The Ontario Securities Commission

OSC Bulletin

April 16, 2010

Volume 33, Issue 15

(2010), 33 OSCB

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

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Published under the authority of the Commission by:
Carswell, a Thomson Reuters business
One Corporate Plaza
2075 Kennedy Road
Toronto, Ontario
M1T 3V4

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Subscriptions are available from Carswell at the price of $649 per year.

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

U.S.	$175
Outside North America	$400

Single issues of the printed Bulletin are available at $20 per copy as long as supplies are available.

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ISSN 0226-9325

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1.1.1 Current Proceedings Before The Ontario Securities Commission

APRIL 16, 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
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David L. Knight, FCA	—	DLK
Patrick J. LeSage	—	PJL
Carol S. Perry	—	CSP
Charles Wesley Moore (Wes) Scott	—	CWMS

SCHEDULED OSC HEARINGS

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 20, 2010 2:00 p.m.	**Ameron Oil and Gas Ltd. and MX-IV, Ltd.** s. 127 M. Boswell in attendance for Staff Panel: MGC
April 20, 2010 3:00 p.m.	**Christina Harper, Howard Rash, Michael Schaumer, Elliot Feder, Vadim Tsatskin, Oded Pasternak, Alan Silverstein, Herbert Groberman, Allan Walker, Peter Robinson, Vyacheslav Brikman, Nikola Bajovski, Bruce Cohen and Andrew Schiff** s. 127 H. Craig in attendance for Staff Panel: MGC
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 23, 2010 12:00 p.m.	**QuantFX Asset Management Inc., Vadim Tsatskin, Lucien Shtromvaser and Rostislav Zemlinsky** s. 127 H. Craig in attendance for Staff Panel: CSP
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 26, 2010 10:00 a.m.	**Agoracom Investor Relations Corp., Agora International Enterprises Corp., George Tsiolis and Apostolis Kondakos (a.k.a. Paul Kondakos)** s. 127 T. Center in attendance for Staff Panel: JEAT
April 26, 2010 11:30 a.m.	**Chartcandle Investments Corporation, CCI Financial, LLC, Chartcandle Inc., PSST Global Corporation, Stephen Michael Chesnowitz and Charles Pauly** s. 127 and 127.1 S. Horgan in attendance for Staff Panel: 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 13, 2010 10:00 a.m.	**Carlton Ivanhoe Lewis, Mark Anthony Scott, Sedwick Hill, Leverage Pro Inc., Prosporex Investment Club Inc., Prosporex Investments Inc., Prosporex Ltd., Prosporex Inc., Prosporex Forex SPV Trust, Networth Financial Group Inc., and Networth Marketing Solutions** s. 127 and 127.1 H. Daley in attendance for Staff Panel: CSP
May 13, 2010 10:00 a.m.	**Wilton J. Neale, Multiple Streams of Income (MSI) Inc., and 360 Degree Financial Services Inc.** s. 127 and 127.1 H. Daley in attendance for Staff Panel: CSP
May 13, 2010 10:00 a.m.	**Albert Leslie James, Ezra Douse and Dominion Investments Club Inc.** s. 127 and 127.1 H. Daley in attendance for Staff Panel: CSP
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 127(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 10, 2010 2:00 p.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: TBA
June 10, 2010 2:00 p.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: TBA
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
June 30, 2010 9:30 a.m.	**Abel Da Silva** s.127 M. Boswell 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

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

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

s. 127

M. Boswell in attendance for Staff

Panel: TBA

TBA **Uranium308 Resources Inc., Michael Friedman, George Schwartz, Peter Robinson, and Shafi Khan**

s. 127

M. Boswell in attendance for Staff

Panel: TBA

TBA **Innovative Gifting Inc., Terence Lushington, Z2A Corp., and Christine Hewitt**

s. 127

M. Boswell in attendance for Staff

Panel: TBA

TBA **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: 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 Approval of Final Amendments to NI 24-101 Institutional Trade Matching and Settlement

NOTICE OF COMMISSION APPROVAL

The Commission has approved amendments to National Instrument 24-101 *Institutional Trade Matching and Settlement* and Companion Policy 24-101CP *Institutional Trade Matching and Settlement* (together, NI 24-101). Subject to Ministerial approval requirements, the amendments to NI 24-101 will come into force on July 1, 2010. In connection with the amendments, the Commission also approved the revocation of Ontario Securities Commission Rule 24-502 *Exemption from Transitional Rule: Extension of Transitional Phase-In Period in National Instrument 24-101 – Institutional Trade Matching and Settlement*, to be effective on the same date.

The notice and related materials pertaining to the amendments to NI 24-101 and the revocation of OSC Rule 24-502 are published in Chapter 5 of this Bulletin. The materials include a CSA staff report on industry compliance with the institutional trade matching requirements of NI 24-101 (Annex C of the notice).

1.1.3 CSA Staff Notice 31-317 – Reporting Obligations Related to Terrorist Financing for Registrants, Exempt International Dealers, and Exempt International Advisers

CSA STAFF NOTICE 31-317

REPORTING OBLIGATIONS RELATED TO TERRORIST FINANCING FOR REGISTRANTS, EXEMPT INTERNATIONAL DEALERS, AND EXEMPT INTERNATIONAL ADVISERS

April 16, 2010

The Canadian Securities Administrators (CSA) are issuing this Staff Notice to Registrants, Exempt International Dealers, and Exempt International Advisers regarding monthly reporting and other requirements relating to terrorist financing and United Nations Act sanctions on certain countries under the:

- *Criminal Code of Canada*
- *Regulations Implementing the United Nations Resolutions on the Suppression of Terrorism*
- *United Nations Al-Qaida and Taliban Regulations*
- *Regulations Implementing the United Nations Resolution on the Democratic People's Republic of Korea*
- *Regulations Implementing the United Nations Resolution on Iran*

The CSA are issuing this Notice for the following purposes:

- to provide registrants with information on the new consolidated reporting form that will be used by each principal regulator,
- to provide information regarding the submission of monthly reports and advise registrants, exempt international dealers (exempt international firm) and exempt international advisers (exempt international firm) that the report may be filed with the principal regulator by e-mail, and
- to provide summary information on the laws which impose the monthly reporting requirements on registrants.

