the process may differ for a dealer that is an affiliated entity;

(b) the nature of the arrangements under which order execution goods and services or research goods and services might be provided;

(c) each type of good or service, other than order execution, that might be provided; and

(d) the method by which the portfolio adviser makes a good faith determination that the mutual fund, on whose behalf the portfolio adviser directs any brokerage transactions involving client brokerage commissions to a dealer in return for the provision of any order execution goods and services or research goods and services, by the dealer or a third party, receives reasonable benefit considering both the use of the goods or services and the amount of client brokerage commissions paid.

(2) Since the date of the last annual information form, if any brokerage transactions involving the client brokerage commissions of the mutual fund have been or might be directed to a dealer in return for the provision of any good or service, by the dealer or third party, other than order execution, state

(a) each type of good or service, other than order execution, that has been provided to the manager or the portfolio adviser of the mutual fund; and

(b) the name of any affiliated entity that provided any good or service referred to in paragraph (a), separately identifying each affiliated entity and each type of good or service provided by each affiliated entity.

(3) If any brokerage transactions involving the client brokerage commissions of the mutual fund have been or might be directed to a dealer in return for the provision of any good or service, by the dealer or a third party, other than order execution, state that the name of any other dealer or third party that provided a good or service referred to in paragraph (2)(a), that was not disclosed under paragraph (2)(b), will be provided upon request by contacting the mutual fund or mutual fund family at [insert telephone number] or at [insert mutual fund or mutual fund family e-mail address].

INSTRUCTIONS:

Terms defined in NI 23-102 – Use of Client Brokerage Commissions have the same meaning where used in this Item."

3. This Instrument comes into force on June 30, 2010.

NATIONAL INSTRUMENT 41-101 GENERAL PROSPECTUS REQUIREMENTS AND FORM 41-101F2 INFORMATION REQUIRED IN AN INVESTMENT FUND PROSPECTUS AMENDMENT INSTRUMENT

1. National Instrument 41-101 *General Prospectus Requirements* is amended by this Instrument.

2. Form 41-101F2 *Information Required in an Investment Fund Prospectus* is amended by adding the following Item and accompanying Instructions immediately after Item 19.2:

"19.2.1 – Brokerage Arrangements

Under the sub-heading "Brokerage Arrangements",

a) If any brokerage transactions involving the client brokerage commissions of the investment fund have been or might be directed to a dealer in return for the provision of any good or service, by the dealer or a third party, other than order execution, state

(i) the process for, and factors considered in, selecting a dealer to effect securities transactions for the investment fund, including whether receiving goods or services in addition to order execution is a factor, and whether and how the process may differ for a dealer that is an affiliated entity;

(ii) the nature of the arrangements under which order execution goods and services or research goods and services might be provided;

(iii) each type of good or service, other than order execution, that might be provided; and

(iv) the method by which the portfolio adviser makes a good faith determination that the investment fund, on whose behalf the portfolio adviser directs any brokerage transactions involving client brokerage commissions to a dealer in return for the provision of any order execution goods and services or research goods and services, by the dealer or a third party, receives reasonable benefit considering both the use of the goods or services and the amount of client brokerage commissions paid;

(b) If any brokerage transactions involving the client brokerage commissions of the investment fund have been or might be directed to a dealer in return for the provision of any good or service, by the dealer or a third party, other than order execution, since the date of the investment fund's last prospectus or last annual information form, whichever one is the most recent, state

(i) each type of good or service, other than order execution, that has been provided to the manager or the portfolio adviser of the investment fund; and

(ii) the name of any affiliated entity that provided any good or service referred to in subparagraph (i), separately identifying each affiliated entity and each type of good or service provided by each affiliated entity; and

(c) If any brokerage transactions involving the client brokerage commissions of the investment fund have been or might be directed to a dealer in return for the provision of any good or service, by the dealer or a third party, other than order execution, state that the name of any other dealer or third party that provided a good or service referred to in paragraph (b)(i), that was not disclosed under paragraph (b)(ii), will be provided upon request by contacting the investment fund or investment fund family at [insert telephone number] or at [insert investment fund or investment fund family e-mail address].

INSTRUCTIONS:

Terms defined in NI 23-102 – Use of Client Brokerage Commissions have the same meaning where used in this Item.

3. This Instrument comes into force on June 30, 2010.

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Chapter 6

Request for Comments

6.1.1 Notice and Request for Comments – Proposed Amendments to NI 54-101 Communication with Beneficial Owners of Securities of a Reporting Issuer and Companion Policy 54-101CP Communication with Beneficial Owners of Securities of a Reporting Issuer – Proposed Amendments to NI 51-102 Continuous Disclosure Obligations and Companion Policy 51-102CP Continuous Disclosure Obligations – Proposed Amendments to NP 11-201 Delivery of Documents by Electronic Means

NOTICE AND REQUEST FOR COMMENTS

PROPOSED AMENDMENTS TO
NATIONAL INSTRUMENT 54-101
***COMMUNICATION WITH BENEFICIAL OWNERS OF SECURITIES OF A REPORTING ISSUER* AND**
COMPANION POLICY 54-101CP
COMMUNICATION WITH BENEFICIAL OWNERS OF SECURITIES OF A REPORTING ISSUER

PROPOSED AMENDMENTS TO
NATIONAL INSTRUMENT 51-102
***CONTINUOUS DISCLOSURE OBLIGATIONS* AND**
COMPANION POLICY 51-102CP
CONTINUOUS DISCLOSURE OBLIGATIONS

PROPOSED AMENDMENTS TO
NATIONAL POLICY 11-201
DELIVERY OF DOCUMENTS BY ELECTRONIC MEANS

Introduction

The Canadian Securities Administrators (the CSA or we) are publishing for a 144 day comment period proposed amendments (the Proposed Amendments) to:

- National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* and the related forms (NI 54-101),
- Companion Policy 54-101CP *Communication with Beneficial Owners of Securities of a Reporting Issuer* (54-101CP),
- National Instrument 51-102 *Continuous Disclosure Obligations* and Form 51-102F5 *Information Circular* (Form 51-102F5) (collectively, NI 51-102),
- Companion Policy 51-102 *Continuous Disclosure Obligations* (51-102CP), and
- National Policy 11-201 *Delivery of Documents by Electronic Means* (NP 11-201).

The text of the Proposed Amendments is contained in Schedules A through E of this notice and will also be available on websites of CSA jurisdictions, including:

www.lautorite.qc.ca
www.albertasecurities.com
www.bcsc.bc.ca
www.gov.ns.ca/nssc
www.nbsc-cvmnb.ca
www.osc.gov.on.ca
www.sfsc.gov.sk.ca
www.msc.gov.mb.ca

Certain jurisdictions may include additional local information in Schedule F.

We are publishing the Proposed Amendments for comment for 144 days. The comment period will expire on August 31, 2010. We are providing an extended comment period to accommodate the 2010 proxy season. For more information on the comment process, see below under "How To Provide Your Comments".

Substance and purpose of the Proposed Amendments

NI 54-101 came into effect on July 1, 2002 (in Québec, on June 27, 2003), replacing its predecessor National Policy Statement 41 *Shareholder Communications*. It is intended to give beneficial owners who hold their securities through intermediaries or nominees a reasonable opportunity to exercise the voting rights attached to those securities. It does so by establishing detailed beneficial owner communication procedures regarding sending of proxy-related materials and solicitation of voting instructions, and imposing obligations on reporting issuers, intermediaries and the Canadian Depository for Securities Limited (CDS).

In the fall of 2007, CSA staff commenced a review of how NI 54-101 currently works in practice. The review comprised both research and consultation with issuers, intermediaries, beneficial owners, a proxy advisory firm, proxy solicitors and service providers. CSA staff also met several times with an advisory group composed of members from most of these stakeholder groups, and obtained input on how to improve NI 54-101.

The Proposed Amendments are intended to improve the beneficial owner communication procedures. We have kept in mind the following fundamental principles of NI 54-101:

- all securityholders of a reporting issuer, whether registered holders or beneficial owners, should have the opportunity to be treated alike as far as is practicable;
- efficiency should be encouraged; and
- the obligation of each party in the securityholder communication process should be equitable and clearly defined.

The Proposed Amendments are also intended to improve communications with registered holders of reporting issuer securities.

Summary of the proposed substantive changes

The following are the key changes that would result from the Proposed Amendments, if adopted. This is not a complete list of all the changes.

(a) Summary of Proposed Amendments to NI 54-101

(i) Notice-and-access – section 2.7.1

Reporting issuers would have the option of sending proxy-related materials for meetings that are not special meetings by:

- posting the information circulars on a website that is not SEDAR; and
- sending a notice informing beneficial owners that the proxy-related materials have been posted, and explaining how to access them. A voting instruction form (Form 54-101F6 or Form 54-101F7 as applicable) would be sent with the notice.

At present, our notice-and-access proposal is limited to meetings that are not "special meetings" as defined in NI 54-101. Special meetings are ones where fundamental changes are being voted on, and we would like to monitor the implementation of notice-and-access before extending it to these types of meetings.

A beneficial owner would be entitled to request that the reporting issuer send a paper copy of the information circular by prepaid mail, courier or the equivalent, at the reporting issuer's expense. There are restrictions on the reporting issuer's access to, and use of information associated with the request. These restrictions are intended to maintain the anonymity of objecting beneficial owners (i.e. beneficial owners who do not wish to have their identities disclosed to the reporting issuer, or OBOs).

SEC issuers will be permitted to use the US notice-and-access process to comply with the requirements to send proxy-related materials to beneficial owners.

Differences between the US and CSA proposed notice-and-access models

The Securities and Exchange Commission (SEC) has introduced its own notice-and-access process, which applies to all SEC registrants for proxy solicitations commencing in or after January 2009.

The SEC introduced its notice-and-access process (the US model) as part of a wider focus on finding ways to improve the proxy solicitation process, and to facilitate increased and informed shareholder participation in the proxy process. The US model is also intended to promote the use of the Internet as a potentially reliable and cost efficient way to communicate with shareholders.

Our notice-and-access proposal (the CSA proposal) shares the basic policy objectives of the US model to promote the use of the Internet as a potentially reliable and cost efficient means of shareholder communication. However, there are several differences between the CSA proposal and the US model. The following are some, but not all examples of where the CSA proposal differs from the US model:

- Notice-and-access would not be mandatory for reporting issuers. Posting of proxy-related materials on a non-SEDAR website is required only if the reporting issuer chooses to use notice-and-access to send proxy-related materials.
- The relevant voting instruction form (Form 54-101F6 or Form 54-101F7) must be sent with the initial notice.
- The reporting issuer is responsible for fulfilling requests for paper copies of information circulars, not the intermediary.
- The CSA proposal maintains certain basic differences between the NI 54-101 beneficial owner communication procedures and the US beneficial owner communication procedures. Reporting issuers continue to have the following options:
    - to send proxy-related materials directly to and solicit voting instructions directly from NOBOs; and
    - not to pay for intermediaries to forward proxy-related materials and Form 54-101F7 to OBOs.

We note that the SEC requested comment on various aspects of the US model in the Fall of 2009, and recently adopted several amendments.[1] We will continue to monitor developments in the US, as these may assist in identifying possible enhancements to the CSA proposal.

(ii) Simplification of beneficial owner proxy appointment process – sections 2.18 and 4.5

A beneficial owner who holds securities through an intermediary generally must be appointed proxy holder in respect of those securities if she wishes to attend and vote those securities at a meeting.

NI 54-101 currently prescribes a legal proxy process, by which a beneficial owner can instruct her intermediary using the voting instruction form (or the reporting issuer, if the direct sending procedures in section 2.9 are being used) to appoint her as proxy holder in respect of the securities she beneficially owns. The intermediary must send the beneficial owner a legal proxy, which the beneficial owner in turn must deposit by any relevant proxy cut-off established for the meeting.

We have received feedback from several stakeholders that the legal proxy process is too time-consuming and confusing, and can have the unintended consequence of making it more difficult for beneficial owners to be properly appointed as proxy holders. The Proposed Amendments would require intermediaries and reporting issuers to:

- arrange to appoint the beneficial owner as proxy holder, if she so requests, at no expense to the beneficial owner; and
- deposit the proxy by any relevant proxy cut-off.

However, subject to these basic obligations, reporting issuers and intermediaries would have flexibility as to the specific arrangements used to appoint the beneficial owner as proxy holder. For example, we understand that a number of intermediaries, through their service provider, currently provide an "appointee system" option in addition to the legal proxy on their voting instruction forms. Under the appointee system, the beneficial owner can print the beneficial owner's name or the name of her appointee in a space provided on the voting instruction form. The name of the beneficial owner or her appointee is then recorded on a cumulative proxy, which is provided to the proxy tabulator or meeting scrutineer. When the beneficial owner or her appointee arrives at the meeting, the scrutineer has all the necessary proxies and information at hand to enable the beneficial owner or other appointees to vote at the meeting. The Proposed Amendments would permit an intermediary to continue to provide the appointee system option.

[1] The proposed amendments are set out in "Amendments to Rules Requiring Internet Availability of Proxy Materials" (October 14, 2009), Release No. 33-9073. Available at http://www.sec.gov/rules/proposed/2009/33-9073.pdf. The final amendments are set out in "Amendments to Rules Requiring Internet Availability of Proxy Materials" (February 22, 2010), Release No. 33-9108. Available at http://www.sec.gov/rules/final/2010/33-9108.pdf.

(iii) Enhanced disclosure regarding the beneficial owner voting process – section 2.16

The Proposed Amendments require certain information to be disclosed in the management information circular in specified circumstances. This disclosure is intended to increase transparency and provide information to assist beneficial owners in the voting process.

First, if the reporting issuer chooses not to pay for intermediaries to send proxy-related materials and Form 54-101F7 to OBOs, the Proposed Amendments require management of the reporting issuer to disclose this fact in the management information circular, and to disclose that it is the OBO's responsibility to make arrangements with her intermediary to exercise her voting rights.

Second, the Proposed Amendments require management of the reporting issuer to disclose in the management information circular if the reporting issuer is using notice-and-access only in respect of some, but not all beneficial owners. An explanation of this decision must also be provided.

(iv) Stricter rules on use by third-parties of NOBO information and the indirect sending procedures – Part 7

The Proposed Amendments restrict the permitted use of NOBO information and the indirect sending procedures to matters connected to (i) an attempt to influence securityholder voting, or (ii) an offer to acquire securities of the securityholder. The intent is to minimize the potential for misuse of NOBO information and the indirect sending procedures.

(v) Other changes

The Proposed Amendments also make changes to certain technical aspects of the beneficial owner communication procedures in the following areas:

- persons or companies permitted to make requests for beneficial ownership information (subsection 2.5(4));
- the timing for sending proxy-related materials (sections 2.9 and 2.12, and subsection 4.2(2));
- records of voting instructions (subsections 2.17(2) and 4.4(2)); and
- the interaction of depositary and intermediary obligations to beneficial owners under corporate law with the equivalent obligations under NI 54-101 (subsections 2.18(3) and 5.4(2)).

(vi) 54-101CP amendments

We propose to amend 54-101CP to provide guidance in several areas, including:

- permitted delivery methods for proxy-related materials, including notice-and-access (new Part 5); and
- procedures reporting issuers should have in place if they choose to solicit voting instructions directly from NOBOs (new section 3.5).

(b) Proposed Amendments to NI 51-102

We propose to amend Part 9 *Proxy Solicitation and Information Circulars* to introduce notice-and-access for registered holders of reporting issuer securities. The notice-and-access proposal for registered holders is substantially similar to the proposal for beneficial owners. We also propose to amend Form 51-102F5 to require the additional disclosure set out in proposed section 2.16 of NI 54-101.

SEC issuers will be permitted to use the US notice-and-access process to comply with the requirements to send proxy-related materials to registered holders of reporting issuer securities.

We propose to amend 51-102CP to provide guidance on permitted delivery methods for proxy-related materials, including notice-and-access.

(c) Consequential amendments to NP 11-201

We propose to make consequential amendments to NP 11-201 that would be necessary should notice-and-access be adopted.

Anticipated costs and benefits

We think that the Proposed Amendments, if implemented, will yield benefits, with little additional cost to market participants.

(a) Notice-and-access

We expect that there will be costs associated with maintaining a website for the proxy-related materials, fulfillment of requests for paper circulars and other required features of notice-and-access. However, because notice-and-access is voluntary, a reporting issuer will use it only if the benefits outweigh the costs.

We do not expect notice-and-access to impose any material additional costs on intermediaries, as their obligations remain substantially the same.

Beneficial owners and registered holders who print the information circular will incur additional costs. However, beneficial owners and registered holders can elect not to incur these costs as they have an option to request paper copies of the information circular at the issuer's expense.

(b) Simplification of beneficial owner proxy appointment process

We do not anticipate any material costs to be imposed.

Beneficial owners will benefit from having a simpler proxy appointment process with fewer steps.

Reporting issuers and intermediaries will need to make some changes to the relevant voting instruction forms, but we anticipate that the costs will not be significant.

We note that the major intermediary service provider already provides on the voting instruction form two options for a beneficial owner to be appointed as proxy holder. The first option is for the beneficial owner to request a legal proxy, in the manner prescribed by NI 54-101. The second option is for the beneficial owner to indicate on the voting instruction form that she wishes to be appointed as proxy holder, whereupon the intermediary (through the service provider) will make the necessary arrangements, including depositing the proxy with the reporting issuer's transfer agent.

(c) Enhanced disclosure regarding the beneficial owner voting process

Beneficial owners will benefit from having a better understanding of why a reporting issuer is or is not sending particular proxy-related materials to them.

We do not expect reporting issuers to incur any significant additional costs as a result of the additional disclosure in the management information circulars.

Request for comments

(a) The Proposed Amendments

We welcome your comments on the Proposed Amendments, and also invite comments on the following specific questions:

Questions relating to notice-and-access

1. We propose to exclude proxy-related materials relating to special meetings from notice-and-access. Should we expand notice-and-access to include special meetings? Should other types of meetings be excluded from notice-and-access as well?

2. We propose that reporting issuers be able to use notice-and-access to send proxy-related materials to some, but not all beneficial owners, so long as this fact is publicly disclosed and an explanation provided. Should there be restrictions on when a reporting issuer can use notice-and-access selectively?

3. The US model of notice-and-access seems to have resulted in a decrease in voting by retail shareholders. Our notice-and-access proposal has some significant differences from the US model which are intended to minimize the impact on retail shareholders. Does our notice-and-access proposal adequately meet the needs of retail shareholders who wish to vote? Are there any specific enhancements or other ways that notice-and-access can be made more user-friendly?

4. We would appreciate data from issuers, service providers and other stakeholders on the anticipated costs and savings of implementing and using the notice-and-access process. Will notice-and-access result in meaningful costs savings that make the proxy voting system more efficient?

5. We propose to give reporting issuers flexibility in the form and content of the notice provided the notice contains certain specified information. Is this approach appropriate, or should there be a prescribed form?

6. The CSA proposal does not impose any restrictions on additional materials that can be included with the notice and voting instruction form. We do not have any concerns with including additional material that explains the notice-and-access process, such as a Q&A. However, is it appropriate for reporting issuers and others to include materials that address the substance of the matters to be voted on at the meeting? Would this create a disincentive for investors to read the full information circular? Should there be restrictions on what can be included in this these types of materials? Should there be requirements prescribing basic information that these types of materials must contain?

7. Is the requirement in subsection 4.6(1) of NI 51-102 that requires reporting issuers to send an annual request form to registered holders and beneficial owners of their securities to request financial statements and management's discussion and analysis adequately integrated with the requirements to send proxy-related materials? Will notice-and-access have any impact?