Note: This notice provides summary information only and reflects information as of the date set out above. Please refer to the text of the laws set out above for a complete description of your obligations.

Types of reporting

Registrants and exempt international firms have certain obligations under federal laws. These include requirements for "persons and entities authorized under provincial legislation to engage in the business of dealing in securities or any other financial instruments, or to provide portfolio management or investment advising services" to provide specified monthly reports to the principal agency or body that supervises or regulates the registrant or exempt international firm under federal or provincial law. The regulator, in turn, forwards information derived from these reports to the Office of the Superintendent of Financial Institutions (OSFI). Further information on these laws and the reporting obligations can be found on the OSFI website at: http://www.osfi-bsif.gc.ca.

There are two types of reporting to their principal regulator required of registrants, exempt international dealers, and exempt international advisers:

- reporting against names listed under federal laws relating to terrorist financing
- reporting against names listed under federal laws relating to United Nations sanctions.

These were previously addressed by several CSA jurisdictions in two separate reporting forms. We have now consolidated these two types of reports into a single form that can be used for reporting by e-mail to the appropriate CSA member (i.e., the registrant's principal regulator).

Overview of the applicable laws

Terrorist financing

Registrants are subject to requirements under federal laws that, among other things, address the financing of terrorism and permit the listing of persons and entities in respect of which registrants (and others) must report dealings. Canada now has three mechanisms for designating individuals and entities as terrorists or terrorist organizations:

- *Criminal Code* of Canada (Criminal Code)
- *Regulations Implementing the United Nations Resolutions on the Suppression of Terrorism*, SOR/2001-360 (UN SupTerror) (formerly, the *United Nations Suppression of Terrorism Regulations*) (Old UN SupTerror)
- *United Nations Al-Qaida and Taliban Regulations*, SOR/99-444 (UN Al-Qaida) (formerly, the *United Nations Afghanistan Regulations*) (Old UN Al-Qaida)

In 2006, the federal government amended the regulations referred to above to ensure, among other things, that they correspond more closely to each other and to the requirements in the *Criminal Code*. This is set out in more detail in the regulatory impact analysis statement that accompanied the publication of the amendments in the *Canada Gazette* on July 12, 2006. For further details, please refer to the *Canada Gazette* website at http://www.gazette.gc.ca for July 12, 2006.

Generally, these amendments did not materially change the specific names and entities that were previously designated under the *Criminal Code* and the Old UN SupTerror and Old UN Al-Qaida. Names subject to the regulations made under the *Criminal Code* and those names subject to the UN SupTerror and the UN Al-Qaida have been combined into the lists currently posted on the OSFI website at http://www.osfi-bsif.gc.ca.

United Nations Act sanctions

In addition to the regulations referred to above, the government has enacted the:

- *Regulations Implementing the United Nations Resolution on the Democratic People's Republic of Korea* (UN NKorea), SOR/2006-287 (November 9, 2006)
- *Regulations Implementing the United Nations Resolution on Iran* (UN Iran), SOR/2007-44 (February 22, 2007)

The UN NKorea were published in Part II of the Canada Gazette on November 29, 2006 and the UN Iran were published in Part II of the Canada Gazette on March 7, 2007: http://www.gazette.gc.ca.

Among other things, the UN NKorea and the UN Iran impose similar prohibitions, searching obligations and monthly reporting requirements with respect to designated persons, as are contained in the *Criminal Code*, the UN SupTerror and the UN Al-Qaida. For more information, please refer to the November 29, 2006 and the February 27, 2007 supervisory advisory letters from OSFI at: http://www.osfi-bsif.gc.ca.

Please note that the lists of designated persons for the UN Iran and the UN NKorea are available on the OSFI website at: http://www.osfi-bsif.gc.ca. The lists can also be found at the annex to United Nations Security Council Resolution 1737 (2006), which is at: http://www.un.org.

Overview of certain duties

The duties imposed on registrants under the laws referred to above include the following:

Duty to review and make filings

Under section 83.11 of the *Criminal Code*, section 7 of the UN SupTerror, section 5.1 of the UN Al-Qaida, section 11 of the UN Iran and section 11 of the UN NKorea:

- you must review your records on a continuing basis to determine whether you are in possession or control of property owned or controlled by or on behalf of a designated person and report your findings on a monthly basis
- you are responsible to take appropriate measures in order to determine if your clients are designated persons. Once you have made the determination that a client is a designated person, in addition to filing the monthly

report with your principal regulator, you must "freeze" the property and report the details to the Royal Canadian Mounted Police (RCMP) and Canadian Security and Intelligence Service (CSIS) as described below

- if you determine that none of your clients are designated persons you are still required to report to your principal regulator that you have a *Nil* response. The term "designated person" in this Notice includes listed entities under the *Criminal Code*, listed persons under the UN SupTerror and those persons and entities covered by the UN Al-Qaida, the UN Iran and the UN NKorea.)

Reports are to be provided on the 14th day of each month, to your principal regulator. A senior officer of the firm, preferably the Chief Compliance Officer, should sign the monthly report.

As noted above, the OSFI website contains updated consolidated lists of designated persons for purposes of the *Criminal Code*, the UN SupTerror and the UN Al-Qaida. OSFI has also made available a listing of designated persons under the UN Iran and the UN NKorea. These lists are available in downloadable and printable formats.

Please refer to the updated lists on the OSFI website prior to completing each report. Please also note that OSFI amends its lists from time to time, as a result of corrections made by the United Nations Security Council (UNSC) to the list of designated persons, even though such changes have not been specifically highlighted by the UNSC. Because of the nature of these amendments, it is not practical for OSFI to identify them in detail.

Therefore, it is important that registrants download the consolidated lists periodically; OSFI recommends that this be done on a monthly basis.

Freezing property

Under section 83.08 of the Criminal Code, section 4 of the UN SupTerror, sections 4 and 4.1 of the UN Al-Qaida, section 9 of the UN Iran and section 9 of the UN NKorea, no person in Canada and no Canadian outside Canada shall knowingly:

- deal, directly or indirectly, with property of a designated person
- enter into or facilitate, directly or indirectly, any transaction in respect of such property
- provide any financial or other services in respect of such property.

In addition, section 9 of the UN Iran and section 9 of the UN NKorea prohibit making any property or any other financial or other related service available to or for the benefit of a designated person under the UN Iran or the UN NKorea. Consequently, any property held directly or indirectly on behalf of a designated person must be held or be frozen.

We note that OSFI has indicated that these prohibitions extend to the debiting of service charges and crediting of interest and/or if the frozen property is a securities portfolio, the crediting of interest, dividends or other entitlements and the charging of custodial fees, transaction fees or any other debits or credits to the account: see the "Special Comments" in OSFI's November 30, 2006 reminder letter re monthly reporting, which can be found on the OSFI website at the link set out above.

Duty to disclose

Under section 83.1 of the *Criminal Code*, section 8 of the UN SupTerror, section 5.2 of the UN Al-Qaida, section 12 of the UN Iran and section 12 of the UN NKorea, every person in Canada and every Canadian outside Canada must forthwith report to both the RCMP and CSIS any property held for any designated person and any information about transactions or proposed transactions with respect to that property. Information may be provided to these organizations as follows:

- **RCMP**
  Anti-terrorist Financing Group
  Unclassified fax: (613-993-9474)

- **CSIS Financing Unit**
  Unclassified fax: (613) 231-0266

In addition, under section 7.1 of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*, persons and entities reporting to the RCMP and CSIS that are also reporting entities under Money Laundering are required to submit a terrorist property report to the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC).

For instructions relating to the preparation and submission of this report, reporting entities should visit the FINTRAC website at: http://www.fintrac-canafe.gc.ca.

New consolidated reporting form

The CSA regulators have revised their previous reporting forms to a new CSA consolidated form. In addition, in order to keep reporting requirements to the principal regulator as streamlined as possible we have also changed the reporting process to allow for the new form to be submitted to the principal regulator by e-mail. Members of the Investment Industry Regulatory Organization of Canada (IIROC) are requested to use the appropriate reporting forms issued by, and file those forms with, IIROC.

Registrants should file only one monthly consolidated report in respect of the laws relating to both terrorist financing and United Nations Act sanctions, even though names may be listed under several or all of the laws referred to above.

Registrants reporting to their principal regulator should use the new reporting form and submit their report by e-mail as of the reporting due by May 14, 2010**.**

The new consolidated CSA reporting form for registrants to use in complying with their monthly reporting obligations under the Criminal Code, UN SupTerror, the UN Al-Qaida, the UN NKorea and the UN Iran is available on the websites of the CSA regulators.

Please refer to the attached Appendix A for the website address of your principal regulator (please complete the form, print it, and have it signed by the appropriate individual before you scan it for e-mailing to your principal regulator).

The e-mail address for submitting your report to your principal regulator is listed in the attached Appendix A. If you have any questions about these requirements, you can contact your principal regulator at the telephone number or e-mail address listed in the Appendix A.

Note: This Notice provides summary information only. Please refer to the text of the laws set out above for a complete description of your obligations. Some of the laws referred to above also contain certain additional prohibitions and obligations regarding dealings with persons in certain countries. You should read the laws carefully for a complete description of the applicable obligations.

In addition, there are other federal regulations applicable to registrants and exempt international firms that include searching, monitoring, asset freezing and reporting obligations with respect to designated persons (as defined in the respective regulations). In the case of reporting obligations under some of these other regulations, you must report to the RCMP, rather than to your principal regulator.

Registrants and exempt international firms should continue to monitor the notices from OSFI for any new regulations that may come into effect regarding similar obligations, or updates to existing obligations to search, monitor and report. You may want to visit the OSFI website http://www.osfi-bsif.gc.ca for the purpose of familiarizing yourself with the reporting requirements and any other obligations. In addition, we encourage you to subscribe to the notification service on the OSFI website http://www.osfi-bsif.gc.ca in order to receive new updating e-mail notices and reminders concerning new developments and reporting requirements.

Appendix A

List of CSA Regulators E-mail Addresses, Websites, and inquiry details for Monthly Reporting (Please send the reports to the e-mail address of your principal regulator only- Attention: UN Reports)

Alberta
Alberta Securities Commission
Web: www.albertasecurities.com
Questions: registration@asc.ca
E-mail to: unreports@asc.ca

British Columbia
British Columbia Securities Commission
Web: www.bcsc.bc.ca
Questions: 604 899-6667
E-mail to: mstreport@bcsc.bc.ca

Manitoba
The Manitoba Securities Commission
Web: www.msc.gov.mb.ca
Questions: 204-945-5195 or paula.white@gov.mb.ca
E-mail to: unreports@gov.mb.ca

New Brunswick
New Brunswick Securities Commission
Web: www.nbsc-cvmnb.ca
Questions: 506 658 3060
E-mail to: nrs@nbsc-cvmnb.ca

Newfoundland and Labrador
Securities NL
Financial Services Regulation Division
Department of Government Services
Web: www.gs.gov.nl.ca
Questions: 709 729-0959
E-mail to: scon@gov.nl.ca

Northwest Territories
Government of the Northwest Territories
Office of Superintendent of Securities
Department of Justice
Web: www.justice.gov.nt.ca/SecuritiesRegistry
Questions: 867 920- 3318
E-Mail to: SecuritiesRegistries@gov.nt.ca

Nova Scotia
Nova Scotia Securities Commission
Web: www.gov.ns.ca/nssc/
Questions: 902 424-4592
E-mail to: MURPHYBW@gov.ns.ca

Nunavut
Government of Nunavut
Office of Superintendent of Securities
Department of Justice
Web: www.justice.gov.nu.ca
Questions: 867 975-6590
E-mail to: theffernan@gov.nu.ca
or CorporateRegistrations@gov.nu.ca

Ontario
Ontario Securities Commission
Web: www.osc.gov.on.ca
Questions: 416 593-8314 or 1-877-785-1555
E-mail to: UNReports@osc.gov.on.ca

Prince Edward Island
Superintendent of Securities
Office of the Attorney General
Web: www.gov.pe.ca/securities
Questions: 902 368-4542
E-mail to: kptummon@gov.pe.ca