Other questions

8. The Proposed Amendments require management of reporting issuers that choose not to pay for delivery to OBOs to disclose this fact in the management information circular. The intent is to make the proxy voting system more transparent and easier to navigate. Will this disclosure facilitate this objective?

(b) Other issues relating to the beneficial owner voting process generally

The focus of the Proposed Amendments is on improving the process by which beneficial owners are sent proxy-related materials and their voting instructions are solicited. This process is one aspect of the larger proxy voting system, i.e. the entire process by which votes are solicited, submitted and tabulated.

In recent months, the proxy voting system as a whole has been the subject of some debate. Questions are being raised as to whether it is functioning with appropriate reliability, integrity and transparency. We therefore also invite general comments on:

- the integrity of the proxy voting system as a whole; and
- whether there are any particular areas that require regulatory attention or reform, and if so, what priority should be assigned.

How to provide your comments

You must submit your comments in writing by **August 31, 2010**. If you are sending your comments by email, you should also send an electronic file containing the submissions (in Windows format, Microsoft Word).

Please address your comments to all of the CSA member commissions as follows:

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Financial Services Commission – Securities Division
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
New Brunswick Securities Commission
Registrar of Securities, Prince Edward Island
Nova Scotia Securities Commission
Superintendent of Securities, Northwest Territories
Superintendent of Securities, Yukon Territory
Superintendent of Securities, Nunavut

Please send you comments only to the address below. Your comments will be forwarded to the remaining CSA jurisdictions.

John Stevenson
Secretary
Ontario Securities Commission
20 Queen Street West
19th Floor, Box 55
Toronto, Ontario M5H 3S8
Fax: 416-593-2318
Email: jstevenson@osc.gov.on.ca

Anne-Marie Beaudoin
Corporate Secretary
Autorité des marchés financiers
800, square Victoria, 22e étage
C.P. 246, tour de la Bourse
Montréal, Québec H4Z 1G3
Fax: 514-864-6381
E-mail: consultation-en-cours@lautorite.qc.ca

Please note that all comments received during the comment period will be made publicly available. We cannot keep submissions confidential because securities legislation in certain provinces requires publication of a summary of the written comments received during the comment period.

We will post all comments received during the comment period to the OSC website at www.osc.gov.on.ca to improve the transparency of the policy-making process.

Questions

Please refer your questions to any of the following:

Winnie Sanjoto
Senior Legal Counsel
Corporate Finance Branch
Ontario Securities Commission
416-593-8119
wsanjoto@osc.gov.on.ca

Noreen Bent
Manager, Senior Legal Counsel
Corporate Finance
British Columbia Securities Commission
604-899-6741
nbent@bcsc.bc.ca

Alison Dempsey
Senior Legal Counsel
Corporate Finance
British Columbia Securities Commission
604-899-6638
adempsey@bcsc.bc.ca

Celeste Evancio
Legal Counsel
Corporate Finance
Alberta Securities Commission
403-355-3885
celeste.evancio@asc.ca

Lucie J. Roy
Senior Policy Advisor
Policy and Regulation Department
Autorité des marchés financiers
514-395-0337 poste 4464
lucie.roy@lautorite.qc.ca

Alexandra Lee
Senior Policy Advisor
Policy and Regulation Department
Autorité des marchés financiers
514-395-0337 poste 4465
alexandra.lee@lautorite.qc.ca

Douglas R. Brown
General Counsel and Director
The Manitoba Securities Commission
204-945-0605
Doug.Brown@gov.mb.ca

Donna Gouthro
Financial Analyst
Nova Scotia Securities Commission
902-424-7077
gouthrdm@gov.ns.ca

Schedules

Schedule A: Proposed Amendment Instrument to NI 54-101
Schedule B: Proposed Amendment Instrument to 54-101CP
Schedule C: Proposed Amendment Instrument to NI 51-102
Schedule D: Proposed Amendment Instrument to 51-102CP
Schedule E: Proposed Amendment Instrument to NP 11-201
Schedule F: Additional Local Information

April 9, 2010

SCHEDULE A

**PROPOSED AMENDMENT INSTRUMENT TO
NATIONAL INSTRUMENT 54-101
COMMUNICATION WITH BENEFICIAL OWNERS
OF SECURITIES OF A REPORTING ISSUER**

1. National Instrument 54-101 Communication with Beneficial Owners of Securities of a Reporting Issuer is amended by this Instrument.

2. Section 1.1 of National Instrument 54-101 is amended by

(a) amending the definition of "proxy-related materials" ***to insert*** "or beneficial owners" ***between*** "registered holders" ***and*** "of the securities"***;***

(b) repealing the definition of "legal proxy"***;***

(c) adding the following definition after the definition of "non-objecting beneficial owner list"***:***

"notice-and-access" means the delivery procedures referred to in section 2.7.1;

(d) adding the following definition after the definition of "request for beneficial ownership information"***:***

"SEC issuer" means an issuer that

(a) has a class of securities registered under section 12 of the 1934 Act or is required to file reports under section 15(d) of the 1934 Act, and

(b) is not registered or required to be registered as an investment company under the *Investment Company Act* of 1940 of the United States of America, as amended;

(e) repealing the definition of "request for voting instructions"***;***

(f) amending the definition of "securityholder materials" ***to insert*** "or beneficial owners" ***between*** "registered holders" ***and*** "of the securities"***;***

(g) repealing the definition of "send"***;***

3. Subsection 2.5(4) of National Instrument 54-101 is repealed and replaced with the following:

(4) A reporting issuer that requests beneficial ownership information under this section must do so through one of the following:

(a) a transfer agent;

(b) another person or company if both of the following apply:

(i) the person or company is in the business of providing services to assist persons or companies soliciting proxies;

(ii) the reporting issuer has reasonable grounds to believe that the person or company has the technological capacity to receive the beneficial ownership information.

4. Section 2.7 of National Instrument 54-101 is repealed and replaced with the following:

2.7 Sending of Proxy-Related Materials to Beneficial Owners – (1) A reporting issuer that is required by Canadian securities legislation to send proxy-related materials to the registered holders of any class or series of its securities must send the proxy-related materials to beneficial owners of the securities by doing one of the following:

(a) the reporting issuer sends the proxy-related materials directly under section 2.9 to NOBOs, and indirectly under section 2.12 to OBOs;

(b) the reporting issuer sends the proxy-related materials indirectly under section 2.12 to beneficial owners.

(2) A reporting issuer that sends proxy-related materials under subsection (1) to a beneficial owner of securities may do so using any one or a combination of the following methods:

(a) paper copies sent by prepaid mail, courier or the equivalent;

(b) notice-and-access, but only for a meeting that is not a special meeting;

(c) any delivery method to which the beneficial owner consents.

2.7.1 Notice-and-Access – (1) For a meeting that is not a special meeting, a reporting issuer may send proxy-related materials to a beneficial owner of securities by notice-and-access that complies with all of the following:

(a) the beneficial owner is sent a document containing all of the following information:

(i) the date, time and location of the reporting issuer's meeting;

(ii) a summary of the items to be voted on;

(iii) an explanation of how to electronically access the information circular and other proxy-related materials, including a website address other than the address for SEDAR, where the proxy-related materials are located;

(iv) a reminder to review the information circular before voting;

(v) an explanation of how to obtain a paper copy of the information circular from the reporting issuer;

(vi) an explanation of how the NOBO is to execute and return Form 54-101F6 sent under paragraph (b), including any deadline for the return of the form;

(b) each NOBO is sent a Form 54-101F6, if the reporting issuer is sending proxy-related materials to, and seeking voting instructions from, NOBOs under section 2.9;

(c) using the direct or indirect procedures in section 2.9 or 2.12 as applicable, the beneficial owner is sent by prepaid mail, courier or the equivalent, paper copies of the documents required by paragraph (a) and if applicable, paragraph (b), or is sent these documents by any other method previously consented to by the beneficial owner;

(d) a news release is issued at least 30 days before the date fixed for the meeting containing the following:

(i) the information set out in paragraph (a);

(ii) if the reporting issuer is using notice-and-access only in respect of some beneficial owners, an explanation of its decision;

(e) public electronic access to the information circular and other proxy-related materials is provided on the same day as the reporting issuer sends the document in paragraph (a) to beneficial owners, in the following manner:

(i) the proxy-related materials are filed on SEDAR;

(ii) the proxy-related materials are posted, for a period ending no earlier than the date of the first annual meeting following the meeting to which the materials relate, at a website address other than the address for SEDAR;

(f) a toll-free telephone number is provided for use by the beneficial owner to request a paper copy of the information circular at any time from the date that the reporting issuer sends the document in

paragraph (a) to the beneficial owner, up to and including the date of the meeting including any adjournment;

(g) if a request is received under paragraph (f) or by any other means, a paper copy of the information circular is sent by prepaid mail, courier or the equivalent to the person or company at the address specified in the request, free of charge to the person or company to whom the paper copy of the information circular is sent, no later than 3 business days after receiving the request.

(2) A reporting issuer that receives a request under paragraph (1)(f) or by any other means must not do any of the following:

(a) obtain any information about the person or company making the request, other than the name and address to which the paper copy of the information circular is to be sent;

(b) disclose or use the name or address of the person or company making the request for any purpose other than sending the paper copy of the information circular.

(3) A reporting issuer that posts proxy-related materials pursuant to subparagraph (1)(e)(ii) must not use any means that would enable the reporting issuer to identify a person or company who has accessed the website address where the proxy-related materials are located.

(4) A reporting issuer that posts proxy-related materials in the manner referred to in subparagraph (1)(e)(ii) must also post on the website the following documents:

(a) any other disclosure material regarding the meeting that the reporting issuer has sent to registered holders or beneficial owners of its securities;

(b) any written communications the reporting issuer has made available to the public regarding the meeting, whether sent to registered holders or beneficial owners of its securities or not.

(5) Proxy-related materials that are posted under subparagraph (1)(e)(ii) must be posted in a manner and be in a format that permits a person or company with a reasonable level of computer skill and knowledge to do all of the following conveniently:

(a) access, read and search the documents on the website;

(b) download and print the documents.

(6) An information circular posted under subparagraph (1)(e)(ii) must contain the same information as the information circular filed on SEDAR.

(7) Despite anything in this section or the previous section, a beneficial owner may consent to the use of other delivery methods to send proxy-related materials. Nothing in this section shall be interpreted as restricting a beneficial owner from consenting to the reporting issuer's or intermediary's use of other delivery methods to send proxy-related materials.

2.7.2 Compliance with SEC Rules – Section 2.7 does not apply to a reporting issuer that is an SEC issuer if it complies with both of the following:

(a) the SEC issuer sends proxy-related materials to the beneficial owner using the procedures in Rule 14a-16 under the 1934 Act;

(b) the SEC issuer obtains confirmation from the intermediary that holds securities on behalf of the beneficial owner that the intermediary will implement the procedures under Rule 14b-1 or Rule 14b-2 of the 1934 Act that relate to the procedures in Rule 14a-16 under the 1934 Act.

5. Section 2.8 is repealed and replaced with the following:

2.8 Other securityholder materials – (1) A reporting issuer may send securityholder materials other than proxy-related materials to beneficial owners of its securities by doing one of the following:

(a) the reporting issuer sends the materials directly under section 2.9 to NOBOs, and indirectly under section 2.12 to OBOs;

(b) the reporting issuer sends the materials indirectly under section 2.12 to beneficial owners.

(2) A reporting issuer that sends securityholder materials under subsection (1) may send the securityholder materials using any of the methods in subsection 2.7(2).

6. Section 2.9 National Instrument 54-101 is repealed and replaced with the following:

2.9 Direct sending of proxy-related materials to NOBOs by reporting issuer – (1) A reporting issuer that has stated in its request for beneficial ownership information sent in connection with a meeting that it will send proxy-related materials to, and seek voting instructions from, NOBOs must send the proxy-related materials for the meeting directly to the NOBOs on the NOBO lists received in response to the request at its own expense.

(2) A reporting issuer that sends by prepaid mail, courier or the equivalent, paper copies of proxy-related materials directly to a NOBO must send the proxy-related materials at least 21 days before the date fixed for the meeting.

(3) A reporting issuer that sends proxy-related materials directly to a NOBO using notice-and-access must send the material required by paragraphs 2.7.1(1)(a) and (b) at least 30 days before the date fixed for the meeting.

(4) A reporting issuer that sends proxy-related materials directly to a NOBO using a delivery method that is not notice-and-access and to which the NOBO has consented under paragraph 2.7(2)(c) must send the proxy-related materials using that delivery method either:

(a) at least 21 days before the date fixed for the meeting, if the NOBO has not consented to a specific day or days for sending of the proxy-related materials; or

(b) on any day to which the NOBO has consented.

(5) Despite subsection (2), a reporting issuer that sends proxy-related materials directly to a NOBO using notice-and-access and also sends paper copies of proxy-related materials directly to other NOBOs under subsection (2) by prepaid mail, courier or the equivalent must send the paper copies of the proxy-related materials to those other beneficial owners on the same day as it sends the documents set out in paragraphs 2.7.1(1)(a) and (b) to the beneficial owner using notice-and-access.

7. Section 2.10 of National Instrument 54-101 is amended by inserting "and despite subsection 2.9(1),***" after "***Except as required by securities legislation,***".***

8. Section 2.12 of National Instrument 54-101 is repealed and replaced with the following:

2.12 Indirect sending of securityholder materials by reporting issuer – (1) A reporting issuer sending securityholder materials indirectly to beneficial owners must send to each proximate intermediary that responded to the applicable request for beneficial ownership information the number of sets of those materials specified by that proximate intermediary for sending to beneficial owners.

(2) A reporting issuer that sends proxy-related materials indirectly to a beneficial owner by having the intermediary send paper copies of the proxy-related materials by prepaid mail, courier or the equivalent must send the proxy-related materials to the proximate intermediary at least 3 business days before the 21st day before the date fixed for the meeting.

(3) A reporting issuer that sends proxy-related materials indirectly to a beneficial owner using notice-and-access must provide the information set out in paragraph 2.7.1(1)(a) to the intermediary in sufficient time for the intermediary to send a document containing that information to the beneficial owner at least 30 days before the date fixed for the meeting.

(4) A reporting issuer that sends proxy-related materials indirectly to a beneficial owner using a delivery method that is not notice-and-access and to which a beneficial owner has consented under paragraph 2.7(2)(c) must make any necessary arrangements to enable the intermediary to send the proxy-related materials using that delivery method either:

(a) at least 21 days before the date fixed for the meeting, if the NOBO has not consented to a specific day or days for sending of the proxy-related materials; or

(b) on any day to which the beneficial owner has consented.

(5) Despite subsection (2), a reporting issuer that sends proxy-related materials directly or indirectly to a beneficial owner using notice-and-access, and also sends proxy-related materials indirectly to other beneficial owners by having the intermediary send paper copies of the proxy-related materials using prepaid mail, courier or the equivalent, must arrange for the intermediary to send the paper copies of the proxy-related materials to those other beneficial owners on the same day as the reporting issuer or intermediary, as applicable, sends the document containing the information set out in paragraph 2.7.1(1)(a) to the beneficial owner.

(6) A reporting issuer that sends securityholder materials that are not proxy-related materials indirectly to beneficial owners must send the securityholder materials to the intermediary on the day specified in the request for beneficial ownership information.

(7) A reporting issuer must not send securityholder materials directly to a NOBO if a proximate intermediary in a foreign jurisdiction holds securities on behalf the NOBO and one or both of the following applies:

(a) the law of the foreign jurisdiction does not permit the reporting issuer to send securityholder materials directly to NOBOs;

(b) the proximate intermediary has stated in a response to a request for beneficial ownership information that the law in the foreign jurisdiction requires the proximate intermediary to deliver securityholder materials to beneficial owners.

9. Section 2.16 of National Instrument 54-101 is repealed and replaced with the following:

2.16 Explanation of voting rights – (1) If a reporting issuer sends proxy-related materials for a meeting to a beneficial owner of securities, the materials must explain, in plain language, how the beneficial owner can exercise voting rights attached to the securities, including an explanation of how to attend and vote the securities directly at the meeting.

(2) Management of a reporting issuer must provide the following disclosure in the information circular:

(a) if the reporting issuer is not paying for intermediaries to send proxy-related materials and Form 54-101F7 to OBOs through the indirect sending procedures in section 2.12, disclosure of the following:

(i) the reporting issuer is choosing not to pay for intermediaries to send proxy-related materials and Form 54-101F7 to OBOs;

(ii) it is the OBO's responsibility to contact the OBO's intermediary to make any necessary arrangements to exercise voting rights attached to the OBO's securities;

(b) if the reporting issuer is using notice-and-access only in respect of some beneficial owners, an explanation of its decision.

(3) Despite subsection (2), management may omit the disclosure set out in paragraph (2)(b) if management has not determined at the time of preparing the information circular whether notice-and-access will be used only in respect of some beneficial owners.

10. Section 2.17 of National Instrument 54-101 is repealed and replaced with the following:

2.17 Voting instruction form (Form 54-101F6) – (1) A reporting issuer that sends proxy-related materials that solicit votes or voting instructions directly to a NOBO must provide a Form 54-101F6 in substitution for the form of proxy.

(2) A reporting issuer that sends a Form 54-101F6 to a NOBO under subsection (1) must maintain a record of the following:

(a) each Form 54-101F6 sent to the NOBO;

(b) the date and time of any voting instructions, including proxy appointment instructions, submitted to the reporting issuer.

11. Section 2.18 of National Instrument 54-101 is repealed and replaced with the following:

2.18 Appointing beneficial owner as proxy holder – (1) A reporting issuer whose management holds a proxy in respect of securities beneficially owned by a NOBO must arrange, without expense to the NOBO, to appoint the NOBO or a nominee of the NOBO as a proxy holder in respect of those securities if the NOBO has instructed the reporting issuer to do so using either of the following methods:

(a) the NOBO submitted the completed Form 54-101F6 previously sent to the NOBO by the reporting issuer;

(b) the NOBO submitted any other documentation that is acceptable to the reporting issuer.

(2) A reporting issuer who appoints a NOBO as a proxy holder pursuant to subsection (1) must deposit the proxy within any time specified under corporate law for the deposit of proxies.

(3) If legislation requires an intermediary or depository to appoint the NOBO or nominee of the NOBO as proxy holder in respect of securities beneficially owned by the NOBO in accordance with any written voting instructions received from the NOBO, the intermediary may ask for, and the reporting issuer must provide, in a form that is acceptable to the intermediary, confirmation of both of the following:

(a) management of the reporting issuer will comply with subsections 2.18(1) and (2);

(b) management is acting on behalf of the intermediary or depository to the extent it appoints a NOBO or nominee of the NOBO as proxy holder in respect of the securities of the reporting issuer beneficially owned by the NOBO.

12. Subsection 2.20(a) of National Instrument 54-101 is repealed and replaced with the following:

(a) arranges to have proxy-related materials for the meeting sent in compliance with the applicable timing requirements in sections 2.9 and 2.12;

13. Subsection 4.1(1) of National Instrument 54-101 is amended by replacing "through the transfer agent of the reporting issuer that sent the request***" with "***through the transfer agent or person or company described in paragraph 2.5(4)(b) that sent the request***";***

14. Subsection 4.2(2)of National Instrument 54-101 is repealed and replaced with the following:

(2) A proximate intermediary shall send the following securityholder materials to beneficial owners or intermediaries holding securities of the relevant class or series that are its clients within the following time periods:

(a) in the case of paper copies of securityholder materials to be sent by prepaid mail, courier or the equivalent, or any other securityholder materials that are not proxy-related materials, within 3 business days after receipt;

(b) in the case of a document containing the information set out in paragraph 2.7.1(1)(a), at least 30 days before the date fixed for the meeting;

(c) in the case of proxy-related materials to be sent by a delivery method that is not notice-and-access to which the beneficial owner has consented under paragraph 2.7(2)(c), on any day to which the beneficial owner has consented for the sending of proxy-related materials, or if the beneficial owner has not consented to a specific day or days, at least 21 days before the date fixed for the meeting;

(d) despite paragraph (a), in the case of paper copies of proxy-related materials to be sent by prepaid mail, courier or the equivalent, on the same day as the reporting issuer or intermediary, as applicable, sends any document using notice-and-access containing the information set out in paragraph 2.7.1(1)(a) to a beneficial owner.