Québec
Autorité des marchés financiers
Web : www.lautorite.qc.ca
Questions: 1 877 525-0337 Ext 4748
E-mail to: Sylvie.Lacroix@lautorite.qc.ca

Saskatchewan
Saskatchewan Financial Services Commission
Web: www.sfsc.gov.sk.ca
Questions: 306 787-9397
E-mail to: registrationsfsc@gov.sk.ca

Yukon
Department of Community Services Yukon
Corporate Affairs (C-6)
Superintendent of Securities
Web:www.community.gov.yk.ca/corp/secureinvest.html
Questions: 867 667-5225
E-mail to: corporateaffairs@gov.yk.ca

CSA/ACVM Canadian Securities Administrators Autorités canadiennes en valeurs mobilières

CONFIDENTIAL when completed

Revised April 16, 2010

Monthly Suppression of Terrorism and UN Sanctions Report

Suppression of Terrorism - Report under section 83.11 of the Criminal Code of Canada (Criminal Code) and section 7 of the Regulations Implementing the United Nations Resolutions on the Suppression of Terrorism (UN SupTerror) and section 5.1 of the United Nations Al-Qaida and Taliban Regulations (UN Al-Qaida)

and

UN Sanctions - Report under subsection 11(2) of the Regulations Implementing the United Nations Resolution on Iran (UN Iran) or subsection 11(2) of the Regulations Implementing the United Nations Resolution on the Democratic People's Republic of Korea (UN NKorea)

Name of Registrant/Exempt International Firm:	Date of filing of this report: ____/____/____ (dd / (mm) / yy)
Address:	Monthly period covered in this report: ____/____/____ (see Note 2) (dd / (mm) / yy) to ____/____/____ (dd / (mm) / yy)

Type of Registration or Exempt International Firm: (check all applicable categories):	☐ Exempt Market Dealer ☐ International Adviser (Exempt) ☐ International Dealer (Exempt) ☐ Investment Dealer ☐ Investment Fund Manager ☐ Mutual Fund Dealer ☐ Portfolio Manager ☐ Restricted Dealer ☐ Restricted Portfolio Manager ☐ Scholarship Plan Dealer ☐ Other _____
If you have a POSITIVE REPORT to file, check "YES", then fill out page three of this form, sign the certificate section at page 4 and file this report. Yes ☐ The above Registrant has accounts in the name of a Designated Person*, or has contracts with a Designated Person, or possesses or controls property that is owned or controlled by or on behalf of a Designated Person. *Please refer to the definitions at page 3 for the definition of "Designated Person".	**If you have a NIL REPORT to file, check "NO", then sign the certificate section below and file this report.** No ☐ The above Registrant does not have an account in the name of a Designated Person*, or have a contract with a Designated Person, or possess or control property that is owned or controlled by or on behalf of a Designated Person. *Please refer to the definitions at page 3 for the definition of "Designated Person".

Certificate

The Undersigned certifies that, to the best of his/her knowledge, and after having made reasonable enquires, the information contained in this report is correct.

Name	**Signature**	**Title**	**Telephone**	**Date (dd/mm/yyyy):**

If you have checked the "Yes" box above, please complete the table below and the certificate at the end of this form.

Definitions:

- "Number of Accounts" means the number of accounts, policies or contracts associated with a Designated Person.
- "Designated Person", for purposes of the Suppression of Terrorism report, refers to the persons and entities listed as of the end of the month prior to the date of the report. The listing consists of the names of listed entities under the Criminal Code, listed persons under the UN SupTerror and those persons and entities covered by the UN Al-Qaida which have been combined into the list currently posted on the Office of the Superintendent of Financial Institutions (OSFI) website: http://www.osfi-bsif.gc.ca . For purposes of the UN Sanctions report, "Designated Person" has the meaning assigned to it under section 1 of the UN Iran (see list of Designated Persons under the UN Iran, on the OSFI website) or section 1 of the UN NKorea (see list of Designated Persons under the UN NKorea on the OSFI website)
- "Property" has the meaning assigned to it under the Criminal Code, the UN SupTerror and the UN Al-Qaida, and under section 1 of the UN Iran and section 1 of UN NKorea and includes assets under administration (both discretionary and non-discretionary).

SUMMARY OF PROPERTY (see Note 3)

Type of Property	Number of Accounts (see Note 2)		Property Value (Canadian $) (see Note 3)	
	Suppression of Terrorism (combined list for Criminal Code, UN SupTerror and UN Al-Qaida)	UN Sanctions (list $ for UN Iran and UN NKorea)	Suppression of Terrorism (combined list for Criminal Code, UN SupTerror and UN Al-Qaida)	UN Sanctions (list $ for UN Iran and UN NKorea)
Cash, cash equivalents, demand and term deposits				
Securities (bonds, debentures, commercial paper, treasury bills, mutual fund units, scholarship plan units, common and preferred shares and derivatives).				
Loans (including, mortgages, overdrafts, credit card balances, term loans, lines of credit and other indebtedness)				
Annuities (cash surrender value/monthly income)				
Life insurance policies				
Property & casualty insurance policies (policy limit)				
Other property, including real estate				
Total	0	0	$0.00	$0.00

Certificate

The Undersigned certifies that, to the best of his/her knowledge, and after having made reasonable enquires, the information contained in this report is correct, any property summarized has been frozen and the relevant account details have been reported to the Royal Canadian Mounted Police and the Canadian Security Intelligence Service and, if applicable, the Financial Transactions and Reports Analysis Centre of Canada, and in respect of any foreign operations, to foreign law enforcement officials, as appropriate.

Name	Signature	Title	Telephone	Date (dd/mm/yyyy)

Instructions:

This report must be filed by every entity that is authorized under provincial legislation to engage in the business of dealing in securities, or to provide portfolio management or investment counselling services ("Registrants") (see Note 1). The report must be sent to the e-mail address that has been set up to receive these reports of your principal regulator no later than the fourteenth (14th) day of each calendar month. Please see Appendix A of this form for the e-mail address designated by each of the CSA regulators for this purpose. If such day falls on Saturday, Sunday or statutory holiday, the report is due on the next business day. The reporting month is the month on which the report is based (e.g. for the report due on December 14, the reporting month would be November). You must review your records on a continuing basis for any dealing with Designated Persons. You must consult the updated combined list of names for UN SupTerror and the list of names under the UN Iran and UN NKorea, posted on the OSFI website http://www.osfi-bsif.gc.ca before filing the report.