15. Subsection 4.2(5) of National Instrument 54-101 is repealed, and the following is added after the repealed subsection 4.2(5):

(6) An intermediary that sends securityholder materials to a beneficial owner under this section may do so through either of the following methods:

(a) paper copies sent by prepaid mail, courier or the equivalent;

(b) any delivery method to which the beneficial owner consents.

16. Section 4.4 of National Instrument 54-101 is repealed and replaced with the following:

4.4 Voting instruction form (Form 54-101F7) – (1) An intermediary that forwards proxy-related materials to beneficial owners that solicit votes or voting instructions from securityholders must provide a Form 54-101F7 in substitution for the form of proxy.

(2) An intermediary that sends a Form 54-101F7 to a beneficial owner under subsection (1) must maintain a record of the following:

(a) each Form 54-101F7 sent to the beneficial owner;

(b) the date and time of any voting instructions, including proxy appointment instructions, submitted to the intermediary.

17. Section 4.5 of National Instrument 54-101 is repealed and replaced with the following:

4.5 Appointing beneficial owner as proxy holder – (1) An intermediary who is the registered holder of, or holds a proxy in respect of, securities owned by a beneficial owner must arrange, at no expense to the beneficial owner, to appoint the beneficial owner or a nominee of the beneficial owner as a proxy holder if the beneficial owner has instructed the intermediary to do so using either of the following methods:

(a) the beneficial owner submitted the completed Form 54-101F7 previously sent to the beneficial owner by the intermediary;

(b) the beneficial owner submitted any other documentation that is acceptable to the intermediary.

(2) An intermediary who appoints a beneficial owner as proxy holder pursuant to subsection (1) must deposit the proxy within any time specified under corporate law for the deposit of proxies.

18. The following is added after subsection 5.4(2) of National Instrument 54-101:

(3) If legislation requires a depository to appoint a beneficial owner or nominee of the beneficial owner as proxy holder in respect of securities that are beneficially owned by a beneficial owner in accordance with any written voting instructions received from the beneficial owner, the depository may ask any participant described in subsection (1) for, and the participant must provide, in a form that is acceptable to the depository, confirmation of all of the following:

(a) the participant will comply with subsections 4.5(1) and (2);

(b) the participant is acting on behalf of the depository to the extent it appoints a beneficial owner or nominee of a beneficial owner as proxy holder in respect of the securities of the reporting issuer beneficially owned by the beneficial owner;

(c) if the participant is required to execute an omnibus proxy under section 4.1, that the participant will obtain the confirmation set out in subsection 2.18(3).

19. Subsection 6.2(6) of National Instrument 54-101 is repealed and replaced with the following:

(6) A person or company, other than the reporting issuer to which the request relates, that sends materials indirectly to beneficial owners must comply with all of the following:

(a) the person or company must pay to the proximate intermediary a fee for sending the securityholder materials to the beneficial owners;

(b) the person or company must provide an undertaking to the proximate intermediary in the form of Form 54-101F10.

20. Part 7 is repealed and replaced with the following:

PART 7 – USE OF NOBO LIST AND INDIRECT SENDING OF MATERIALS

7.1 Use of NOBO list – (1) A reporting issuer may use a NOBO list or a report prepared under section 5.3 relating to the reporting issuer and obtained under this Instrument in connection with any matter relating to the affairs of the reporting issuer.

(2) A person or company that is not the reporting issuer must not use a NOBO list or a report prepared under section 5.3 relating to a reporting issuer and obtained under this Instrument in any manner other than the following:

(a) for sending securityholder materials directly to NOBOs in accordance with this Instrument;

(b) in respect of an effort to influence the voting of securityholders of the reporting issuer;

(c) in respect of an offer to acquire securities of the reporting issuer.

7.2 Sending of Materials – (1) A reporting issuer may send securityholder materials indirectly to beneficial owners of securities of the reporting issuer using the procedures in section 2.12, or directly to NOBOs of the reporting issuer using a NOBO list, in connection with any matter relating to the affairs of the reporting issuer.

(2) A person or company that is not the reporting issuer may send securityholder materials indirectly to beneficial owners of securities of the reporting issuer using the procedures in section 2.12, or directly to NOBOs of the reporting issuer using a NOBO list, only in connection with one or more of the following:

(a) an effort to influence the voting of securityholders of the reporting issuer;

(b) an offer to acquire securities of the reporting issuer.

21. Form 54-101F6 – Request for Voting Instructions Made by Reporting Issuer is amended by striking out the paragraph that begins "Should you wish to attend the meeting and vote in person…***" and substituting the following:***

If you want to attend the meeting and vote in person, please write your name in the place provided for that purpose in the voting instruction form (Form 54-101F6) provided to you. If you require help, please contact [the undersigned].

22. Form 54-101F7 – Request for Voting Instructions Made by Intermediary is amended by deleting the paragraph that begins "Should you wish to attend the meeting and vote in person…***" and replacing it with the following:***

If you want to attend the meeting and vote in person, please write your name in the place provided for that purpose in the voting instruction form (Form 54-101F7) provided to you. If you require help, please contact [the undersigned].

23. Form 54-101F8 – Legal Proxy is repealed.

24. Form 54-101F9 – Undertaking is amended by

(a) striking out paragraph 2 and substituting the following:

2. I undertake that the information set out on the NOBO list will be used only in connection with one or more of the following:

(a) sending securityholder materials directly to NOBOs in accordance with National Instrument 54-101;

(b) an effort to influence the voting of securityholders of the reporting issuer;

(c) an offer to acquire securities of the reporting issuer.

(b) striking out paragraph 4 and substituting the following:

4. I am aware that it is a contravention of the law to use a NOBO list for purposes other than in connection with one or more of the following:

(a) sending securityholder materials directly to NOBOs in accordance with National Instrument 54-101;

(b) an effort to influence the voting of securityholders of the reporting issuer;

(c) an offer to acquire securities of the reporting issuer.

25. The following is added after Form 54-101F9:

Form 54-101F10 – Undertaking

Note: Terms used in this Form have the meaning given to them in National Instrument 54-101.

The use of this Form is referenced in section 6.2 of National Instrument 54-101.

I, …….
(Full Residence Address) …….
(If this undertaking is made on behalf of a body corporate, set out the full legal name of the body corporate, position of person signing and address for service of the body corporate).
SOLEMNLY DECLARE AND UNDERTAKE THAT:

1. I wish to send materials to beneficial owners of securities of [*insert name of the reporting issuer*] on whose behalf intermediaries hold securities, using the indirect sending procedures provided in National Instrument 54-101 (the NI 54-101 Procedures).

2. I undertake that I am using the NI 54-101 Procedures to send materials to beneficial owners only in connection with one or both of the following:

(a) an effort to influence the voting of securityholders of the reporting issuer;

(b) an offer to acquire securities of the reporting issuer.

3. I am aware that it is a contravention of the law to send materials using the NI 54-101 Procedures for purposes other than in connection with one or both of the following:

(a) an effort to influence the voting of securityholders of the reporting issuer;

(b) an offer to acquire securities of the reporting issuer.

…….Signature
…….Name of person signing
…….Date

26. This Instrument is effective on [*].

SCHEDULE B

**PROPOSED AMENDMENT INSTRUMENT TO
COMPANION POLICY 54-101CP
COMMUNICATION WITH
BENEFICIAL OWNERS OF
SECURITIES OF A REPORTING ISSUER**

1. Companion Policy 54-101CP Communication with Beneficial Owners of Securities of a Reporting Issuer is amended by this Instrument.

2. Subsection 2.1(1) of Companion Policy 54-101CP is repealed and replaced with the following:

2.1 Application of Instrument – (1) The securityholder communication procedures in the Instrument are relevant to all securityholder materials sent by a reporting issuer to beneficial owners of its securities under Canadian securities legislation. Securityholder materials include, but are not limited to, proxy-related materials. Securityholder materials include:

(a) materials required by securities legislation or applicable corporate law to be sent to registered holders and beneficial owners of a reporting issuer's securities, such as interim or annual financial statements;

(b) materials required by securities legislation or applicable corporate law to be sent only to registered holders of a reporting issuer's securities, such as issuer bid and directors circulars, and dissident proxy-related materials;

(c) materials sent to registered holders or beneficial owners of a reporting issuer's securities absent any legal requirement to do so.

3. Section 2.3 of Companion Policy 54-101CP is repealed.

4. Section 2.7 of Companion Policy 54-101CP is repealed and replaced with the following:

2.7 Agent – A depository, intermediary, reporting issuer or any other person or company subject to obligations under the Instrument's securityholder communication procedures may use a service provider as its agent to fulfill its obligations. A person or company that uses an agent remains fully responsible for fulfilling its obligations under the Instrument, and for the conduct of the agent in this regard.

A person or company may fulfill its obligations relating to another party through an agent of that other party. For example, under section 2.12 of the Instrument, a reporting issuer fulfills its obligation to send securityholder materials to a proximate intermediary if it provides the materials to a person or company designated by that proximate intermediary.

5. Subsection 3.3(2) of Companion Policy 54-101CP is amended by deleting the sentence "All requests for beneficial ownership information, including NOBO lists are required to be made through a transfer agent." ***and substituting the following:***

All requests for beneficial ownership information, including NOBO lists, must be made through:

(a) a transfer agent; or

(b) another person or company that satisfies the two criteria in subsection 2.5(4)(b) of the Instrument. In our view, a proxy solicitor would satisfy these criteria.

6. The following is added after section 3.4 of Companion Policy 54-101CP:

3.4.1 Explanation of voting rights – (1) Subsection 2.16(1) of the Instrument requires a reporting issuer's proxy-related materials to contain a plain language explanation of how the beneficial owner can exercise the voting rights attached to the securities. If the reporting issuer has chosen to send proxy-related materials directly to, and receive voting instructions from, NOBOs, we expect this to be stated in the proxy-related materials.

(2) Subsection 2.16(2) of the Instrument requires management of a reporting issuer to provide in the information circular disclosure about the following:

(a) non-payment of fees for intermediaries to send proxy-related materials and Form 54-101F7 to OBOs under section 2.12 of the Instrument;

(b) use of notice-and-access if management has made this determination for some, but not all beneficial owners at the time it prepares the information circular.

This disclosure is intended to explain to beneficial owners why they may receive different proxy-related materials than other beneficial owners and why they may not receive proxy-related materials even if they have requested them. Item 4.3 of Form 51-102F5 Information Circular also requires this disclosure.

(3) If a reporting issuer has chosen not to pay for proximate intermediaries to deliver proxy-related materials and Form 54-101F7 to OBOs, it must still provide to the proximate intermediary the number of sets of proxy-related materials that the proximate intermediary requested for forwarding.

7. Section 3.5 of Companion Policy 54-101CP is repealed and replaced with the following:

3.5 NOBO voting instructions – (1) Voting instructions that the reporting issuer requests directly from NOBOs will be returned directly to the reporting issuer. Management of the reporting issuer will then vote the securities beneficially owned by NOBOs according to the instructions received from the NOBOs to the extent that management has the corresponding proxy. The proximate intermediary that provides the NOBO list under subsection 4.1(1) of the Instrument gives management that proxy.

We expect reporting issuers that choose to solicit voting instructions directly from NOBOs to have appropriate procedures for NOBO voting. This includes doing the following in a timely manner:

(a) responding to inquiries from NOBOs or intermediaries with NOBO clients about the voting process;

(b) appointing a NOBO or nominee of the NOBO as a proxyholder in respect of securities beneficially owned by the NOBO;

(c) generating a new Form 54-101F6 if a NOBO requests one. For example, a NOBO may have misplaced a Form 54-101F6 that she had received; or may now wish to provide voting instructions although she had previously indicated on her client response form that she did not wish to receive proxy-related materials.

We expect reporting issuers and intermediaries to work together to address any issues arising from the NOBO voting process.

(2) Subsection 2.17(2) of the Instrument requires a reporting issuer to maintain records of each Form 54-101F6 that it sends to a NOBO, and the date and time of voting instructions that it receives. This is to assist in identifying the beneficial owner's most recent set of voting instructions.

8. Part 5 of Companion Policy 54-101CP is repealed and replaced with the following:

PART 5 – MEANS OF SENDING

5.1 General – (1) Section 2.7 of the Instrument sets out the permitted delivery methods for proxy-related materials. Reporting issuers, intermediaries and other persons or companies should also review any other applicable legislation, such as corporate legislation.

(2) The following tables illustrate the options available for sending proxy-related materials to beneficial owners.

Table A: Direct Sending to NOBOs

Delivery Method	Documents Sent	Beneficial Owner Consent Required?
Prepaid mail, courier or the equivalent	Reporting issuer sends paper copies of notice of meeting, management information circular, and Form 54-101F6	No
Notice-and-access	Reporting issuer posts management information circular on SEDAR and non-SEDAR website. Reporting issuer sends paper copies of notice required by para. 2.7.1(1)(a), Form 54-101F6. Reporting issuer will send paper copy of management information circular on request.	No
	Reporting issuer posts management information circular on SEDAR and non-SEDAR website. Reporting issuer sends notice required by para. 2.7.1(1)(a) and Form 54-101F6 using delivery method other than prepaid mail, courier or the equivalent (e.g. email). Reporting issuer will send paper copy of management information circular on request.	Prior consent of beneficial owner is required for reporting issuer to send notice and Form 54-101F6 using delivery method other than prepaid mail, courier or the equivalent.
Other delivery method	Reporting issuer sends notice of meeting, management information circular and Form 54-101F6 using delivery method that is not (i) prepaid mail, courier or the equivalent, or (ii) notice-and-access.	Yes. Reporting issuers are expected to work with proximate intermediaries to obtain consent.

Table B: Indirect Sending to Beneficial Owners

Delivery Method	Documents Sent	Beneficial Owner Consent Required?
Prepaid mail, courier or the equivalent	Reporting issuer sends paper copies of notice of meeting, management information circular to proximate intermediary. Proximate intermediary sends paper copies of materials and Form 54-101F7 using prepaid mail, courier or the equivalent.	No
Notice-and-access	Reporting issuer posts management information circular on SEDAR and non-SEDAR website. Reporting issuer makes arrangements for proximate intermediary to send paper copies of notice required by para. 2.7.1(1)(a). Proximate intermediary sends paper copies of notice and Form 54-101F7 using prepaid mail, courier or the equivalent. Reporting issuer will send paper copy of management information circular on request.	No
	Reporting issuer posts management information circular on SEDAR and non-SEDAR website. Reporting issuer makes arrangements for proximate intermediary to send notice required by para. 2.7.1(1)(a) using delivery method other than prepaid mail, courier or the equivalent (e.g. email). Proximate intermediary sends copies of notice and Form 54-101F7 using the alternate delivery method. Reporting issuer will send paper copy of management information circular on request.	Beneficial owner consent is required for proximate intermediary to send notice and Form 54-101F7 using delivery method other than prepaid mail, courier or the equivalent. Proximate intermediary will be responsible for obtaining necessary beneficial owner consent.

Other delivery method	Reporting issuer and proximate intermediary make arrangements for proximate intermediary to send notice of meeting and management information circular using delivery method that is not (i) prepaid mail, courier or the equivalent, or (ii) notice-and-access. Proximate intermediary sends notice of meeting, management information circular and Form 54-101F7 using the alternate delivery method.	Yes. Reporting issuers are expected to work with proximate intermediaries to obtain consent.

5.2 **Securityholder materials sent to intermediaries** – Reporting issuers and other persons or companies should make arrangements with proximate intermediaries to send securityholder materials to beneficial owners in a timely manner. A proximate intermediary should not request sets of securityholder materials for NOBOs if the reporting issuer will be sending the materials directly to those NOBOs.

5.3 **Prepaid mail, courier or the equivalent –** Paper copies of proxy-related materials must be sent using prepaid mail, courier or an equivalent delivery method. An equivalent delivery method is any delivery method where the beneficial owner receives paper copies in a similar time frame as prepaid mail or courier. For example, a reporting issuer that sponsors an employee share purchase plan could arrange for the proximate intermediary to deliver proxy-related materials to beneficial owner employees through the reporting issuer's internal mail system.

5.4 **Notice-and-access –** (1) A reporting issuer can use notice-and-access if it sends proxy-related materials directly to NOBOs under section 2.9 of the Instrument or indirectly under section 2.12 of the Instrument.

Direct sending to NOBOs:

The reporting issuer must send the notice required by paragraph 2.7.1(1)(a) and Form 54-101F6 to the NOBO at least 30 days before the meeting (subsection 2.9(3) of the Instrument).

Indirect sending to beneficial owners:

The reporting issuer must make arrangements with the proximate intermediary so that the proximate intermediary is in a position to send the notice required by paragraph 2.7.1(1)(a) to the beneficial owner at least 30 days before the date fixed for the meeting (subsection 2.12(3) of the Instrument).

The proximate intermediary must prepare a Form 54-101F7 and forward it and the notice document (see section 4.4 of the Instrument). The notice can be combined with the Form 54-101F7 in a single document.

Delivery methods

Unless the reporting issuer or intermediary, as applicable, has obtained the beneficial owner's prior consent, a beneficial owner will receive a paper copy of the notice document and relevant voting instruction form.

(2) Paragraph 2.7.1(1)(a) of the Instrument requires the beneficial owner to be sent a document containing required information. This document is essentially a notice that informs the beneficial owner of the meeting, and how to access the information circular and other proxy-related materials that are posted on the internet. A reporting issuer may choose to send additional information on notice-and-access with this notice.

(3) Paragraph 2.7.1(1)(b) of the Instrument only applies if the reporting issuer is sending proxy-related materials directly to NOBOs under section 2.9. The Form 54-101F6 and the notice document can be combined in a single document.

(4) Paragraph 2.7.1(1)(d) of the Instrument requires a news release to be issued at least 30 days before the date fixed for the meeting. The news release must contain the information set out in the notice document. This is intended to broadly communicate to the reporting issuer's beneficial owners that they will receive a notice and not a full paper set of proxy-related materials. If the reporting issuer is using notice-and-access only for some beneficial owners, this must also be disclosed and explained in the news release. This is intended to help beneficial owners understand why they are receiving a notice and not the full set of paper proxy-related materials.

(5) Paragraph 2.7.1(1)(e) of the Instrument requires the information circular and other proxy-related materials to be posted on SEDAR and on a website other than SEDAR. The non-SEDAR website can be the reporting issuer's website or the website of a service provider.

(6) Paragraph 2.7.1(1)(f) of the Instrument requires the reporting issuer to establish a toll-free telephone number for the beneficial owner to request a paper copy of the information circular. A reporting issuer may choose to, but is not required to, provide additional methods for requesting a paper copy of the information circular. If a reporting issuer does so, it must still comply with the fulfillment timelines in paragraph 2.7.1(1)(g) of the Instrument and the restrictions on use of information obtained in connection with the request.

A beneficial owner client may ask its intermediary to request a paper copy of the information on its behalf.

(7) Subsection 2.7.1(5) of the Instrument is intended to allow beneficial owners to access the posted proxy-related materials in a user-friendly manner. For example, requiring the beneficial owner to navigate through several web pages to access the proxy-related materials would not be user-friendly. Providing the beneficial owner with the specific URL where the documents are posted would be more user-friendly. We encourage reporting issuers and their service providers to develop best practices in this regard.

5.5 Consent – Paragraph 2.7(2)(c) of the Instrument requires that beneficial owner consent be obtained if proxy-related materials are being sent using a delivery method that is not (i) prepaid mail, courier or the equivalent, or (ii) notice-and-access. Refer to Notice 11-201 Relating to Delivery of Documents by Electronic Means in Québec, and in the rest of Canada, National Policy 11-201 Delivery of Documents by Electronic Means, for guidance on effective delivery using electronic means, including appropriate consents.

In the case of proxy-related materials sent using notice-and-access, a beneficial owner's prior consent must be obtained if the beneficial owner will not be sent paper copies of the notice and relevant voting instruction form by prepaid mail, courier or the equivalent.

5.6 Multiple deliveries to one person or company – A single investor may hold securities of the same class in two or more accounts with the same address. Delivering a single set of securityholder materials to that person or company would satisfy the delivery requirements under the Instrument. We encourage this practice as a way to help reduce the costs of securityholder communications.

9. Part 6 of Companion Policy 54-101CP is repealed and replaced with the following:

PART 6 – USE OF NOBO LIST

6.1 Permitted uses – (1) A person or company that is not a reporting issuer may only use the NOBO list and the procedures in sections 2.9 or 2.12 of the Instrument in connection with an effort to influence voting or an offer to acquire securities of a reporting issuer. In our view, a person or company may obtain the NOBO list if the person or company is acting reasonably and in good faith, and intends to use the NOBO list to determine whether to begin an effort to influence securityholder voting or an offer to acquire securities of the reporting issuer.

(2) Using a NOBO list contrary to Part 7 of the Instrument will constitute a breach of the Instrument and securities legislation. Penalty provisions of securities legislation may be applied.

10. Section 7.1 of Companion Policy 54-101CP is repealed and replaced with the following:

7.1 Materials sent in less than the required number of days before meeting – In general, exemptive relief to shorten the relevant periods in sections 2.9 and 2.12 of the Instrument will not be granted, except in extraordinary circumstances.

11. Section 7.3 of Companion Policy 54-101CP is repealed and replaced with the following:

7.3 Additional costs for expedited processing – Reporting issuers may want to reimburse an intermediary for reasonable costs incurred in expedited processing of securityholder materials, for example, courier, long distance telephone and overtime costs.

12. Section 7.4 of Companion Policy 54-101CP is repealed and replaced with the following:

7.4 Applications – Major exemptions from the requirements of the Instrument will likely be granted infrequently. We encourage applicants to discuss requests for exemptive relief on a pre-file basis with the relevant Canadian securities regulatory authorities.

13. ***Section 8.1 of Companion Policy 54-101CP is amended by adding "***by prepaid mail***" after "***proxy-related materials***".***

14. ***This Instrument is effective on [*].***

SCHEDULE C

PROPOSED AMENDMENT INSTRUMENT TO
NATIONAL INSTRUMENT 51-102
CONTINUOUS DISCLOSURE OBLIGATIONS

1. This Instrument amends National Instrument 51-102 Continuous Disclosure Obligations.

2. Section 1.1 of National Instrument 51-102 is amended by

(a) adding the following definition after "non-voting security***":***

"notice-and-access" means the delivery procedures referred to in section 9.1.1;

(b) adding the following definition after "proxy***":***

"proxy-related materials" means securityholder materials relating to a meeting that the reporting issuer is required by the laws under which the reporting issuer is organized, incorporated or continued, or by securities legislation, to send to the registered holders of the securities.

(c) adding the following definitions after "solicit***":***

"special meeting" means a meeting at which a special resolution is being submitted to the securityholders of a reporting issuer;

"special resolution" for a meeting,

(a) has the same meaning given to the term "special resolution" under the laws under which the reporting issuer is incorporated, organized or continued; or

(b) if no such term exists under the laws under which the reporting issuer is incorporated, organized or continued, means a resolution that is required to be passed by at least two thirds of the votes cast;

3. The following is added after subsection 9.1(2) of National Instrument 51-102:

(3) A person or company soliciting proxies may send proxy-related materials using any one or a combination of the following methods:

(a) paper copies sent by prepaid mail, courier or the equivalent;

(b) notice-and-access, but only for a meeting that is not a special meeting;

(c) any delivery method to which the registered holder of voting securities consents.

4. The following is added after section 9.1 of National Instrument 51-102 Continuous Disclosure Obligations:

9.1.1 Notice-and-Access – (1) For a meeting that is not a special meeting, a person or company soliciting proxies may send proxy-related materials to a registered holder of voting securities by notice-and-access that complies with all of the following:

(a) the registered holder of voting securities is sent a document containing all of the following information:

(i) the date, time and location of the reporting issuer's meeting;

(ii) a summary of the items to be voted on;

(iii) an explanation of how to electronically access the information circular and other proxy-related materials, including a website address other than the address for SEDAR, where the proxy-related materials are located;

(iv) a reminder to review the information circular before voting;

(v) an explanation of how to obtain a paper copy of the information circular from the person or company;

(vi) an explanation of how the registered holder is to execute and return the form of proxy sent under paragraph (b), including any deadline for return of proxies;

(b) the registered holder of voting securities is sent a form of proxy for use at the meeting;

(c) the registered holder of voting securities is sent by prepaid mail, courier or the equivalent, paper copies of the documents required by paragraphs (a) and (b), or is sent the documents by any other method previously consented to by the registered holder, and in the case of a solicitation by or on behalf of management of the reporting issuer the documents are sent at least 30 days before the date fixed for the meeting;

(d) in the case of a solicitation by or on behalf of management of the reporting issuer, a news release is issued at least 30 days before the date fixed for the meeting containing the following:

(i) the information set out in paragraph (a);

(ii) if management of the reporting issuer is using notice-and-access only in respect of some registered holders, an explanation of its decision;

(e) public electronic access to the information circular, form of proxy and other proxy-related materials is provided on the same day as the person or company soliciting proxies sends the documents in paragraphs (a) and (b), in the following manner:

(i) the proxy-related materials are filed on SEDAR as required by section 9.3;

(ii) the proxy-related materials are posted, for a period ending no earlier than the date of the first annual meeting following the meeting to which the material relates, at a website address other than the address for SEDAR;

(f) a toll-free telephone number is provided for use by the registered holder of voting securities to request a paper copy of the information circular at any time from the date that the person or company soliciting proxies sends the documents in paragraphs (a) and (b) to the registered holder, up to and including the date of the meeting including any adjournment;

(g) if a request is received under paragraph (f) or by any other means, a paper copy of the information circular is sent by prepaid mail, courier or the equivalent to the person or company at the address specified in the request, free of charge to the person or company to whom the paper copy of the information circular is sent, no later than 3 business days after receiving the request.

(2) A person or company soliciting proxies that posts proxy-related materials in the manner referred to in subparagraph (1)(e)(ii) must also post on the website the following documents:

(a) any other disclosure material regarding the meeting that the person or company has sent to registered holders or beneficial owners of voting securities;

(b) any written communications the person or company soliciting proxies has made available to the public regarding the meeting, whether sent to registered holders or beneficial owners of voting securities or not.

(3) Proxy-related materials that are posted under subparagraph (1)(e)(ii) must be posted in a manner and be in a format that permits a person or company with a reasonable level of computer skill and knowledge to do all of the following conveniently:

(a) access, read and search the documents on the website;

(b) download and print the documents.

(4) An information circular posted under subparagraph (1)(e)(ii) must contain the same information as the information circular filed on SEDAR.

(5) Management of a reporting issuer that sends an information circular and form of proxy to a registered holder of voting securities using notice-and-access and sends paper copies of the information circular and form of proxy to other registered holders of voting securities by prepaid mail, courier or the equivalent must send the paper copies to those other registered holders on the same day as they send the proxy-related materials under paragraph (1)(c).

(6) Despite anything in this section or the previous section, a registered holder of voting securities may consent to the use of other delivery methods to send proxy-related materials. Nothing in this section shall be interpreted as restricting a registered holder of voting securities from consenting to use by a person or company soliciting proxies of other delivery methods to send proxy-related materials.

9.1.2 Compliance with SEC Rules – Section 9.1 does not apply to a reporting issuer that is an SEC issuer if it uses the procedures in Rule 14a-16 under the 1934 Act to deliver proxy-related materials to a registered holder of voting securities.

5. Form 51-102F5 – Information Circular is amended by adding the following after item 4.2:

4.3 If management of the reporting issuer has decided not to pay for intermediaries to forward to objecting beneficial owners under NI 54-101 the proxy-related materials and Form 54-101F7 – Request for Voting Instructions Made by Intermediary, the information circular must state this fact. The information circular must also state that it is the responsibility of objecting beneficial owners to contact their intermediaries to make any necessary arrangements to exercise voting rights attached to securities they beneficially own.

4.4 If management of the reporting issuer has determined to use notice-and-access only in respect of certain registered holders or beneficial owners, disclose this fact and provide an explanation of this decision.

6. This Instrument is effective on [*].

SCHEDULE D

PROPOSED AMENDMENT INSTRUMENT TO COMPANION POLICY 51-102CP CONTINUOUS DISCLOSURE OBLIGATIONS

1. Companion Policy 51-102CP Continuous Disclosure Obligations is amended by this Instrument.

2. Section 10.1 of the Companion Policy 51-102 is amended by:

(a) replacing "Any***" with "***Generally, any***";***

(b) adding the following after "in the rest of Canada.***":***

However, where a reporting issuer is using notice-and-access to deliver proxy-related materials, it should refer to the specific guidance in subsection 10.2(3) of the Policy.

3. The following is added after section 10.1 of Companion Policy 51-102:

10.2 Delivery of Proxy-Related Materials – (1) This section provides guidance on delivery of proxy-related materials. Reporting issuers should also review any other applicable legislation, such as corporate legislation.

(2) **Prepaid mail, courier or the equivalent –** Paper copies of proxy-related materials must be sent using prepaid mail, courier or an equivalent delivery method. An equivalent delivery method is any delivery method where the registered holder receives paper copies in a similar time frame as prepaid mail or courier. For example, a reporting issuer that sponsors an employee share purchase plan could arrange to deliver proxy-related materials to registered holder employees through the reporting issuer's internal mail system.

(3) **Notice-and-access –** The following is guidance on specific provisions regarding notice-and-access.

(a) Paragraph 9.1.1(1)(a) of the Instrument requires the registered holder of voting securities to be sent a document containing required information. This document is essentially a notice that informs the registered holder of the meeting, and how to access the information circular and other proxy-related materials that are posted on the Internet. A person or company soliciting proxies may choose to send additional information on notice-and-access with the notice.

(b) Paragraph 9.1.1(1)(b) of the Instrument requires the registered holder of voting securities to be sent the form of proxy.

(c) Paragraph 9.1.1(1)(c) of the Instrument deals with how the notice in paragraph 9.1.1(1)(a) and the form of proxy are to be sent. The default delivery method to a registered holder of voting securities is paper copies of the required documents sent by prepaid mail, courier or the equivalent. If a person or company soliciting proxies wishes to use alternate delivery methods such as electronic mail, it must obtain the registered holder's prior consent.

(d) Paragraph 9.1.1(1)(d) of the Instrument requires a news release be issued at least 30 days before the date fixed for the meeting. The news release must contain the information set out in the notice document. This is intended to broadly communicate to the reporting issuer's registered holders of voting securities that they will receive a notice and not a full paper set of proxy-related materials. If the reporting issuer is using notice-and-access only for some registered holders, this must also be disclosed and explained in the news release. This is intended to help registered holders understand why they are receiving a notice and not the full set of paper proxy-related materials.

(e) Paragraph 9.1.1(1)(e) of the Instrument requires the information circular and other proxy-related materials to be posted on SEDAR and on an additional website other than SEDAR. The non-SEDAR website can be the website of the person or company soliciting proxies (e.g. the reporting issuer's website), or the website of a service provider.

(f) Paragraph 9.1.1(1)(f) of the Instrument requires the person or company soliciting proxies to establish a toll-free telephone number for the registered holder of voting securities to request a paper copy of the information circular. The person or company soliciting proxies may choose, but is not required to, provide additional methods for requesting a paper copy of the information circular. If a person or

company soliciting proxies does so, it must still comply with the fulfillment timelines in paragraph 9.1.1(1)(g) of the Instrument.

(g) Subsection 9.1.1(3) of the Instrument is intended to allow registered holders of voting securities to access the posted proxy-related materials in a user-friendly manner. For example, requiring the registered holder to navigate through numerous web pages in order to access the proxy-related materials would not be user-friendly. Providing the registered holder with the specific URL where the documents are posted would be more user-friendly. We encourage reporting issuers and their service providers to develop best practices in this regard.

4. This Instrument is effective on [*].

SCHEDULE E

PROPOSED AMENDMENTS TO NATIONAL POLICY 11-201 DELIVERY OF DOCUMENTS BY ELECTRONIC MEANS

1. Section 1.3 of National Policy 11-201 Delivery of Documents by Electronic Means is repealed and replaced with the following:

1.3 Application of this Policy – (1) Parts 2 and 3 of this Policy apply to documents required to be delivered under the delivery requirements. This includes prospectuses, financial statements, trade confirmations, and account statements that are delivered by issuers, registrants or persons or companies acting on behalf of issuers or registrants, such as transfer agents or other service providers. Examples of documents that are not required by securities legislation to be delivered, and which are therefore not subject to Parts 2 and 3, are documents delivered by securityholders or investors to issuers or registrants, for instance, in connection with the return of completed proxies or voting instructions. In addition, there is specific guidance on proxy documents in Part 4 of this Policy.

(2) This Policy does not apply to deliveries where the method of delivery is mandated by securities legislation and that method does not include electronic means. Market participants also should consider whether other relevant legislation, such as corporate law statutes, may impose requirements concerning the method of delivery in some circumstances.

(3) This Policy does not apply to documents filed with or delivered by or to a securities regulatory authority or regulator.

2. Section 4.1 of National Policy 11-201 is repealed and replaced with the following:

4.1 Proxy Delivery Requirements – (1) This section applies to persons or companies required to send proxy documents under securities legislation to registered or beneficial securityholders, including depositories, participants in depositories, intermediaries and service providers to those persons or companies.

(2) Section 2.7.1 of National Instrument 54-101 Communication with Beneficial Owners of Securities of a Reporting Issuer and section 9.1.1 of National Instrument 51-102 Continuous Disclosure Obligations prescribe how reporting issuers and intermediaries can satisfy obligations to deliver proxy documents to beneficial and registered owners using a “notice-and-access” delivery method.

(3) “Notice-and-access” is not the only means by which a reporting issuer or intermediary can satisfy their proxy document delivery obligations using electronic delivery methods. Market participants can use alternate methods of delivery that are consistent with the four components of effective delivery set out in Part 2 of this Policy.

(4) Market participants are reminded, however, that merely making proxy documents available for access on a website likely does not constitute effective delivery.

3. This Instrument is effective on [*].

SCHEDULE F

ADDITIONAL NOTICE REQUIREMENTS IN ONTARIO

In Ontario, the following provisions of the *Securities Act* (Ontario) (the Ontario Act) provide the Ontario Securities Commission (the Ontario Commission) with authority to adopt the Proposed Amendments in respect of NI 54-101 and NI 51-102:

- Paragraph 143(26) of the Ontario Act authorizes the Ontario Commission to make rules prescribing the requirements for the validity and solicitation of proxies, prescribing activities for the purposes of clause (g) of the definition of "solicit" and "solicitation" in section 84 and prescribing circumstances for the purpose of clause 86(2)(a.1).

- Paragraph 143(27) of the Ontario Act authorizes the Ontario Commission to make rules providing for the application of Part XVIII (Continuous Disclosure) and Part XIX (Proxies and Proxy Solicitation) in respect of registered holders or beneficial owners of voting securities or equity securities of reporting issuers or other persons or companies on behalf of whom the securities are held, including requirements for reporting issuers, recognized clearing agencies, registered holders, registrants and other persons or companies who hold securities on behalf of persons or companies but who are not the registered holders.

- Paragraph 143(39) of the Ontario Act authorizes the Ontario Commission to make rules requiring or respecting the media, format, preparation, form, content, execution, certification, dissemination and other use, filing and review of all documents required under or governed by this Act, the regulations or the rules and all documents determined by the regulations or the rules to be ancillary to the documents, including proxies and information circulars.

- Paragraph 143(45) of the Ontario Act authorizes the Ontario Commission to make rules establishing requirements for and procedures in respect of the use of an electronic or computer-based system for the filing, delivery or deposit of documents or information.