Notes:

These Notes are provided as general information only. They do not constitute legal advice, and are not intended to replace the laws referred to in this report. You should refer to these laws for full details regarding your obligations.

1. The information required in this report is required pursuant to section 83.11 the *Criminal Code*, section 7 of the UN SupTerror, section 5.1 of the UN Al-Qaida, and subsection 11(2) of the UN Iran and subsection 11(2) of the UN NKorea. Reports must be filed by all entities authorized under provincial legislation to engage in the business of dealing in securities or to provide portfolio management or investment counselling services. Members of the Investment Industry Regulatory Organization of Canada (IIROC) are requested to use the appropriate reporting forms issued by, and file those forms with, IIROC.

2. All reports must cover continuous dates and there must be no gaps in the reporting periods starting with the first day of each month and ending with the last day. The report is cumulative; therefore, you must continue to include information reported in a previous report, provided that the information remains unchanged.
3. All amounts must be stated in Canadian dollars. NOTE: If the original amount of the property frozen is denominated in a currency other than Canadian dollars, then the Canadian dollar equivalent should be reported using the same rate of exchange that was in effect on the date that the property was originally frozen and reported to law enforcement.
4. You must include information from any branches located outside Canada.
5. This is an aggregate report of dealings that Registrants have with Designated Persons. Do not append personal information or account or policy information. Such information must be directed to the Royal Canadian Mounted Police, the Canadian Security Intelligence Service, and if applicable, the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) and, in respect of any foreign operations, to foreign law enforcement officials.
6. If there are no assets frozen, you may file a NIL report by checking the "No" box on page 2 to confirm this. This includes situations where you may be seeking clarification from the authorities about whether an account holder is in fact a Designated Person; in other words you may file a NIL report where you have not made a determination that you are dealing with a Designated Person. There is no need to report numbers of accounts where you are still seeking clarification from the authorities.

Reminder: Section 83.1 of the *Criminal Code*, section 8 of the UN SupTerror, section 5.2 of the UN Al-Qaida, section 12 of the UN Iran and section 12 of the UN NKorea require every person in Canada and every Canadian outside of Canada to disclose forthwith to the Commissioner of the Royal Canadian Mounted Police and the Director of the Canadian Security Intelligence Service (a) the existence of property in their possession or control that they know or have reason to believe is owned or controlled by or on behalf of a Designated Person, and (b) information about a transaction or proposed transaction in respect of a property in their possession or control that they know or have reason to believe is owned or controlled by or on behalf of a Designated Person. In addition, under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*, persons subject to Part 1 of that Act are also required to report to the FINTRAC.

Appendix A

List of CSA Regulators E-mail Addresses, Websites, and inquiry details for Monthly Reporting
(Please send the reports to the e-mail address of your principal regulator only- Attention: UN Reports)

Alberta
Alberta Securities Commission
Web: www.albertasecurities.com
Questions: registration@asc.ca
E-mail to: unreports@asc.ca

British Columbia
British Columbia Securities Commission
Web: www.bcsc.bc.ca
Questions: 604 899-6667
E-mail to: mstreport@bcsc.bc.ca

Manitoba
The Manitoba Securities Commission
Web: www.msc.gov.mb.ca
Questions: 204-945-5195 or paula.white@gov.mb.ca
E-mail to: unreports@gov.mb.ca

New Brunswick
New Brunswick Securities Commission
Web: www.nbsc-cvmnb.ca
Questions: 506 658 3060
E-mail to: nrs@nbsc-cvmnb.ca

Newfoundland and Labrador
Securities NL
Financial Services Regulation Division
Department of Government Services
Web: www.gs.gov.nl.ca
Questions: 709 729-0959
E-mail to: scon@gov.nl.ca

Northwest Territories
Government of the Northwest Territories
Office of Superintendent of Securities
Department of Justice
Web: www.justice.gov.nt.ca/SecuritiesRegistry
Questions: 867 920- 3318
E-Mail to: SecuritiesRegistries@gov.nt.ca

Nova Scotia
Nova Scotia Securities Commission
Web: www.gov.ns.ca/nssc/
Questions: 902 424-4592
E-Mail to: MURPHYBW@gov.ns.ca

Nunavut
Government of Nunavut
Office of Superintendent of Securities
Department of Justice
Web: www.justice.gov.nu.ca
Questions: 867 975-6590
E-mail to: theffernan@gov.nu.ca
or CorporateRegistrations@gov.nu.ca

Ontario
Ontario Securities Commission
Web: www.osc.gov.on.ca
Questions: 416 593-8314 or 1-877-785-1555
E-mail to: UNReports@osc.gov.on.ca

Prince Edward Island
Superintendent of Securities
Office of the Attorney General
Web: www.gov.pe.ca/securities
Questions: 902 368-4542
E-mail to: kptummon@gov.pe.ca

Québec
Autorité des marchés financiers
Web www.lautorite.qc.ca
Questions: 1 877 525-0337 Ext 4748
E-mail to: Sylvie.Lacroix@lautorite.qc.ca

Saskatchewan
Saskatchewan Financial Services Commission
Web: www.sfsc.gov.sk.ca
Questions: 306 787-9397
E-mail to: registrationsfsc@gov.sk.ca

Yukon
Department of Community Services Yukon
Corporate Affairs (C-6)
Superintendent of Securities
Web:www.community.gov.yk.ca/corp/secureinvest.html
Questions: 867 667-5225
E-mail to: corporateaffairs@gov.yk.ca

1.2 Notices of Hearing

1.2.1 Ameron Oil and Gas Ltd. and MX-IV, Ltd. – ss. 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
AMERON OIL AND GAS LTD.
AND MX-IV, LTD.

NOTICE OF HEARING
Sections 127(7) and 127(8)

WHEREAS on April 6, 2010, the Ontario Securities Commission (the "Commission") issued a temporary order pursuant to sections 127(1) and 127(5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") ordering: that all trading in the securities of MX-IV, Ltd. shall cease; that Ameron Oil and Gas Ltd. and MX-IV, Ltd. and their representatives cease trading in all securities; and that any exemptions contained in Ontario securities law do not apply to Ameron Oil and Gas Ltd. and MX-IV, Ltd. (the "Temporary Order");

TAKE NOTICE THAT the Commission will hold a hearing pursuant to subsections 127(7) and (8) of the Act at the offices of the Commission, 20 Queen Street West, 17th Floor, commencing on April 20, 2010 at 2:00 p.m., or as soon thereafter as the hearing can be held;

TO CONSIDER whether it is in the public interest for the Commission:

(i) to extend the Temporary Order pursuant to subsections 127(7) and (8) of the Act until the conclusion of the hearing, or until such further time as considered necessary by the Commission;

(ii) to make such further orders as the Commission considers appropriate;

BY REASON OF the facts recited in the Temporary Order and of such allegations and evidence as counsel may advise and the Commission may permit;

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

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

DATED at Toronto this 8th day of April, 2010.
"John Stevenson"
Secretary to the Commission

1.2.2 Chartcandle Investments Corporation et al. – ss. 127, 127.1

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

AND

IN THE MATTER OF
CHARTCANDLE INVESTMENTS CORPORATION,
CCI FINANCIAL, LLC, CHARTCANDLE INC.,
PSST GLOBAL CORPORATION,
STEPHEN MICHAEL CHESNOWITZ AND
CHARLES PAULY

NOTICE OF HEARING
(Sections 127 and 127.1)

TAKE NOTICE that the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to sections 127 and 127.1 of the *Securities Act*, at the offices of the Commission, 20 Queen Street West, 17th Floor, Toronto on April 26, 2010 at 11:30 am or as soon thereafter as the hearing can be held.

AND TAKE NOTICE that the purpose of the hearing is for the Commission to consider whether it is in the public interest to approve the settlement of the proceeding entered into between Staff of the Commission and the Respondent Charles Pauly.

BY REASON OF the allegations set out in the Statement of Allegations dated February 17, 2010 and such additional allegations as counsel may advise and the Commission may permit;

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

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

DATED at Toronto this 8th day of April, 2010

"John Stevenson"
Secretary to the Commission

1.2.3 QuantFX Asset Management Inc. et al. – ss. 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
QUANTFX ASSET MANAGEMENT INC.,
VADIM TSATSKIN, LUCIEN SHTROMVASER AND
ROSTISLAV ZEMLINSKY

NOTICE OF HEARING
Sections 127(7) and 127(8)

WHEREAS on April 9, 2010, the Ontario Securities Commission (the "Commission") issued a temporary order pursuant to sections 127(1) and 127(5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") ordering the following (the "Temporary Order"):

(i) that QuantFX Asset Management Inc. ("QuantFX"), Vadim Tsatskin ("Tsatskin"), Lucien Shtromvaser ("Shtromvaser") and Rostislav Zemlinsky ("Zemlinksy") cease trading in all securities; and

(ii) that any exemptions contained in Ontario securities law do not apply to QuantFX, Tsatskin, Shtromvaser and Zemlinsky (the "Temporary Order");

TAKE NOTICE THAT the Commission will hold a hearing pursuant to subsections 127(7) and (8) of the Act at the offices of the Commission, 20 Queen Street West, 17th Floor, commencing on April 23, 2010 at 12 noon, or as soon thereafter as the hearing can be held;

TO CONSIDER whether it is in the public interest for the Commission:

(i) to extend the Temporary Order pursuant to subsections 127(7) and (8) of the Act until the conclusion of the hearing, or until such further time as considered necessary by the Commission;

(ii) to make such further orders as the Commission considers appropriate;

BY REASON OF the facts recited in the Temporary Order and of such allegations and evidence as counsel may advise and the Commission may permit;

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

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

DATED at Toronto this 13th day of April, 2010.

"John Stevenson"
Secretary to the Commission

1.2.4 Christina Harper et al. – ss. 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
CHRISTINA HARPER, HOWARD RASH,
MICHAEL SCHAUMER, ELLIOT FEDER,
VADIM TSATSKIN, ODED PASTERNAK,
ALAN SILVERSTEIN, HERBERT GROBERMAN,
ALLAN WALKER, PETER ROBINSON,
VYACHESLAV BRIKMAN, NIKOLA BAJOVSKI,
BRUCE COHEN AND ANDREW SCHIFF

NOTICE OF HEARING
Sections 127(7) and 127(8)

WHEREAS on April 7, 2010, the Ontario Securities Commission (the "Commission") issued a temporary order pursuant to sections 127(1) and 127(5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") ordering the following (the "Temporary Order"):

(i) that Christina Harper, Howard Rash, Michael Schaumer, Elliot Feder, Vadim Tsatskin, Oded Pasternak, Alan Silverstein, Herbert Groberman, Allan Walker, Peter Robinson, Vyacheslav Brikman, Nikola Bajovski, Bruce Cohen and Andrew Schiff (collectively, the "Respondents") shall cease trading in all securities; and

(ii) that any exemptions contained in Ontario securities law do not apply to the Respondents.

TAKE NOTICE THAT the Commission will hold a hearing pursuant to subsections 127(7) and (8) of the Act at the offices of the Commission, 20 Queen Street West, 17th Floor, commencing on April 20, 2010 at 3:00 p.m., or as soon thereafter as the hearing can be held;

TO CONSIDER whether it is in the public interest for the Commission:

(i) to extend the Temporary Order pursuant to subsections 127(7) and (8) of the Act until the conclusion of the hearing, or until such further time as considered necessary by the Commission; and

(ii) to make such further orders as the Commission considers appropriate;

BY REASON OF the facts recited in the Temporary Order and of such allegations and evidence as counsel may advise and the Commission may permit;

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

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

DATED at Toronto this 14th day of April, 2010.