Chapter 7

Insider Reporting

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

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

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

Chapter 8

Notice of Exempt Financings

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

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price ($)	# of Securities Distributed
02/28/2010	190	ACM Commercial Mortgage Fund - Units	5,658,987.18	N/A
03/05/2010	2	Aduro Resources Ltd. - Special Shares	6,000,000.50	N/A
03/15/2010	33	Agcapita Farmland Appreciation Fund II - Trust Units	86,700.00	8,670.00
03/15/2010	33	Agcapita Farmland Principal Return Fund II - Trust Units	780,300.00	78,030.00
07/01/2009 to 09/01/2009	7	Arena Offshore Investment Fund Ltd. - Common Shares	968,086.00	854.28
03/15/2010	1	ASP Offshore Company Limited - 2010 Non-U.S. Developed Markets Fund - Preferred Shares	10,033,094.00	98,200.00
03/15/2010	1	ASP Offshore Company Limited - 2010 Non-U.S. Emerging Markets Fund - Preferred Shares	3,616,818.00	35,400.00
01/01/2009 to 12/31/2009	29	Bissett Core Equity Trust - Units	9,138,256.04	N/A
01/01/2009 to 12/31/2009	21	Bissett Institutional Balanced Trust - Units	29,996,939.27	N/A
01/01/2009 to 12/31/2009	1	Bissett Pooled Equity Trust - Units	1,187,504.96	119,907.81
03/02/2010	33	BonTerra Resources Inc. - Common Shares	620,505.00	N/A
03/05/2010	39	Centric Energy Corp. - Common Shares	1,300,000.00	16,250,000.00
03/04/2010 to 03/11/2010	37	Chatters Beauty Group II Inc. - Common Shares	577,200.00	312.00
03/02/2010	9	Cleveland BioLabs Inc. - Warrants	5,163,000.00	N/A
03/08/2010	19	CMC Metals Ltd. - Units	345,600.00	1,728,000.00
02/25/2010	57	Coastport Capital Inc. - Units	1,683,500.00	13,468,000.00
02/22/2010	11	Copper Development Corp. - Common Shares	614,992.00	1,685,000.00
01/01/2009 to 12/31/2009	40	C.F.G. Heward Canadian Dividend Growth Fund - Units	3,299,348.39	328,228.22
01/01/2009 to 12/31/2009	68	C.F.G. Heward Fund - Units	3,869,699.94	431,394.09
03/09/2010	22	Diadem Resources Ltd. - Units	314,457.00	8,000,000.00
03/02/2010 to 03/10/2010	4	Ellerslie GT-SDM Limited Partnership - Loans	125,000.00	N/A

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price ($)	# of Securities Distributed
01/01/2009 to 12/31/2009	2	Elliott International Limited - Common Shares	400,107,797.31	550,369.75
03/09/2010	2	Foundation Group Capital Trust - Units	10,000.00	1,000.00
10/01/2009 to 12/31/2009	4	Franklin Templeton Balanced Income Pooled Portfolio - Trust Units	1,220,119.82	N/A
10/01/2009 to 12/31/2009	1	Franklin Templeton Capital Preservation Pooled Portfolio - Units	360,810.19	33,315.81
10/01/2009 to 12/31/2009	11	Franklin Templeton Domestic Balanced Growth Pooled Portfolio - Trust Units	681,054.66	N/A
10/01/2009 to 12/31/2009	1	Franklin Templeton Domestic Maximum Growth Pooled Portfolio - Units	101,000.00	8,699.40
10/01/2009 to 12/31/2009	3	Franklin Templeton Global Balanced Growth Pooled Portfolio - Units	406,814.91	33,760.12
10/01/2009 to 12/31/2009	4	Franklin Templeton Global Growth Pooled Portfolio - Units	436,851.60	N/A
10/01/2009 to 12/31/2009	1	Franklin Templeton International Balanced Growth Pooled Portfolio - Units	24,000.00	1,703.05
10/01/2009 to 12/31/2009	2	Franklin Templeton International Maximum Growth Pooled Portfolio - Units	41,100.00	N/A
03/12/2010	62	Garda World Security Corporation - Notes	249,958,419.00	249,958.00
03/12/2010	15	Garda World Security Corporation - Notes	73,611,000.00	73,611.00
03/05/2010 to 03/12/2010	77	Greengate Power Corporation - Common Shares	2,573,500.00	2,573,500.00
01/01/2009 to 12/31/2009	54	Greystone Balanced Fund - Units	299,519,513.76	20,282,037.06
01/01/2009 to 12/31/2009	60	Greystone Canadian Equity Fund - Units	324,344,714.48	17,863,121.89
01/01/2009 to 12/31/2009	7	Greystone Canadian Equity Small Cap Fund - Units	4,715,056.70	728,358.93
01/01/2009 to 12/31/2009	33	Greystone Canadian Fixed Income Fund - Units	71,781,756.98	6,949,557.85
01/01/2009 to 12/31/2009	24	Greystone EAFE Plus Fund - Units	56,055,526.76	8,913,195.26
01/01/2009 to 12/31/2009	5	Greystone Long Bond Fund - Units	6,740,027.81	655,811.72
01/01/2009 to 12/31/2009	36	Greystone Money Market Fund - Units	681,276,542.35	68,127,654.24
01/01/2009 to 12/31/2009	23	Greystone Real Estate Fund Inc. - Units	853,996,734.79	12,936,216.53
01/01/2009 to 12/31/2009	20	Greystone US Equity Fund - Units	14,734,096.25	1,634,711.88
02/22/2010	211	Harmony Gold Corp. - Common Shares	4,846,633.00	13,847,521.00

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price ($)	# of Securities Distributed
01/06/2009 to 12/30/2009	1	Invesco Select Canadian Equity Fund - Units	524,941.37	38,958.42
03/15/2010	1	Kingwest High Income Fund - Units	100,000.00	18,784.99
03/11/2010	60	Kiska Metals Corporation - Units	1,565,850.00	2,372,500.00
02/18/2010 to 02/26/2010	38	Kivu Gold Corp. - Common Shares	1,869,500.00	1,994,000.00
03/05/2010 to 03/10/2010	31	Largo Resources Ltd. - Warrants	8,000,000.14	N/A
08/19/2009 to 12/31/2009	1	Manulife Canadian Balanced Growth Fund - Units	100.87	10.08
01/01/2009 to 12/31/2009	1	Manulife Canadian Bond Plus Fund - Units	33,808,354.64	3,416,996.69
01/01/2009 to 12/31/2009	1	Manulife Canadian Core Fund - Units	15,251,151.17	1,508,987.85
01/01/2009 to 12/31/2009	1	Manulife Canadian Equity Fund - Units	25,776,469.76	1,036,940.79
04/22/2009 to 12/31/2009	1	Manulife Canadian Equity Index Fund - Units	74,868,705.22	6,407,765.20
01/01/2009 to 12/31/2009	1	Manulife Canadian Equity Value Fund - Units	9,574,619.86	1,466,743.75
01/01/2009 to 12/31/2009	1	Manulife Canadian Fixed Income Fund - Units	32,825,691.42	3,251,582.11
01/01/2009 to 12/31/2009	1	Manulife Canadian Growth Fund - Units	17,148,773.03	1,763,844.22
01/01/2009 to 12/31/2009	1	Manulife Canadian Large Cap Growth Fund - Units	12,668,597.55	2,081,229.74
01/01/2009 to 12/31/2009	1	Manulife Canadian Universe Bond Fund - Units	82,993,858.14	8,030,724.99
01/01/2009 to 12/31/2009	1	Manulife Canadian Value Fund - Units	34,264,159.08	2,882,210.94
01/01/2009 to 12/31/2009	1	Manulife Core Balanced Fund - Units	12,049,167.83	1,535,562.00
01/01/2009 to 12/31/2009	1	Manulife Corporate Bond Fund - Units	309,344,388.13	34,513,261.68
01/01/2009 to 12/31/2009	1	Manulife Dividend Fund - Units	15,197,438.79	1,196,756.12
01/01/2009 to 12/31/2009	1	Manulife Emerging Markets Fund - Units	6,119.60	1,040.84
01/01/2009 to 12/31/2009	1	Manulife European Opportunities Fund - Units	554,747.10	98,327.84
01/01/2009 to 12/31/2009	1	Manulife Global Dividend Fund - Units	24,546,389.33	3,141,962.57
01/01/2009 to 12/31/2009	1	Manulife Global Monthly Income Fund - Units	13,264,589.89	1,826,539.92

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price ($)	# of Securities Distributed
01/01/2009 to 12/31/2009	1	Manulife Global Natural Resources Fund - Units	66,739.33	10,911.33
01/01/2009 to 12/31/2009	1	Manulife Global Real Estate Fund - Units	1,909,917.74	376,526.14
01/01/2009 to 12/31/2009	1	Manulife Growth Opportunities Fund - Units	31,181,402.06	1,152,029.69
01/01/2009 to 12/31/2009	1	Manulife International Equity Index Fund - Units	41,614,835.82	3,669,127.09
01/01/2009 to 12/31/2009	1	Manulife International Large Cap Fund - Units	207,164.33	35,477.21
01/01/2009 to 12/31/2009	1	Manulife Investment Savings Fund - Units	100.42	10.04
01/01/2009 to 12/31/2009	1	Manulife Mawer Canadian Bond Fund - Units	104.04	10.12
01/01/2009 to 12/31/2009	1	Manulife Mawer Diversified Investment Fund - Units	122,140,867.64	12,875,302.01
01/01/2009 to 12/31/2009	1	Manulife Mawer Global Small Cap Fund - Units	12,789,411.71	1,354,696.25
01/01/2009 to 12/31/2009	1	Manulife Mawer Tax-Managed Growth Fund - Units	2,103,617.83	201,467.46
01/01/2009 to 12/31/2009	1	Manulife Mawer U.S. Equity Fund - Units	1,845,919.84	222,299.87
01/01/2009 to 12/31/2009	1	Manulife Money Fund - Units	366,874,298.57	36,687,429.86
01/01/2009 to 12/31/2009	1	Manulife Monthly High Income Fund - Units	357,468,954.53	24,051,258.20
01/01/2009 to 12/31/2009	1	Manulife Real Return Strategy Fund - Units	3,235,626.15	406,576.21
01/01/2009 to 12/31/2009	1	Manulife Sector Rotation Fund - Units	5,147,741.71	336,320.71
01/01/2009 to 12/31/2009	1	Manulife Simplicity Aggressive Portfolio - Units	2,687,845.58	305,130.45
01/01/2009 to 12/31/2009	1	Manulife Simplicity Balanced Fund - Units	159,872,566.88	14,459,414.32
01/01/2009 to 12/31/2009	1	Manulife Simplicity Conservative Portfolio - Units	77,039,428.35	7,888,990.78
01/01/2009 to 12/31/2009	1	Manulife Simplicity Global Balanced Fund - Units	18,865,463.10	1,987,337.34
01/01/2009 to 12/31/2009	1	Manulife Simplicity Growth Portfolio - Units	124,894,471.51	12,319,406.25
01/01/2009 to 12/31/2009	1	Manulife Simplicity Income Portfolio - Units	41,232,083.22	4,783,626.30
01/01/2009 to 12/31/2009	1	Manulife Simplicity Moderate Portfolio - Units	47,539,430.75	5,144,946.86

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price ($)	# of Securities Distributed
01/01/2009 to 12/31/2009	1	Manulife Small Cap Value Fund - Units	9,380,508.62	1,503,414.60
01/01/2009 to 12/31/2009	1	Manulife Strategic Income Fund - Units	102,338,011.81	9,429,264.92
01/01/2009 to 12/31/2009	1	Manulife U.S. Diversified Growth Fund - Units	8,420,775.72	1,054,482.20
01/01/2009 to 12/31/2009	1	Manulife U.S. Equity Index Fund - Units	28,813,953.31	2,663,071.00
01/01/2009 to 12/31/2009	1	Manulife U.S. Mid-Cap Fund - Units	191,414.10	20,979.18
01/01/2009 to 12/31/2009	1	Manulife U.S. Small Cap Fund - Units	79,780.56	12,625.96
01/01/2009 to 12/31/2009	1	Manulife U.S. Value Fund - Units	837,846.08	151,308.87
03/01/2009 to 12/01/2009	24	Marret High Yield Hedge Limited Partnership - Units	17,850,000.00	2,122,549.00
03/05/2010	71	McConachie Development Investment Corporation - Units	1,506,390.00	150,639.00
01/01/2009 to 12/31/2009	1	MFC Global Investment Management EAFE Pooled Fund - Units	2,154,411.61	323,081.30
01/01/2009 to 12/31/2009	3	MFC Global Investment Management Pooled Canadian Bond Index Fund - Units	202,661,020.01	N/A
01/01/2009 to 12/31/2009	1	MFC Global Investment Management Pooled Canadian Active Long Bond Fund - Units	11,551,553.45	1,145,821.73
01/01/2009 to 12/31/2009	1	MFC Global Investment Management Pooled Canadian Active Universe Bond Fund - Units	22,565,810.47	2,131,003.76
01/01/2009 to 12/31/2009	1	MFC Global Investment Management Pooled Canadian Equity Passive Fund - Units	31,545,392.19	2,574,521.84
01/01/2009 to 12/31/2009	3	MFC Global Investment Management Pooled Canadian Large Cap Core Fund - Units	17,356,494.17	3,261,026.25
01/01/2009 to 12/31/2009	3	MFC Global Investment Management Pooled Canadian Large Cap Growth Fund - Units	14,360,640.99	1,980,914.93
01/01/2009 to 12/31/2009	1	MFC Global Investment Management Pooled Canadian Large Cap Value Fund - Units	196,268.56	32,191.01
01/01/2009 to 12/31/2009	1	MFC Global Investment Management Pooled Canadian Universe Core Plus Bond Fund - Units	2,697,689.51	314,738.84
01/01/2009 to 12/31/2009	2	MFC Global Investment Management Pooled Diversified Fund - Units	8,269,571.10	1,005,092.92
01/01/2009 to 12/31/2009	1	MFC Global Investment Management Pooled Diversified Pension Fund - Units	2,585,137.16	319,903.52
01/01/2009 to 12/31/2009	2	MFC Global Investment Management Pooled Global Equity Fund - Units	5,051,804.94	766,879.03
01/01/2009 to 12/31/2009	1	MFC Global Investment Management Pooled Global Fixed Income Fund - Units	25,000,000.00	2,500,000.00

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price ($)	# of Securities Distributed
01/01/2009 to 12/31/2009	2	MFC Global Investment Management Pooled Money Market Fund - Units	6,267,077.70	783,205.70
01/01/2009 to 12/31/2009	3	MFC Global Investment Management Pooled U.S. Equity Index Fund - Units	132,330,283.66	13,171,844.29
01/01/2009 to 12/31/2009	1	MFC Global Investment Management Pooled U.S. Equity Passive Fund - Units	15,131,510.96	2,365,693.61
01/01/2009 to 12/31/2009	1	MFC Global Investment Management Pooled U.S. Large Cap Core Fund - Units	3,795,971.31	888,268.75
01/01/2009 to 12/31/2009	1	MFC Global Investment Management Pooled U.S. Large Cap Fund - Units	673,330.10	87,959.04
01/01/2009 to 12/31/2009	1	MFC Global Investment Management Pooled U.S. Large Cap Value Fund - Units	290,000.00	56,271.34
03/12/2010	16	Mobidia Technology Inc. - Preferred Shares	1,266,521.30	1,151,383.00
03/04/2010	3	Newcastle Minerals Ltd. - Common Shares	90,000.00	1,000,000.00
02/28/2010	8	Newstart Canada - Notes	485,000.00	8.00
01/31/2010	11	Newstart Canada - Notes	222,000.00	11.00
03/15/2010	22	Nordic Oil and Gas Ltd. - Units	252,500.00	2,525,000.00
03/09/2010	52	Palliser Oil & Gas Corporation - Warrants	10,132,000.00	12,665,000.00
03/10/2010	10	PJV Resources Inc. - Common Shares	1,242,500.00	6,212,500.00
03/03/2010 to 03/12/2010	6	Plasco Energy Group Inc. - Units	301,000.00	20,064.00
02/24/2010	65	Quantum Rare Earth Development Corp. - Common Shares	2,250,000.00	N/A
01/01/2009 to 12/31/2009	76	Secutor Founders Fund - Units	223,592.81	N/A
03/05/2010	48	Shoreham Resources Ltd. - Units	881,375.00	3,525,500.00
03/05/2010	29	Streetlight Intelligence Inc. - Units	2,533,672.40	21,113,936.00
12/11/2009 to 12/31/2009	5	Tapestry Balanced Growth Private Portfolio Corporate Class - Units	39,869.50	N/A
12/11/2009 to 12/31/2009	3	Tapestry Balanced Income Private Portfolio Corporate Class - Units	799,525.87	66,495.39
12/11/2009 to 12/31/2009	2	Tapestry Global Balanced Private Portfolio Corporate Class - Common Shares	12,066.66	1,199.91
12/11/2009 to 12/31/2009	7	Tapestry Growth Private Portfolio Corporate Class - Units	34,280.00	N/A
03/04/2010	1	Touchdown Resources Inc. - Common Shares	96,000.00	768,000.00
01/06/2009 to 05/19/2009	1	Trimark Canadian Bond Fund - Units	1,524,976.80	147,471.16
03/13/2009	1	Trimark Canadian Resources Fund - Units	701.75	52.47

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price ($)	# of Securities Distributed
03/13/2009 to 05/22/2009	1	Trimark Discovery Fund - Units	9,761.75	2,691.73
01/07/2009	1	Trimark Fund - Units	49,391.73	1,910.56
02/27/2009 to 03/12/2009	1	Trimark Global Endeavour Fund - Units	41,219.44	6,220.49
01/02/2009 to 12/17/2009	1	Trimark Select Growth Fund - Units	717,658.47	55,394.36
03/09/2010	9	UC Resources Ltd. - Units	415,000.00	5,187,500.00
03/01/2010	1	Value Contrarian Asset Management - Units	25,000.00	10.50
03/05/2010	52	Walton AZ Mystic Vista Investment Corporation - Common Shares	819,150.00	81,915.00
03/05/2010	38	Walton AZ Verona Investment Corporation - Common Shares	597,100.00	37,636.00
03/05/2010	9	Walton AZ Verona Limited Partnership - Limited Partnership Units	755,730.74	73,173.00
03/05/2010	52	Walton TX Austin Land Investment Corporation - Common Shares	1,053,520.00	105,352.00
03/05/2010	12	Worldwide Promotional Management Inc. - Common Shares	352,600.20	2,938,335.00

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
Bellatrix Exploration Ltd.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated March 31, 2010
NP 11-202 Receipt dated March 31, 2010
Offering Price and Description:
$55,000,000 - 4.75% Convertible Unsecured Subordinated Debentures Due April 30, 2015
Price: $1,000 per Debenture
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
Wellington West Capital Markets Inc.
Genuity Capital Markets
Macquarie Capital Markets Canada Ltd.
Promoter(s):
-
Project #1557893

Issuer Name:
Caisse centrale Desjardins
Principal Regulator - Quebec
Type and Date:
Preliminary Shelf Prospectus dated April 1, 2010
NP 11-202 Receipt dated April 1, 2010
Offering Price and Description:
$5,000,000,000 - Medium Term Deposit Notes
Underwriter(s) or Distributor(s):
Desjardins Securities Inc.
BMO Nesbitt Burns Inc.
Casgrain & Company Ltd.
CIBC World Markets Inc.
HSBC Securities (Canada) Inc.
Laurentian Bank Securities Inc.
Merrill Lynch Canada Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
TD Securities Inc.
Promoter(s):
-
Project #1559628

Issuer Name:
Churchill 10 Debenture Corp.
Churchill 10 Real Estate Limited Partnership
Principal Regulator - British Columbia
Type and Date:
Preliminary Long Form Prospectus dated March 29, 2010
NP 11-202 Receipt dated March 30, 2010
Offering Price and Description:
Minimum: $5,000,000 (4,000 Units) - Maximum: $30,000,000 (24,000 Units)
$1,250 per Unit - Minimum Subscription: $5,000
Underwriter(s) or Distributor(s):
Dundee Securities Corporation
Raymond James Limited
Scotia Capital Inc.
Promoter(s):
Churchill Real Estate Inc.
Project #1554893, 1554890

Issuer Name:
Churchill 10 Real Estate Limited Partnership
Churchill 10 Debenture Corp.
Principal Regulator - British Columbia
Type and Date:
Preliminary Long Form Prospectus dated March 29, 2010
NP 11-202 Receipt dated March 30, 2010
Offering Price and Description:
Minimum: $5,000,000 (4,000 Units) - Maximum: $30,000,000 (24,000 Units)
$1,250 per Unit - Minimum Subscription: $5,000
Underwriter(s) or Distributor(s):
Dundee Securities Corporation
Raymond James Limited
Scotia Capital Inc.
Promoter(s):
Churchill Real Estate Inc.
Project #1554890, 1554893

Issuer Name:
C&C Energy Canada Ltd.
Principal Regulator - Alberta
Type and Date:
Preliminary Long Form Prospectus dated April 1, 2010
NP 11-202 Receipt dated April 1, 2010
Offering Price and Description:
Treasury Offering: $ * - * Common Shares
Secondary Offering: $ * - * Common Shares
Price: $ * per Common Share
Underwriter(s) or Distributor(s):
FirstEnergy Capital Corp.
GMP Securities L.P.
Canaccord Financial Ltd.
Cormark Securities Inc.
Haywood Securities Inc.
Macquarie Capital Markets Canada Ltd.
Scotia Capital Inc.
Promoter(s):
-
Project #1559787

Issuer Name:
DHX Media Ltd.
Principal Regulator - Nova Scotia
Type and Date:
Amended and Restated Preliminary Short Form Prospectus dated March 31, 2010
NP 11-202 Receipt dated March 31, 2010
Offering Price and Description:
$16,510,000 - 12,700,000 Common Shares - Price: $1.30 per Common Share
Underwriter(s) or Distributor(s):
Cormark Securities Inc.
Union Securities Ltd.
TD Securities Inc.
Beacon Securities Limited
Mackie Research Capital Corporation
Promoter(s):
-
Project #1554882