"John Stevenson"
Secretary to the Commission

1.3 News Releases

1.3.1 Canadian Securities Regulators Make Proposals to Improve Issuer Communications with Investors

FOR IMMEDIATE RELEASE
April 9, 2010

CANADIAN SECURITIES REGULATORS
MAKE PROPOSALS TO IMPROVE
ISSUER COMMUNICATIONS WITH INVESTORS

Toronto – The Canadian Securities Administrators (CSA) today published for comment proposed amendments to National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*, the related companion policy, and related instruments.

The proposed amendments aim to improve procedures for issuer communications with investors who hold securities through intermediaries such as dealers, trust companies or banks.

The key aspects of the proposed amendments include:

- The introduction of the "notice-and-access" process, in which reporting issuers have the option of sending investors a notice informing them that the information circular and other proxy-related materials are available on the Internet instead of sending the information circular by mail.
- Enhanced disclosure regarding the beneficial owner voting process.
- Simplification of the beneficial owner proxy-appointment process.

"The proposed amendments are intended to improve how issuers communicate with these investors," said Jean St-Gelais, Chair of the CSA and President & Chief Executive Officer of the Autorité des marchés financiers (Québec). "The proposals would modernize the communications options for issuers and enable investors to receive certain materials electronically."

Copies of the proposed rule amendments and additional background information are available on the websites of CSA members. The comment period is open until August 31, 2010.

The CSA, the council of the securities regulators of Canada's provinces and territories, co-ordinates and harmonizes regulation for the Canadian capital markets.

For more information:

Theresa Ebden
Ontario Securities Commission
416-593-8307

Mark Dickey
Alberta Securities Commission
403-297-4481

Ainsley Cunningham
Manitoba Securities Commission
204-945-4733

Natalie MacLellan
Nova Scotia Securities Commission
902-424-8586

Janice Callbeck
PEI Securities Office
Office of the Attorney General
902-368-6288

Fred Pretorius
Yukon Securities Registry
867-667-5225

Sylvain Théberge
Autorité des marchés financiers
514-940-2176

Brenda Lea Brown
British Columbia Securities Commission
604-899-6554

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

Barbara Shourounis
Saskatchewan Financial Services Commission
306-787-5842

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

Louis Arki
Nunavut Securities Office
867-975-6587

Donn MacDougall
Northwest Territories
Securities Office
867-920-8984

1.4 Notices from the Office of the Secretary

1.4.1 IBK Capital Corp. and William F. White

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
IBK CAPITAL CORP. AND
WILLIAM F. WHITE

TORONTO – The Commission issued an Order in the above named matter which provides that the pre-hearing conference scheduled for April 8, 2010 at 10:00 a.m. is adjourned to April 20, 2010 at 10:00 a.m.

A copy of the Order dated April 7, 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 Robert Joseph Vanier (a.k.a. Carl Joseph Gagnon)

FOR IMMEDIATE RELEASE
April 8, 2010

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

AND

IN THE MATTER OF
ROBERT JOSEPH VANIER
(a.k.a. CARL JOSEPH GAGNON)

TORONTO – The Commission issued an Order which provides that the hearing is adjourned to April 9, 2010 at 2:30 p.m.

A copy of the Order dated April 8, 2010 is available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

For media inquiries:

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Director, Communications & Public Affairs
416-593-8120

Theresa 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)

1.4.3 Ameron Oil and Gas Ltd. and MX-IV, Ltd.

FOR IMMEDIATE RELEASE
April 8, 2010

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

AND

IN THE MATTER
AMERON OIL AND GAS LTD.
AND MX-IV, LTD.

TORONTO – The Office of the Secretary issued a Notice of Hearing setting the matter down to be heard on April 20, 2010 at 2:00 p.m. to consider whether it is in the public interest for the Commission:

(1) to extend the Temporary Order pursuant to subsections 127(7) and (8) of the Act until the conclusion of the hearing, or until such further time as considered necessary by the Commission; and

(2) to make such further orders as the Commission considers appropriate.

A copy of the Notice of Hearing dated April 8, 2010 and Temporary Order dated April 6, 2010 are available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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

1.4.4 Teodosio Vincent Pangia

FOR IMMEDIATE RELEASE
April 8, 2010

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

AND

IN THE MATTER OF
TEODOSIO VINCENT PANGIA

TORONTO – The Commission issued an Order approving the Settlement Agreement reached between Staff of the Commission and Teodosio Vincent Pangia.

A copy of the Order dated April 8, 2010 with the Settlement Agreement attached as Schedule “A” is available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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

1.4.5 Chartcandle Investments Corporation et al.

FOR IMMEDIATE RELEASE
April 9, 2010

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

AND

IN THE MATTER OF
CHARTCANDLE INVESTMENTS CORPORATION,
CCI FINANCIAL, LLC, CHARTCANDLE INC.,
PSST GLOBAL CORPORATION,
STEPHEN MICHAEL CHESNOWITZ AND
CHARLES PAULY

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 of the proceeding entered into by Staff of the Commission and the Respondent Charles Pauly. The hearing will be held on April 26, 2010 at 11:30 a.m. in Hearing Room B on the 17th floor of the Commission's offices located at 20 Queen Street West, Toronto.

A copy of the Notice of Hearing dated April 8, 2010 is available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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

1.4.6 Robert Joseph Vanier (a.k.a. Carl Joseph Gagnon)

FOR IMMEDIATE RELEASE
April 9, 2010

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

AND

IN THE MATTER OF
ROBERT JOSEPH VANIER
(a.k.a. CARL JOSEPH GAGNON)

TORONTO – The Commission issued an Order which provides that the hearing is adjourned to April 12, 2010 at 3:30 p.m.

A copy of the Order dated April 9, 2010 is available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

For media inquiries:

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1.4.7 Brilliante Brasilcan Resources Corp. et al.

FOR IMMEDIATE RELEASE
April 13, 2010

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

AND

IN THE MATTER
BRILLIANTE BRASILCAN RESOURCES CORP.,
YORK RIO RESOURCES INC.,
BRIAN W. AIDELMAN, JASON GEORGIADIS,
RICHARD TAYLOR AND VICTOR YORK

TORONTO – The Commission issued an Order in the above named matter which provides that (1) pursuant to subsection 127(8) of the Act that the hearing is adjourned to June 10, 2010 at 2:00 p.m.; and (2) pursuant to subsection 127(8) of the Act that the Amended Temporary Order is extended until close of business on June 11, 2010, subject to further extension by order of the Commission.