Issuer Name:
Dividend Growth Split Corp.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated April 1, 2010
NP 11-202 Receipt dated April 1, 2010
Offering Price and Description:
$* (Maximum) Up to * Preferred Shares and * Class A Shares
Prices: $10 per Preferred Share and $9.75 per Class A Share
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
HSBC Securities (Canada) Inc.
Mackie Research Capital Corporation
Raymond James Ltd.
Canaccord Financial Ltd.
Dundee Securities Corporation
Desjardins Securities Inc.
Macquarie Capital Markets Canada Ltd.
Wellington West Capital Markets Inc.
Promoter(s):
-
Project #1559424

Issuer Name:
Eaglewood Energy Inc.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated March 31, 2010
NP 11-202 Receipt dated March 31, 2010
Offering Price and Description:
13,500,000 Common Shares issuable upon the exercise of 13,500,000 outstanding Special Warrants
Price: $1.75 per Special Warrant
Underwriter(s) or Distributor(s):
FirstEnergy Capital Corp.
Paradigm Capital Corp.
Cormark Securities Inc.
Macquarie Capital Markets Canada Ltd.
Promoter(s):
Ray Antony
Project #1557497

Issuer Name:
EnerVest Primary Income Fund
Principal Regulator - Alberta
Type and Date:
Preliminary Long Form Prospectus dated March 29, 2010
NP 11-202 Receipt dated March 30, 2010
Offering Price and Description:
Maximum: $ * - * Combined Units - Price: $12.00 per Combined Unit
Minimum Purchase: 100 Combined Units
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
TD Securities Inc.
Canaccord Financial Ltd.
Dundee Securities Corporation
GMP Securities L.P.
HSBC Securities (Canada) Inc.
Macquarie Capital Markets Canada Ltd.
Raymond James Ltd.
Wellington West Capital Markets Inc.
Desjardins Securities Inc.
Manulife Securities Incorporated.
Promoter(s):
EnerVest Diversified Management Inc.
Project #1553909

Issuer Name:
Flatiron Strategic Yield Ltd.
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated March 30, 2010
NP 11-202 Receipt dated March 31, 2010
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
Front Street Corporate Management Services Ltd.
Project #1556642

Issuer Name:
Fortress Energy Inc.
Principal Regulator - Alberta
Type and Date:
Amended and Restated dated April 1, 2010 to Preliminary Short Form Prospectus dated March 31, 2010
NP 11-202 Receipt dated April 1, 2010
Offering Price and Description:
$140,000,000 * Subscription Receipts each representing the right to receive one Common Share
Price: $* per Subscription Receipt
Underwriter(s) or Distributor(s):
Canaccord Financial Ltd.
CIBC World Markets Inc.
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
TD Securities Inc.
Desjardins Securities Inc.
Raymond James Ltd.
Promoter(s):
-
Project #1557944

Issuer Name:
Front Street Strategic Yield Fund Ltd.
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated March 30, 2010
NP 11-202 Receipt dated March 31, 2010
Offering Price and Description:
Maximum Offering: $100,000,000 (10,000,000 Units) - Each Unit consists of one Equity Share and one Warrant to purchase one Equity Share - Price: $1,000.00 per Unit
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
Canaccord Financial Ltd.
Desjardins Securities Inc.
GMP Securities L.P.
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Dundee Securities Corporation
Macquarie Capital Markets Canada Ltd.
Tuscarora Capital Inc.
Wellington West Capital Markets Inc.
Promoter(s):
Front Street Capital 2004
Project #1556603

Issuer Name:
Gamehost Income Fund
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated April 1, 2010
NP 11-202 Receipt dated April 5, 2010
Offering Price and Description:
$55,000,000 - 6.25% Extendible Convertible Unsecured Subordinated Debentures
Price: $1,000 per Debenture
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
Mackie Research Capital Corporation
Cormark Securities Inc.
Wellington West Capital Markets Inc.
Promoter(s):
-
Project #1559902

Issuer Name:
Largo Resources Ltd.
Type and Date:
Preliminary Short Form Prospectus dated March 31, 2010
Receipt dated on April 1, 2010
Offering Price and Description:
$8,000,000 - 36,363,637 Common Shares and 18,181,818 Common Share Purchase Warrants on Exercise of 36,363,637 Special Warrants
Price: $0.22 per Special Warrant
Underwriter(s) or Distributor(s):
Byron Securities Limited
Clarus Securities Inc.
Promoter(s):
-
Project #1559569

Issuer Name:
Mitel Networks Corporation
Principal Regulator - Ontario
Type and Date:
Amendment dated April 1, 2010 to Preliminary Long Form Prospectus dated February 24, 2010
NP 11-202 Receipt dated April 1, 2010
Offering Price and Description:
US$ * - 10,526,316 Common Shares - Price: US$* per Common Share
Underwriter(s) or Distributor(s):
Merrill Lynch Canada Inc.
J.P. Morgan Securities Canada Inc.
UBS Securities Canada Inc.
Genuity Capital Markets
Promoter(s):
-
Project #1537441

Issuer Name:
Norrep Entrepreneurs Class of Norrep Opportunities Corp.
Norrep High Yield Class of Norrep Opportunities Corp.
Principal Regulator - Alberta
Type and Date:
Preliminary Simplified Prospectuses dated April 6, 2010
NP 11-202 Receipt dated April 6, 2010
Offering Price and Description:
Mutual Fund Series, Series F and Series O Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
Norrep Opportunities Corp.
Project #1560583

Issuer Name:
Orsu Metals Corporation
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated March 30, 2010
NP 11-202 Receipt dated March 30, 2010
Offering Price and Description:
Up to $20,000,000 - * Units - Price: $ * per Unit
Underwriter(s) or Distributor(s):
Canaccord Financial Ltd.
Promoter(s):
-
Project #1554596

Issuer Name:
Precious Metals and Mining Trust
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated April 1, 2010 to Final Short Form Prospectus dated March 15, 2010
NP 11-202 Receipt dated April 1, 2010
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
Sentry Select Capital Inc.
Project #1537850

Issuer Name:
Propel Multi-Strategy Fund
Principal Regulator - Ontario
Type and Date:
Amended and Restated Preliminary Long Form Prospectus dated March 30, 2010
NP 11-202 Receipt dated March 31, 2010
Offering Price and Description:
Maximum $ * -* Units - Price: $10.00 per Unit - Minimum Purchase: 500 Units
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
GMP Securities L.P.
Scotia Capital Inc.
Wellington West Capital Markets Inc.
HSBC Securities (Canada) Inc.
Canaccord Financial Ltd.
Desjardins Securities Inc.
Dundee Securities Corporation
Macquarie Capital Markets Canada Ltd.
Manulife Securities Incorporation
Promoter(s):
Propel Capital Corporation
Project #1553245

Issuer Name:
QFM Money Market Fund
QFM World Balanced Fund
QFM Global Sector Target Fund
QFM Global Equity Fund
QFM Structured Yield Fund
QFM Fixed Income Fund
Principal Regulator - British Columbia
Type and Date:
Amended and Restated Final Simplified Prospectuses dated April 1, 2010
NP 11-202 Receipt dated April 6, 2010
Offering Price and Description:
A, B, C, D and F Series Units
Underwriter(s) or Distributor(s):

Promoter(s):
Qtrade Fund Management Inc.
Project #1450597

Issuer Name:
Santa Barbara Resources Limited
Principal Regulator - British Columbia
Type and Date:
Preliminary Long Form Prospectus dated March 30, 2010
NP 11-202 Receipt dated March 31, 2010
Offering Price and Description:
$5,000,000 to $10,000,000 - * Units - Price: $ * per Unit
Underwriter(s) or Distributor(s):
Dundee Securities Corporation
PI Financial Corp.
Promoter(s):
Christoph Lassl
Project #1558798

Issuer Name:
Sea Dragon Energy Inc.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated April 1, 2010
NP 11-202 Receipt dated April 1, 2010
Offering Price and Description:
$57,000,000 - 142,500,000 Common Shares - Price: $0.40 per Offered Share
Underwriter(s) or Distributor(s):
GMP Securities L.P.
Thomas Weisel Partners Canada Inc.
Genuity Capital Markets
FirstEnergy Capital Corp.
Maison Placements Canada Inc.
Promoter(s):
-
Project #1559944

Issuer Name:
Solid Gold Resources Corp.
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated March 29, 2010
NP 11-202 Receipt dated March 31, 2010
Offering Price and Description:
Minimum Offering: $3,500,000 - Maximum Offering: $5,000,000
Up to 20,000,000 and up to 15,000,000 Flow-Through Shares
Price: $0.25 per Unit and $0.30 per Flow-Through Share
Underwriter(s) or Distributor(s):
Raymond James Ltd.
Promoter(s):
Richard Cohen
Andre Tanguay
Project #1554863

Issuer Name:
Terrane Metals Corp.
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated March 31, 2010
NP 11-202 Receipt dated March 31, 2010
Offering Price and Description:
$70,000,700 - 63,637,000 Units - Price: 11.10 per Unit
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
Scotia Capital Inc.
Sandfire Securities Inc.
Promoter(s):
-
Project #1557353

Issuer Name:
Tricon Capital Group Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated March 31, 2010
NP 11-202 Receipt dated April 5, 2010
Offering Price and Description:
$ * - * Common Shares - Price: $ * per Common Share
Underwriter(s) or Distributor(s):
GMP Securities L.P.
Canaccord Financial Ltd.
CIBC World Markets Inc.
National Bank Financial Inc.
TD Securities Inc.
Promoter(s):
-
Project #1559895

Issuer Name:
Veraz Petroleum Ltd.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated April 6, 2010
NP 11-202 Receipt dated April 6, 2010
Offering Price and Description:
$ * - * Common Shares - Price: $ * per Common Share
Underwriter(s) or Distributor(s):
Haywood Securities Inc.
Peters & Co. Limited
FirstEnergy Capital Corp.
GMP Securities L.P.
Promoter(s):
-
Project #1560679

Issuer Name:
AIC Advantage Fund
AIC Advantage Fund II
AIC American Advantage Fund
AIC American Focused Fund
AIC American Small to Mid Cap Fund
AIC Bond Fund
AIC Canadian Balanced Fund
AIC Canadian Equity Fund
AIC Canadian Focused Fund
AIC Diversified Canada Fund
AIC Dividend Income Fund
AIC Global Advantage Fund
AIC Global Balanced Fund
AIC Global Bond Fund
AIC Global Fixed Income Fund
AIC Global Focused Fund
AIC Global Premium Dividend Income Fund
AIC Global Real Estate Fund
AIC Global Wealth Management Fund
AIC Money Market Fund
AIC Preferred Income Fund
AIC U.S. Money Market Fund
AIC Value Fund
Brookfield Redding Global Infrastructure Fund
Copernican International Dividend Income Fund
Value Leaders Balanced Growth Portfolio
Value Leaders Balanced Income Portfolio
Value Leaders Growth Portfolio
Value Leaders Income Portfolio
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated April 1, 2010
NP 11-202 Receipt dated April 1, 2010
Offering Price and Description:
Mutual fund trust units at net asset value
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1546179

Issuer Name:
AIC Advantage II Corporate Class
AIC American Focused Corporate Class
AIC Canadian Balanced Corporate Class
AIC Canadian Focused Corporate Class
AIC Diversified Canada Corporate Class
AIC Global Focused Corporate Class
AIC Global Real Estate Corporate Class
AIC Money Market Corporate Class
AIC Total Yield Corporate Class
AIC Value Corporate Class
Brookfield Redding Global Infrastructure Corporate Class
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated April 1, 2010
NP 11-202 Receipt dated April 5, 2010
Offering Price and Description:
Mutual Fund Shares and Series F Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
Ridgewood Capital Asset Management Inc.
Project #1534851

Issuer Name:
Athabasca Oil Sands Corp.
Principal Regulator - Alberta
Type and Date:
Final Long Form Prospectus dated March 30, 2010
NP 11-202 Receipt dated March 30, 2010
Offering Price and Description:
$1,350,000,000 - 75,000,000 Common Shares - Price: $18.00 per Common Share
Underwriter(s) or Distributor(s):
Morgan Stanley Canada Limited
GMP Securities L.P.
FirstEnergy Capital Corp.
Raymond James Ltd.
TD Securities Inc.
Peters & Co. Limited
Genuity Capital Markets
Barclays Capital Canada Inc.
Acumen Capital Finance Partners Limited
Haywood Securities Inc.
Dundee Securties Corporation
Promoter(s):
-
Project #1539292

Issuer Name:
BONAVISTA ENERGY TRUST
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated April 6, 2010
NP 11-202 Receipt dated April 6, 2010
Offering Price and Description:
$177,000,000 - 7,500,000 Trust Units - Price: $23.60 per Trust Unit
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
National Bank Financial Inc.
FirstEnergy Capital Corp.
Macquarie Capital Markets Canada
Peters & Co. Limited
HSBC Securities (Canada) Inc.
Promoter(s):
-
Project #1554093

Issuer Name:
Cen-ta Real Estate Ltd.
Gro-Net Financial Tax & Pension Planners Ltd.
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated March 29, 2010
Receipted on March 30, 2010
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1535389, 1535387

Issuer Name:
Doca Capital Corp.
Principal Regulator - British Columbia
Type and Date:
Final CPC Prospectus dated April 1, 2010
NP 11-202 Receipt dated April 6, 2010
Offering Price and Description:
$200,000 - 2,000,000 Common Shares - Price: $0.10 per Common Share
Underwriter(s) or Distributor(s):
Raymond James Ltd.
Promoter(s):
Dave Doherty
Project #1536137

Issuer Name:
DPVC Inc.
Principal Regulator - British Columbia
Type and Date:
Final Long Form Prospectus dated March 31, 2010
NP 11-202 Receipt dated March 31, 2010
Offering Price and Description:
Minimum: $6,890,000 (19,685,714 Common Shares)
Maximum: $7,500,000 (21,428,571 Common Shares)
Price: $0.35 per Common Share - Minimum Subscription: $350 (1,000 Common Shares)
Underwriter(s) or Distributor(s):
Wellington West Capital Inc.
Sora Group Wealth Advisors Inc.
Promoter(s):
-
Project #1527724

Issuer Name:
Empire Capital Corp.
Principal Regulator - Ontario
Type and Date:
Final CPC Prospectus dated March 26, 2010
NP 11-202 Receipt dated April 5, 2010
Offering Price and Description:
$700,000 - 3,500,000 Common Shares - Price: $0.20 per Common Share
Underwriter(s) or Distributor(s):
Macquarie Private Wealth Inc
Promoter(s):
Norman Eyolfson
Project #1546839

Issuer Name:
Financial 15 Split Corp.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated April 5, 2010
NP 11-202 Receipt dated April 6, 2010
Offering Price and Description:
$39,105,000 (Maximum) - Up to 1,980,000 Preferred Shares and up to 1,980,000 Class A Shares
Prices: $10.00 per Preferred Share and $9.75 per Class A Share
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
TD Securities 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 #1551305

Issuer Name:
Genesis Hydrogen Systems Inc.
Principal Regulator - British Columbia
Type and Date:
Final Long Form Prospectus dated March 31, 2010
NP 11-202 Receipt dated March 31, 2010
Offering Price and Description:
$1,500,000 - 7,500,000 Units - Price: $0.20 per Unit
Underwriter(s) or Distributor(s):
Bolder Investment Partners Ltd.
Promoter(s):
Kristine Elliott
Project #1536519

Issuer Name:
Gro-Net Financial Tax & Pension Planners Ltd.
Cen-ta Real Estate Ltd.
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated March 29, 2010
Receipted on March 30, 2010
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1535387, 1535389

Issuer Name:
IA CLARINGTON ASTON HILL TACTICAL YIELD FUND
Principal Regulator - Quebec
Type and Date:
Final Long Form Prospectus dated March 29, 2010
NP 11-202 Receipt dated April 1, 2010
Offering Price and Description:
Maximum Subscription: $250,000,000 (25,000,000 Units)
Minimum Subscription: $50,000,000 (5,000,000 Units)
Price per Unit: $10.00 - Minimum Purchase: $2,000 (200 Units)
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
TD Securities Inc.
Canaccord Financial Ltd.
Desjardins Securities Inc.
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Wellington West Capital Markets Inc.
Dundee Securities Corporation
Macquarie Capital Markets Canada Ltd.
Industrial Alliance Securities Inc.
Rothenberg Capital Management Inc.
Promoter(s):
IA Clarington Investments Inc.
Project #1541821

Issuer Name:
Master Credit Card Trust
Principal Regulator - Ontario
Type and Date:
Final Shelf Prospectus dated March 30, 2010
NP 11-202 Receipt dated March 30, 2010
Offering Price and Description:
Up to $3,000,000,000 Credit Card Receivables-Backed Notes
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Desjardins Securities Inc.
HSBC Securities (Canada) Inc.
Laurentian Bank Securities Inc.
Merrill Lynch Canada Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
TD Securities Inc.
Promoter(s):
Bank Of Montreal
Project #1548835

Issuer Name:
McLean Budden American Equity Fund
McLean Budden Balanced Growth Fund
McLean Budden Balanced Value Fund
McLean Budden Canadian Equity Fund
McLean Budden Canadian Equity Growth Fund
McLean Budden Canadian Equity Value Fund
McLean Budden Fixed Income Fund
McLean Budden Global Equity Fund
Mclean Budden High Income Equity Fund
McLean Budden International Equity Fund
McLean Budden LifePlan 2010 Fund
McLean Budden LifePlan 2020 Fund
McLean Budden LifePlan 2030 Fund
McLean Budden LifePlan Retirement Fund
McLean Budden Money Market Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated March 26, 2010
NP 11-202 Receipt dated April 1, 2010
Offering Price and Description:
Class A Units, Class F Units, Class O Units and Class VMD Units at Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1538020

Issuer Name:
MDPIM Canadian Long Term Bond Pool
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus dated March 24, 2010
NP 11-202 Receipt dated March 31, 2010
Offering Price and Description:
Mutual fund trust units at net asset value
Underwriter(s) or Distributor(s):
MD Management Limited
MD Management Ltd.
Promoter(s):
-
Project #1513774

Issuer Name:
Noravena Capital Corporation
Principal Regulator - Ontario
Type and Date:
Final CPC Prospectus dated March 29, 2010
NP 11-202 Receipt dated March 31, 2010
Offering Price and Description:
$300,000 - 1,500,000 Common Shares - Price: $0.20 per Common Share
Underwriter(s) or Distributor(s):
Union Securities Ltd.
Promoter(s):
James P. Boyle
Project #1537267

Issuer Name:
Petrolifera Petroleum Limited
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated April 6, 2010
NP 11-202 Receipt dated April 6, 2010
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
Cormark Securities Inc.
Thomas Weisel Partners Canada Inc.
Promoter(s):
-
Project #1553895

Issuer Name:
Precious Metals and Mining Trust
Principal Regulator - Ontario
Type and Date:
Amendment #1 to Final Short Form Prospectus dated April 1, 2010
NP 11-202 Receipt dated April 1, 2010
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
Sentry Select Capital Inc.
Project #1537850

Issuer Name:
Primeline Energy Holdings Inc.
Principal Regulator - British Columbia
Type and Date:
Final Short Form Prospectus dated April 1, 2010
NP 11-202 Receipt dated April 6, 2010
Offering Price and Description:
$23,510,311 - Offering of 47,020,623 Rights to Subscribe for 47,020,623 Common Shares
Price: $0.50 per Common Share
Underwriter(s) or Distributor(s):
Jennings Capital Inc.
Promoter(s):
-
Project #1551349

Issuer Name:
Realex Properties Corp.
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated April 1, 2010
NP 11-202 Receipt dated April 1, 2010
Offering Price and Description:
$17,276,800 - 26,995,000 Common Shares - Price: $0.64 per Common Share
Underwriter(s) or Distributor(s):
Desjardins Securities Inc.
Genuity Capital Markets
TD Securities Inc.
Promoter(s):
-
Project #1548959

Issuer Name:
Rockland Minerals Corp.
Principal Regulator - British Columbia
Type and Date:
Final Long Form Prospectus dated April 29, 2010
NP 11-202 Receipt dated March 30, 2010
Offering Price and Description:
$1,000,500 - 6,670,000 Units - Price: $0.15 per Unit
Underwriter(s) or Distributor(s):
Canaccord Financial Ltd.
Promoter(s):
Bryan Loree
Ravinder S. Mlait
George Sanders
Craig Robson
Robert Fraser
Project #1525440

Issuer Name:
Rogers Sugar Income Fund
Principal Regulator - British Columbia
Type and Date:
Final Short Form Prospectus dated March 31, 2010
NP 11-202 Receipt dated March 31, 2010
Offering Price and Description:
$50,000,000 - Fourth Series 5.70% Convertible Unsecured Subordinated Debentures
Price: $1,000 per Debenture
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
TD Securities Inc.
Scotia Capital Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
Promoter(s):
-
Project #1550387

Issuer Name:
Romarco Minerals Inc
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated April 6, 2010
NP 11-202 Receipt dated April 6, 2010
Offering Price and Description:
$120,170,000 - 61,000,000 Common Shares - Price: $1.97 per Common Share
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
Paradigm Capital Inc.
GMP Securities L.P.
Wellington West Capital Markets Inc.
Promoter(s):
-
Project #1551671

Issuer Name:
Sceptre Ventures Inc.
Principal Regulator - British Columbia
Type and Date:
Amended and Restated dated March 31, 2010 to Final CPC Prospectus dated January 12, 2010
NP 11-202 Receipt dated April 6, 2010
Offering Price and Description:
$270,000 - 2,700,000 Common Shares - Price: $0.10 per Common Share
Underwriter(s) or Distributor(s):
Canaccord Capital Corporation
Promoter(s):
Erin Airton Chutter
Project #1510318

Issuer Name:
Symmetry Equity Class
Symmetry Fixed Income Class
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated March 26, 2010 to Final Simplified Prospectuses and Annual Information Form dated November 20, 2009
NP 11-202 Receipt dated March 31, 2010
Offering Price and Description:
-
Underwriter(s) or Distributor(s):

Promoter(s):
MACKENZIE FINANCIAL CORPORATION
Project #1486415

Issuer Name:
THE GBC CANADIAN BOND FUND
THE GBC CANADIAN GROWTH FUND
THE GBC GROWTH AND INCOME FUND
THE GBC INTERNATIONAL GROWTH FUND
THE GBC MONEY MARKET FUND
THE GBC NORTH AMERICAN GROWTH FUND INC.
Principal Regulator - Quebec
Type and Date:
Final Simplified Prospectuses dated March 30, 2010
NP 11-202 Receipt dated March 31, 2010
Offering Price and Description:
Class A Units and O Units
Underwriter(s) or Distributor(s):
GBC ASSET MANAGEMENT INC.
Promoter(s):
GBC ASSET MANAGEMENT INC.
Project #1535542

Issuer Name:
The Keg Royalties Income Fund
Principal Regulator - British Columbia
Type and Date:
Final Short Form Prospectus dated March 31, 2010
NP 11-202 Receipt dated March 31, 2010
Offering Price and Description:
$10,935,000 - 900,000 Units - Price: $12.15 per Offered Unit
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
CIBC World Markets Inc.
Promoter(s):
-
Project #1550525

Issuer Name:
Torquay Oil Corp.
Principal Regulator - Alberta
Type and Date:
Final Long Form Prospectus dated March 31, 2010
NP 11-202 Receipt dated March 31, 2010
Offering Price and Description:
Maximum Offering: 14,000 Units at $1,000 per Unit ($14,000,000)
Minimum Offering: 10,000 Units at $1,000 per Unit ($10,000,000)
Price: $1,000 Per Unit - Minimum Subscription: Five Units ($5,000)
Underwriter(s) or Distributor(s):
GMP Securities L.P.
Genuity Capital Markets
Macquarie Capital Markets Canada Ltd.
Acumen Capital Finance Partners Limited
Promoter(s):
J. Brent McKercher
Terry R. McCallum
Darwin K. Little
Project #1541155

Issuer Name:
Standard Steam Canada Corp.
Principal Jurisdiction - Ontario
Type and Date:
Preliminary Long Form Prospectus dated November 10, 2009
Withdrawn on March 30, 2010
Offering Price and Description:
$* - * Common Shares - Price: $* per Common Share
Underwriter(s) or Distributor(s):
Research Capital Corporation
CIBC World Markets Inc.
Wellington West Capital Markets Inc.
Canaccord Capital Corporation
Jacob Securities Inc.
Promoter(s):
Standard Steam Trust LLC
Terra Caliente LLC
Project #1497248

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Name Change .	From: Wirth Associates Inc. To: Cumberland Associates Investment Counsel Inc.	Portfolio Manager	March 26, 2010
New Registration	IBFC Financial Group Inc.	Portfolio Manager	March 26, 2010
Consent to Suspension	General Motors Acceptance Corporation of Canada, Limited	Restricted Dealer	March 30, 2010
Consent to Suspension	Veracap Corporate Finance Limited	Exempt Market Dealer	March 30, 2010
Voluntary Surrender of Registration	Scotia Waterous Inc.	Exempt Market Dealer	March 30, 2010
New Registration	Waratah Capital Advisors Ltd.	Exempt Market Dealer, Portfolio Manager & Investment Fund Manager	March 30, 2010
Change of Category	Blair Franklin Capital Partners Inc.	From: Exempt Market Dealer & Portfolio Manager To: Exempt Market Dealer & Portfolio Manager & Commodity Trading Manager	April 1, 2010
Amalgamation	*Amalgamating Companies:* Blumont Capital Corporation and Northern Rivers Capital Management Inc. *To Form:* Blumont Capital Corporation	Mutual Fund Dealer, Exempt Market Dealer & Portfolio Manager	April 1, 2010
New Registration	Qtrade Fund Management Inc.	Portfolio Manager Exempt Market Dealer	April 1, 2010

Type	Company	Category of Registration	Effective Date
New Registration	IBFC Group Inc.	Exempt Market Dealer	April 1, 2010
Change of Category	CBI Capital Inc.	From: Portfolio Manager and Exempt Market Dealer To: Exempt Market Dealer	April 5, 2010
New Registration	Front Street Capital 2004	Investment Fund Manager	April 5, 2010
Voluntary Surrender of Registration	Novadan Capital Limited	Exempt Market Dealer and Portfolio Manager	April 5, 2010

Chapter 13

SROs, Marketplaces and Clearing Agencies

13.1 SROs

13.1.1 IIROC Rules Notice – Request for Comment – Dealer Member Rules

RULES NOTICE
REQUEST FOR COMMENT
DEALER MEMBER RULES

10-0097
April 9, 2010

Trade Confirmation and Matching Requirements

Summary of nature and purpose of Proposed Amendments

On March 24, 2010, the Board of Directors ("Board") of the Investment Industry Regulatory Organization of Canada ("IIROC") approved the publication for comment of proposed amendments ("Proposed Amendments") to the Dealer Member Rules 800.49 and 200.1(h) ("Rule 800.49 and Rule 200.1(h)"). The primary objectives of the Proposed Amendments are to promote compliant trade matching practices, as well as to eliminate the sending of duplicative trade related correspondence to clients. More specifically, the Proposed Amendments to Rule 800.49 seek to provide Dealer Members with greater clarity with respect to their broker-to-broker trade reporting and matching requirements while the Proposed Amendments to Rule 200.1(h) provide Dealer Members with an exemption from the trade confirmation requirements in Rule 200.1(h), provided that certain conditions are met.

Issues and specific Proposed Amendments

Relevant History

Rule 800.49 – Broker-to-broker trade matching

Mitigating non-exchange trade settlement risk and promoting settlement efficiency among Dealer Members are priorities for IIROC. It is desirable to amend Rule 800.49 to provide Dealer Members with greater clarity regarding their broker-to-broker trade matching and reporting requirements.

Rule 200.1(h) – Trade confirmation requirements

Given that trade data elements have already been agreed to through the trade matching process described in Rule 800.49 and National Instrument 24-101- Institutional Trade Matching and Settlement ("NI 24-101"), Dealer Members and clients have expressed the desire to eliminate trade confirmation requirements contained in Rule 200.1(h). In light of these requests and the existing extensive legislative and regulatory requirements that ensure trade data elements have been reported and affirmed by the client, it is appropriate to amend the existing Rule 200.1(h) to provide Dealer Members with exemptive relief from their trade confirmation requirements, provided that certain conditions are met.

Updates to those rules dealing with a trade confirmation's required marketplace disclosure are also being made in order to require the disclosure of:

- all marketplaces, not only exchanges; and
- the circumstances in which a trade is executed on more than one marketplace.

Current Rules

Rule 800.49 – Broker-to-broker trade matching

Currently, Rule 800.49 requires that for each non-exchange trade, involving CDS eligible securities, executed by a Dealer Member with another Dealer Member, each Dealer Member must:

- enter the trade into an Acceptable Trade Matching Utility; or
- accept or reject any trade entered by another Dealer Member within one hour of trade execution.

Rule 800.49 is designed to mitigate non-exchange trade settlement risk and promote settlement efficiency by ensuring more timely agreement of trade details.

Rule 200.1(h) – Trade Confirmation Requirements

Rule 200.1(h) requires that every Dealer Member who acts as principal or agent in connection with any trade in a security must send a prompt confirmation of the transaction to the customer of the account on a trade by trade basis. Pursuant to Rule 200.1(h), the confirmation must include, among other things, the following information:

1. The date and the stock exchange or commodity futures exchange upon which a trade took place;
2. The commission, if any, charged in respect of a trade;
3. The fee or other charge, if any, levied by any securities regulatory authority in connection with a trade;
4. The name of the salesperson, if any, in a transaction; and
5. The name of the dealer, if any, used by the Dealer Member as its agent to effect a trade.
6. Furthermore, trade confirmations currently require Dealer Members to disclose "the stock exchange or commodity futures exchange" upon which a trade took place.

Proposed Rules

Rule 800.49 – Broker-to-broker trade matching

The Proposed Amendments to Rule 800.49 provide greater clarity to Dealer Members with respect to their trade reporting and matching requirements. Additionally, the Proposed Amendments are consistent with the recently proposed amendments to the institutional trade requirements set out in NI 24-101. The Proposed Amendments to Rule 800.49 will:

1. extend trade reporting requirement from the current "within one hour of trade execution" standard to "at or before 6:00 p.m. on the day of the trade";
2. define a "non-exchange trade";
3. provide guidance that will allow Dealer Members to easily classify trades as being either compliant or non-compliant with the reporting requirements; and
4. establish an acceptable monthly compliant trade percentage threshold.

With respect to the proposed revision to the timing of trade reporting, IIROC staff has analysed the Dealer Members' existing rule compliance percentages and has determined that in any given month between 30% and 40% of all non-exchange, broker-to-broker trades are not reported for trade matching within the hour, as required by the current rule. The reason for this is largely system-related, in that many Dealer Members do not have automated intra-day trade reporting functionality and instead report trades on an "end of day" batch basis. Given that operational reality, as well as the fact that moving to T+1 trade settlement is no longer a regulatory priority in Canada or abroad, continuing to require non-exchange broker-to-broker trades to be reported within the hour for trade matching is unnecessary. The proposed rule amendment would, therefore allow Dealer Members to report trades on an "end of day" (i.e. 6:00 p.m.) basis, via batch reporting systems. Allowing for this flexibility will address the current systems-related issues without introducing material delays in the matching of trades. IIROC believes that this will result in a significantly higher rate of compliance with the trade reporting requirements which will, in turn, allow Dealer Members and IIROC to focus on the residual, non-complaint trades (i.e. trades in which terms have not been agreed to and/or where there are recurring trade reporting errors) that represent the greatest settlement risk.

With respect to the proposed introduction of a definition for the term "non-exchange trade", IIROC staff has determined that there is confusion over which trades must be reported under the current trading matching rule, therefore a specific definition of trades to which the rule applies is necessary. The proposed definition codifies previously issued guidance on this issue.

With respect to the proposed revision relating to the classification of trades, IIROC staff has included tables within the rule that identify each possible trade reporting scenario and define each scenario as either:

i. a compliant trade;

ii. a non-compliant trade; or

iii. a don't know (DK) trade.

These classifications will be used by CDS and other matching service providers to calculate rule compliance percentages.

The proposal to introduce a monthly "compliant trade percentage" threshold and non-compliance reporting requirements is similar to the requirements found in NI 24-101. Dealer Members who fail to meet the monthly compliant trade percentage threshold will be required to promptly report their:

- compliant trade percentage; and
- action plan to increase their compliant trade percentage to the minimum acceptable level

in writing to IIROC.

The proposed percentage thresholds are consistent with the proposed compliant trade percentage thresholds contained in revised NI 24-101, namely:

- 85% or more for months ending prior to or on June 30, 2012; and
- 90% or more for months beginning on or after July 1, 2012.

Failure to meet the minimum compliant trade percentage standard will be grounds for disciplinary action. Furthermore non-compliant Dealer Members will not be eligible for exemptive relief, relating to trade confirmations, included in the Proposed Amendments to Rule 200.1(h). A copy of the Proposed Amendments to Rule 800.49 is set out in Attachment A.

Dealer Member Rule 200.1(h) – Trade Confirmation Requirements

The trade confirmation requirement theme is also included in the trade matching and reporting requirements set out in Rule 800.49 and NI 24-101. Specifically,

1. *For trades involving other Dealer Members*: Dealer Members must enter or accept or reject the trade details for non-exchange traded securities through an Acceptable Trade Matching Utility, as defined in Rule 800.49, in accordance with the requirements of Rule 800.49; and

2. *For trades involving delivery against payment (DAP) and receipt against payment (RAP) account customers other than Dealer Members*: trade details must be matched with the customer or the customer's custodian in accordance with the requirements of NI 24-101.

Rule 800.49 and NI 24-101 require Dealer Members to establish processes and procedures that promote trade matching within prescribed limits and ensure compliance with performance standards. For example, as part of the trade matching process the following trade data elements are transmitted, compared and agreed upon through an Acceptable Trade Matching Utility:

- Security identification: standard numeric identifier, currency, issuer, type/class/series, market type; and
- Order and trade information: dealer ID, account ID, account type, buy/sell indicator, order status, order type, unit price/face amount, number of securities/quantity, message date/time, trade transaction type, commission, accrued interest (fixed income), broker settlement location, block reference, net amount, settlement type, allocation sender reference, custodian, payment indicator, IM portfolio/account ID, quantity allocated, and settlement conditions.

In addition to the trade matching requirements contained in Rules 200.1(h), 800.49 and NI 24-101, the legislative and regulatory audit trail and statement requirements as well as the industry's existing best practices and standards, should ensure that trade data elements have been reported and affirmed by the client. For example:

1. *Audit Trail Requirements* - Part 11 of National Instrument 23-101 – Trading Rules ("NI 23-101") requires that Dealer Members construct an electronic audit trail of order, quotation and transaction data. Specifically, Dealer Members are required to maintain, and provide to clients upon request, detailed records respecting: (a) receipt or origination of an order, (b) transmission of an order, (c) variation or correction or cancellation of an order, and (d) execution of an order. Furthermore, there are additional particulars set out in Part 11 of NI

23-101 that are not expressly set out in Rule 200.1(h), such as the order and dealer identifiers, and whether an order was varied/corrected/cancelled on instructions of the client or the dealer.

2. *Statements* - Dealer Members are required to provide each client with a statement in accordance with section 14.14 of NI 31-103 – Registration Requirements and Exemptions and Dealer Member Rule 200.1(c).

3. *Industry Best Practices and Standards* - Dealer Members must ensure compliance with industry best practices and standards with respect to minimum trade elements for the purposes of trade matching, reporting/affirmation, clearing and settlement. Dealer Members must be equipped with electronic tools that permit customers to have real-time access to trade details through the Dealer Members' proprietary execution management systems.

The requirements listed under Rule 800.49 and NI 24-101, coupled with Dealer Members' obligations to retain sufficient records for audit and review purposes, provide monthly statements and promote industry best practices and standards creates an extensive legislative and regulatory framework that ensures trade data elements have been reported and affirmed by the client. In light of these requirements, the Proposed Amendments to Rule 200.1(h) provide exemptive relief to Dealer Members who meet their trade matching and reporting requirements pursuant to Rule 800.49 or NI 24-101, satisfy the compliant trade matching percentage, obtain prior written consent by the client to waive receipt of trade confirmations, match trades through an electronic means and maintain an electronic audit trail of the matched trade pursuant to NI 23-101.

The application of Rule 200.1(h) to Dealer Members who are also subject to Rule 800.49 or NI 24-101 is therefore, redundant and creates needless correspondence to the client since each of the trade data elements have already been reported/affirmed by the client or the client's custodian and the trade has been allocated with instructions for delivery.

As part of the amendments being made to Rule 200.1(h), updates to the marketplace disclosure requirement are also being made. Currently, written trade confirmations must disclose "the stock exchange or commodity futures exchange" upon which a trade took place. This requirement does not capture trades executed outside of recognized exchange facilities, such as quotation and trade reporting systems and alternative trading systems, as well as circumstances in which trades are executed on more than one marketplace. The Proposed Amendment would account for all marketplaces and for trades that are executed on more than one of these marketplaces. In addition to the Proposed Amendments to the marketplace disclosure requirements, the Market Regulation Policy Department will issue guidance on marketplace disclosure language acceptable to IIROC. A copy of the Proposed Amendments to Rule 200.1(h) is attached as Attachment B.

Issues and alternatives considered

In developing the amendments to Rule 800.49, a two to three hour extension from the current one hour reporting requirement was also considered but, it was decided that this would have proven to be more difficult to comply with and enforce in comparison to the 6 p.m. deadline for all trades.

The possibility of leaving Rule 200.1(h) unchanged was also considered but this alternative was dismissed given the growing insistence of DAP and RAP account clients to eliminate the trade confirmation requirement for matched trades.

Proposed Amendments Classification

Statements have been made elsewhere as to the nature and effects of the Proposed Amendments, as well as analysis. The purposes of the Proposed Amendments are to:

- Establish and maintain rules that are necessary or appropriate to govern and regulate all aspects of IIROC's functions and responsibilities as a self-regulatory entity;
- Ensure compliance with securities laws;
- Promote just and equitable principles of trade and the duty to act fairly, honestly and in good faith; and
- Foster cooperation and coordination with entities engaged in regulating, clearing, settling, processing information with respect to, and facilitating, securities.

The Board therefore has determined that the Proposed Amendments are not contrary to public interest.

Due to the extent and substantive nature of the Proposed Amendments, they have been classified as Public Comment Rule proposals.

Effects of the Proposed Amendments on market structure, Dealer Members, non-Dealer Members, competition and costs of compliance

The Proposed Amendments will not have any significant effects on Dealer Members or non-Dealer Members, market structure or competition. Furthermore, it is not expected that there will be any significant increased costs of compliance as a result of the Proposed Amendments.

The Proposed Amendments do not impose any burden or constraint on competition or innovation that is not necessary or appropriate in furtherance of IIROC's regulatory objectives. They do not impose costs or restrictions on the activities of market participants (including Dealer Members and non-Dealer Members) that are disproportionate to the goals of the regulatory objectives sought to be realized.

Technological implications and implementation plan

The Proposed Amendments will have no impact on Dealer Members' systems. As such, it is intended that the Proposed Amendments will be implemented shortly after approval is received from IIROC's recognizing regulators.

Request for public comment

Comments are sought on the Proposed Amendments. Comments should be made in writing. Two copies of each comment letter should be delivered by June 8, 2010 (60 days from the publication date of this notice). One copy should be addressed to the attention of:

Angie F. Foggia
Policy Counsel, Member Regulation Policy
Investment Industry Regulatory Organization of Canada
Suite 1600, 121 King Street West
Toronto, Ontario, M5H 3T9

The second copy should be addressed to the attention of:

Manager of Market Regulations
Ontario Securities Commission
19th Floor, Box 55
20 Queen Street West
Toronto, Ontario, M5H 3T9
marketregulation@osc.gov.on.ca

Those submitting comment letters should be aware that a copy of their comment letter will be made publicly available on the IIROC website (**www.iiroc.ca)** under the heading "IIROC Rulebook – Dealer Member Rules – Policy Proposals and Comment Letters Received".

Questions may be referred to:

Angie F. Foggia
Policy Counsel, Member Regulation Policy
Investment Industry Regulatory Organization of Canada
416.646.7203
afoggia@iiroc.ca

Attachments

Attachment A – Proposed Amendments to Rule 800.49 – Broker-to-broker non-exchange trade matching

Attachment B – Proposed Amendments to Rule 200.1(h) – Trade confirmation requirements

ATTACHMENT A

INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA

RULE 800.49 – BROKER-TO-BROKER NON-EXCHANGE TRADE MATCHING PROPOSED AMENDMENTS

1. Rule 800.49 is amended by deleting it in its entirety and replacing it with the following:

"**800.49. Broker-to-broker non-exchange trade matching**

(1) **Trade matching requirement**

For each non-exchange trade, involving a *CDS eligible security* that is executed by a *Dealer Member* with another *Dealer Member*, each *Dealer Member* must:

(i) Enter the trade into an *acceptable trade matching utility* or

(ii) Accept or reject any trade entered into an *acceptable trade matching utility* by another *Dealer Member*.

at or before 6 p.m. (Toronto time) on the day the trade was executed.

(2) **Definition of non-exchange trade**

For the purposes of this Rule a non-exchange trade is defined as any trade in a *CDS eligible security* (excluding new issue trades and repurchase and reverse repurchase transactions) between two *Dealer Members*, which has not been submitted to the CDS continuous net settlement service, CDSX, by a recognized exchange. The dealer to dealer portion of a jitney trade that is executed between two *Dealer Members* that is not reported by a recognized exchange is a non-exchange trade.

(3) **List of acceptable trade matching utilities**

The Corporation maintains a list of *acceptable trade matching utilities* that is published from time to time

(4) **Trade classification where a Dealer Member enters a trade into the matching utility**

If a *Dealer Member* enters a trade into an *acceptable trade matching utility* under clause 800.49(1)(i), the trade is considered for each dealer trade counterparty to be a *compliant trade*, a *don't know trade* or a *non-compliant trade* according to the following table:

		Action of other *Dealer Member*					
		Enter trade at or before 6 p.m.	Accept trade at or before 6 p.m.	Enter or accept trade after 6 p.m.	Reject trade at or before 6 p.m.	Reject trade after 6 p.m.	No action
Action of *Dealer Member*	Enter trade at or before 6 p.m.	- *Dealer Member* compliant trade - Other *Dealer Member* compliant trade	- *Dealer Member* compliant trade - Other *Dealer Member* compliant trade	- *Dealer Member* compliant trade - Other *Dealer Member* non-compliant trade	- *Dealer Member* don't know or DK trade - Other *Dealer Member* don't know or DK trade	- *Dealer Member* don't know or DK trade - Other *Dealer Member* non-compliant trade	- *Dealer Member* compliant trade - Other *Dealer Member* non-compliant trade
	Enter trade after 6 p.m.	- *Dealer Member* non-compliant trade - Other *Dealer Member* compliant trade		- *Dealer Member* non-compliant trade - Other *Dealer Member* non-compliant trade		- *Dealer Member* non-compliant trade - Other *Dealer Member* don't know or DK trade	- *Dealer Member* non-compliant trade - Other *Dealer Member* non-compliant trade

(5) Trade classification where a Dealer Member does not enter a trade into the matching utility

If a Dealer Member accepts or rejects a trade entered into an acceptable trade matching utility by another Dealer Member under clause 800.49(1)(ii) or takes no action on a trade entered into an acceptable trade matching utility by another Dealer Member, the trade is considered for each dealer trade counterparty to be a compliant trade, a don't know trade or a non-compliant trade according to the following table:

		Action of other *Dealer Member*	
		Enter trade at or before 6 p.m.	Enter trade after 6 p.m.
Action of *Dealer Member*	Accept at or before 6 p.m.	- *Dealer Member* compliant trade - Other *Dealer Member* compliant trade	
	Accept after 6 p.m.	- *Dealer Member* non-compliant trade - Other *Dealer Member* compliant trade	- *Dealer Member* non-compliant trade - Other *Dealer Member* non-compliant trade
	Reject at or before 6 p.m.	- *Dealer Member* don't know or DK trade - Other *Dealer Member* don't know or DK trade	
	Reject after 6 p.m.	- *Dealer Member* non-compliant trade - Other *Dealer Member* don't know or DK trade	- *Dealer Member* don't know or DK trade - Other *Dealer Member* non-compliant trade
	No action	- *Dealer Member* non-compliant trade - Other *Dealer Member* compliant trade	- *Dealer Member* non-compliant trade - Other *Dealer Member* non-compliant trade

(6) **Determination of monthly compliant trade percentage**

The monthly compliant trade percentage for a *Dealer Member* is determined by dividing the sum of month's compliant trades (which does not include don't know trades) by the total number of non-exchange trades that are executed during the month by the *Dealer Member* with other *Dealer Members*.

For months ending prior to or on June 30, 2012, a *Dealer Member* must promptly report to the Corporation when this monthly compliant trade percentage is less than 85% in any month and must include in this report its action plan to improve its percentage. Failure to increase the compliant trade percentage to 85% or more within 3 months of the first sub-standard report will be grounds for the *Corporation* to pursue disciplinary action.

Beginning on or after July 1, 2012, a *Dealer Member* must promptly report to the Corporation when their monthly compliant trade percentage is less than 90% in any month and must include in this report its action plan to improve its percentage. Failure to increase the compliant trade percentage to 90% or more within 3 months of the first substandard report will be grounds for the *Corporation* to pursue disciplinary action."

ATTACHMENT B

INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA

DEALER MEMBER RULE 200.1(h) – TRADE CONFIRMATION REQUIREMENTS

PROPOSED AMENDMENTS

Dealer Member Rule 200.1(h) is amended by:

1. Replacing "the stock exchange or commodity futures exchange upon which the trade took place" in the second sentence and replacing it with "the marketplace or marketplaces upon which the trade took place, or marketplace disclosure language acceptable to the *Corporation*"; and

2. Adding the following language directly at the end of 200.1(h):

"**Exemption:**
For delivery against payment (DAP) and receipt against payment (RAP) trade accounts, a *Dealer Member* is not required to send a trade confirmation if:

(i) the trade is either subject to or matched in accordance with broker-to-broker or institutional trade matching requirements under *the Corporation's* Rules or securities legislation;

(ii) the *Dealer Member* maintains an electronic audit trail of the trade under *the Corporation's* Rules or securities legislation;

(iii) prior to the trade, the client has agreed in writing to waive receipt of trade confirmations from the *Dealer Member*;

(iv) the client is either:

(a) another *Dealer Member* who is reporting or affirming trade details through an *acceptable trade matching utility* in accordance with Rule 800.49; or

(b) a DAP/RAP account customer other than a *Dealer Member* who is matching trades (either directly or through a custodian) in accordance with National Instrument 24-101- Institutional Trade Matching and Settlement;

(v) the *Dealer Member* has real-time access to, and can download into their own system from the *acceptable trade matching utility's* or the matching service utility's system, trade details that are similar to the prescribed information under Rule 200.1(h); and

(vi) the *Dealer Member* is in compliance with the trade matching requirements under *the Corporation's* Rules or securities legislation relevant to the trade.

A client may terminate their trade confirmation waiver, referred to in Rule 200.1(h)(2)(iii), by providing a written notice confirming this fact to the Dealer Member. The termination notice takes effect upon the Dealer Member's receipt of the notice."

13.2 Marketplaces

13.2.1 Amendments to the Rules of the TSX to Eliminate the Indicative Calculated Closing Price Feature on the Market On Close Facility – Summary of Comments and Responses

AMENDMENTS TO THE RULES OF THE TORONTO STOCK EXCHANGE TO ELIMINATE THE INDICATIVE CALCULATED CLOSING PRICE FEATURE ON THE MARKET ON CLOSE FACILITY

TSX SUMMARY OF COMMENTS AND RESPONSES

Comments Received from:

1. RBC Capital Markets ("RBC")
2. Infinium Capital Corp. ("Infinium")

Capitalized terms that have not been specifically defined have the meaning attributed to them in the TSX Request for Comments.

	Comment By and Category	Summary of Comment	TSX Response
1.	RBC on the market impact of holding back orders until after ICCP	RBC commented their belief that most MOC participants choose to wait until after the ICCP to enter offsetting orders. This means the ICCP does not truly reflect the closing price. RBC is concerned that order sizes and limit prices of iceberg orders can be revealed to the marketplace since offsetting orders are only being entered after the ICCP is published. RBC and its clients wait until after 15:50 to enter offsetting orders and this limits the amount of time to react which in turn could increase volatility at the close.	TSX agrees with RBC's concern that the ICCP may unintentionally reveal more information about resting iceberg orders than it does about the indicative closing price if offsetting MOC orders are withheld until after 15:50. The ICCP was not intended to impede order entry and TSX is concerned about this unintended negative effect described by RBC. TSX is also concerned that others may also be reacting to the ICCP similar to RBC and their clients and this has led to the conclusion that ICCP in its current form is not beneficial to the marketplace and should be eliminated.
2.	Infinium comment on potential negative impact	Infinium commented that removing the ICCP undermines the objective of the MOC by hampering price discovery market integrity and number of orders filled	TSX disagrees with this comment and believes instead that eliminating the ICCP in its current form will remove the unintended effect that some participants withhold their offsetting orders until 3:50 p.m. Without the 3:50 p.m. ICCP publication all participants will be encouraged to secure time priority by putting forward their most aggressive MOC offsetting limit orders as early as possible without the ICCP causing concern of information leakage for some participants.
3.	Infinium comment on the ICCP as an effective gauge of the closing price	Infinium commented that the ICCP is an effective gauge of the participation level for the closing price for those who are price sensitive or who are providing liquidity to the MOC and thus allows those participants to increase or reduce their level of participation in satisfying the MOC imbalance with an overall	TSX disagrees with this comment on the basis that significant MOC participants have indicated they and their customers withhold orders until after 3:50 p.m. that would otherwise affect the ICCP.

		effect of increasing the number of fills available to retail and institutional participants.	
4.	Infinium on the market impact of holding back orders until after ICCP	Infinium comments acknowledge the current major arguments for eliminating the 3:50 ICCP centres around people delaying their participation until after the ICCP and questions what real negative impact this has on the market since the participants who are responding to the ICCP are the very participants that have the largest stabilizing affect on the market.	TSX agrees that the detractors of the ICCP are active MOC participants and are likely to be the same participants that have the largest stabilizing affect on the market. This leads TSX to conclude that the ICCP likely has no positive impact on the market since the largest stabilizing participants are not entirely supportive of the ICCP.
5.	Infinium: Increased volatility has occurred on days when ICCP was not published	Infinium has observed a very significant increase in the average market impact on days where the TSX has failed to broadcast the ICCP (illustrated by 14 “failed ICCP” days over a 6 month period where volatility was 165% higher on average on days where the ICCP failed with 75 stocks recording their largest volatility for the period on those failed ICCP days at 191% higher than average.)	The nature of the current ICCP process (the technical solution is not very robust) means that days where ICCP has failed to publish historically are also the days that the exchange experienced the highest volume traded. Unusually high volatility is generally coupled with unusually high volume whenever market sentiment changes due to a news event or some other external market activity driving event. The failed ICCP historically is directly attributed to unusually high volume but it does not follow that high volatility is attributed to failed ICCP. Instead TSX suggests that the failed ICCP is correlated as an effect (not a cause) of high volume and high volatility.

Chapter 25

Other Information

25.1 Consents

25.1.1 Cronus Resources Ltd. – s. 4(b) of the Regulation

Headnote

Consent given to an offering corporation under the Business Corporations Act (Ontario) to continue under the laws of the Companies Act, 1981 (Bermuda).

Statutes Cited

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

Regulations Cited

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

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

AND

IN THE MATTER OF
CRONUS RESOURCES LTD.

CONSENT
(Subsection 4(b) of the Regulation)

UPON the application (the "**Application**") of Cronus Resources Ltd. (the "**Applicant**") to the Ontario Securities Commission (the "**Commission**") requesting a consent from the Commission for the Applicant to continue (the "**Continuance**") in another jurisdiction, as required by Subsection 4(b) of the Regulation;

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

AND UPON the Applicant having represented to the Commission that:

1. The Applicant was incorporated pursuant to the *Company Act* (British Columbia) on July 2, 1986 under the name of "Crest Resources Ltd.". On March 23, 1992, the Applicant changed its name to "Sentinel Resources Ltd.", consolidated its authorized share capital from 20,000,000 common shares to 6,666,667 common shares and increased the authorized share capital from 6,666,667 common shares to 20,000,000 common shares. On August 30, 1995, the Applicant changed its name to "Ulysses International Resources Ltd.". In October 1995, the Applicant continued from the Province of British Columbia to Bermuda. The Applicant changed its name to "Auric Resources Ltd." on April 23, 2001. On November 1, 2001, the Applicant continued from Bermuda to the Yukon Territory and changed its name to "Lalo Ventures Ltd." On July 29, 2005, the Applicant continued from the Yukon Territory to the Province of British Columbia. On December 16, 2005, the Applicant changed its name from "Lalo Ventures Ltd." to "Sunrise Minerals Inc.". On March 10, 2008, the Applicant changed its name from "Sunrise Minerals Inc." to "Cronus Resources Ltd." On November 23, 2009, the Applicant continued from the Province of British Columbia to the Province of Ontario.

2. The Applicant's registered and head office is located at 1 University Avenue, Suite 401, Toronto, ON M5J 2P1. Following completion of the proposed Continuance, the registered office of Amalco (as defined below) will be located at Milner House, 18 Parliament Street, Hamilton HM FX, Bermuda.

3. The Applicant's authorized capital consists of an unlimited number of common shares (the "**Common Shares**"), of which approximately 15,321,274 Common Shares are issued and outstanding as at the date hereof.

4. The Common Shares of the Applicant are listed for trading on the TSX Venture Exchange (the "**Exchange**") under the symbol "CRZ". The Applicant has applied for listing of the common shares of Amalco (as defined below) on the Toronto Stock Exchange.

5. The Applicant is an offering corporation under the provisions of the OBCA and a reporting issuer under the *Securities Act* (Ontario) (the "**Act**"). The Applicant is also a reporting issuer or its equivalent under the securities legislation of the provinces of British Columbia and Alberta. The Applicant is not a reporting issuer in any other jurisdiction in Canada.

6. The Applicant intends to apply (the "**Application for Continuanc**e") to the Director under the OBCA for authorization to continue into Bermuda as a corporation under the *Companies Act, 1981* (Bermuda) (the "**Companies Act**") pursuant to section 181 of the OBCA.

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

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

9. The Applicant is not in default of any of the rules, regulations or policies of the Exchange.

10. The Applicant is not a party to any proceeding nor, to the best of its knowledge, information and belief, any pending proceeding under the Act.

11. The Application for Continuance is being made in connection with the proposed reverse take over transaction involving the amalgamation (the "**Amalgamation**") of the Applicant with Continental Gold Limited ("**Continental Gold**"), a private company incorporated pursuant to the Companies Act. As part of the Amalgamation, the amalgamated entity ("**Amalco**") will carry on business under the name "Continental Gold Limited". Upon completion of the Amalgamation, Amalco will be governed by the Companies Act.

12. The Continuance is proposed to be made because the Applicant believes it to be in the best interest to continue as a corporation and conduct its affairs in accordance with the Companies Act in order to effect the Amalgamation.

13. The holders of Common Shares of the Applicant authorized the Continuance of the Applicant at a special meeting of shareholders held on March 22, 2010 (the "**Meeting**"). The special resolution authorizing the Continuance was approved at the Meeting by 99.20% of the votes cast.

14. The management information circular dated February 17, 2010 of the Applicant and Continental Gold, provided to all the shareholders of the Applicant in connection with the Meeting, included full disclosure of the reasons for and the implication of the proposed Continuance, included a summary of the material differences between the OBCA and the Companies Act and advised the shareholders of their dissent rights in connection with the Continuance, pursuant to Section 185 of the OBCA.

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

16. Amalco intends to remain a reporting issuer in Ontario and in the other jurisdictions where it is a reporting issuer.

17. The Applicant intends to maintain a corporate office in Ontario, Canada subsequent to the Continuance.

AND UPON the Commission being satisfied that to make this order would not be prejudicial to the public interest;

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

DATED at Toronto, Ontario this 26th day of March, 2010.

"Carol S. Perry"
Commissioner
Ontario Securities Commission

"Kevin J. Kelly"
Commissioner
Ontario Securities Commission

25.2 Approvals

25.2.1 Mukuba Resources Limited – s. 7.1 of NP Escrow for Initial Public Offerings

Headnote

National Policy 46-201 Escrow for Initial Public Offerings – Request for consent to release escrowed shares held by two principals – escrowed shares held by two principals represent, respectively, less than 1% of the voting rights attached to the issuer's securities immediately after completion of its initial public offering – No longer any policy reason for these shareholders to hold their shares in escrow – Consent granted

Applicable Legislative Provisions

National Policy 46-201 Escrow for Initial Public Offerings, s. 7.1.

March 16, 2010

Irwin Lowy LLP
Barristers and Solicitors
130 Adelaide St. W., Suite 2700
Toronto, ON, M5H 3P5

Attention: Andrea James

Dear Ms. James:

Re: Mukuba Resources Limited (the Applicant) – Request for approval under National Policy 46-201 Escrow for Initial Public Offerings (NP 46-201) to amend an existing escrow agreement

The Applicant has requested the approval of the securities regulatory authority or regulator in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador to amend an existing escrow agreement among the Applicant, its transfer agent and certain securityholders of the Applicant dated February 4, 2010 (the **Escrow Agreement**). The Applicant's request for approval is made pursuant to Section 7.1 of NP 46-201 and Section 10.7 of the Escrow Agreement.

This is to advise that, based upon the representations contained in the request for approval correspondence, the Director of the Ontario Securities Commission, as principal regulator, approves of the amendment to the Escrow Agreement whereby the following common shares of the Applicant will be released from escrow:

Mark Mushili	552,852 Common Shares
Perhaver Trust	348,297 Common Shares

This letter does not constitute an exemption from the provisions of Canadian securities laws which may require a shareholder to comply with certain terms and conditions prior to or after any sale of its shares.

If you have any questions or require anything further in connection with this matter, please contact Jason Koskela, Legal Counsel at (416) 595-8922 or jkoskela@osc.gov.on.ca.

Yours truly,

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

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