A copy of the Order dated April 13, 2010 is available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

For media inquiries:

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416-593-2315

For investor inquiries:

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

1.4.8 York Rio Resources Inc. et al.

FOR IMMEDIATE RELEASE
April 13, 2010

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

AND

IN THE MATTER
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

TORONTO – The Commission issued an Order in the above named matter which provides that the hearing is adjourned to June 10, 2010 at 2:00 p.m. or such other date as is agreed to by the parties and determined by the Office of the Secretary.

A copy of the Order dated April 13, 2010 is available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

For media inquiries:

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Robert Merrick
Senior Communications Specialist
416-593-2315

For investor inquiries:

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

1.4.9 Robert Joseph Vanier (a.k.a. Carl Joseph Gagnon)

FOR IMMEDIATE RELEASE
April 12, 2010

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

AND

IN THE MATTER OF
ROBERT JOSEPH VANIER
(a.k.a. CARL JOSEPH GAGNON)

TORONTO – The Commission issued an Order which provides that a pre-hearing conference shall be held on May 10, 2010 at 10:00 a.m. or as soon thereafter as may be fixed by the Secretary to the Commission and agreed to by the parties.

A copy of the Order dated April 12, 2010 and the Undertaking are available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

For media inquiries:

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1-877-785-1555 (Toll Free)

1.4.10 Abel Da Silva

FOR IMMEDIATE RELEASE
April 13, 2010

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

AND

IN THE MATTER OF
ABEL DA SILVA

TORONTO – The Commission issued an Order today which provides that the hearing with respect to the Notice of Hearing dated October 21st, 2008 and Staff's Statement of Allegations dated October 20th, 2008 is adjourned to June 30, 2010 at 9:30 a.m.

A copy of the Order dated April 13, 2010 is available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

For media inquiries:

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For investor inquiries:

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

1.4.11 Uranium308 Resources Inc. et al.

FOR IMMEDIATE RELEASE
April 13, 2010

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

AND

IN THE MATTER OF
URANIUM308 RESOURCES INC.,
MICHAEL FRIEDMAN, GEORGE SCHWARTZ,
PETER ROBINSON, AND SHAFI KHAN

TORONTO – The Commission issued an Order in the above named matter which provides that (1) pursuant to subsection 127(8) of the Act, the Temporary Order is extended as against U308 Inc., Friedman, Schwartz, Robinson, and U308 Plc. to July 2, 2010; and (2) the hearing with respect to the Notice of Hearing dated March 2, 2010 and with respect to the Temporary Order is adjourned to June 30, 2010, at 10:00 a.m. at which time a pre-hearing conference will be held.

A copy of the Order dated April 13, 2010 is available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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For investor inquiries:

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1-877-785-1555 (Toll Free)

1.4.12 Peter Robinson and Platinum International Investments Inc.

FOR IMMEDIATE RELEASE
April 13, 2010

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

AND

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

TORONTO – The Commission issued an Order in the above named matter which provides that (1) pursuant to subsection 127(8) of the Act, the Temporary Cease Trade Order is extended until June 11, 2010; and (2) the hearing with respect to this matter is adjourned to June 10, 2010, at 3:00 p.m. at which time a pre-hearing conference will be held.

A copy of the Order dated April 13, 2010 is available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

For media inquiries:

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Robert Merrick
Senior Communications Specialist
416-593-2315

For investor inquiries:

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

1.4.13 Innovative Gifting Inc. et al.

FOR IMMEDIATE RELEASE
April 13, 2010

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

AND

IN THE MATTER OF
INNOVATIVE GIFTING INC.,
TERENCE LUSHINGTON,
Z2A CORP., AND CHRISTINE HEWITT

TORONTO – The Commission issued an Order in the above named matter which provides that (1) pursuant to subsection 127(8) of the Act, the Temporary Order is extended as against IGI until July 22, 2010; and (2) the hearing with respect to the Notice of Hearing dated March 2, 2010 and with respect to the Temporary Order is adjourned to July 21, 2010, at 10:00 a.m. at which time a pre-hearing conference will be held.

A copy of the Order dated April 13, 2010 is available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

For media inquiries:

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1-877-785-1555 (Toll Free)

1.4.14 QuantFX Asset Management Inc. et al.

FOR IMMEDIATE RELEASE
April 14, 2010

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

AND

IN THE MATTER OF
QUANTFX ASSET MANAGEMENT INC.,
VADIM TSATSKIN, LUCIEN SHTROMVASER AND
ROSTISLAV ZEMLINSKY

TORONTO – The Office of the Secretary issued a Notice of Hearing setting the matter down to be heard on April 23, 2010 at 12:00 p.m. to consider whether it is in the public interest for the Commission:

(1) to extend the Temporary Order pursuant to subsections 127(7) and (8) of the Act until the conclusion of the hearing, or until such further time as considered necessary by the Commission; and

(2) to make such further orders as the Commission considers appropriate.

A copy of the Notice of Hearing dated April 13, 2010 and Temporary Order dated April 9, 2010 are available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

For media inquiries:

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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)

1.4.15 Christina Harper et al.

FOR IMMEDIATE RELEASE
April 14, 2010

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

AND

IN THE MATTER OF
CHRISTINA HARPER, HOWARD RASH,
MICHAEL SCHAUMER, ELLIOT FEDER,
VADIM TSATSKIN, ODED PASTERNAK,
ALAN SILVERSTEIN, HERBERT GROBERMAN,
ALLAN WALKER, PETER ROBINSON,
VYACHESLAV BRIKMAN, NIKOLA BAJOVSKI,
BRUCE COHEN AND ANDREW SCHIFF

TORONTO – The Office of the Secretary issued a Notice of Hearing setting the matter down to be heard on April 20, 2010 at 3:00 p.m. to consider whether it is in the public interest for the Commission:

(1) to extend the Temporary Order pursuant to subsections 127(7) and (8) of the Act until the conclusion of the hearing, or until such further time as considered necessary by the Commission; and

(2) to make such further orders as the Commission considers appropriate.

A copy of the Notice of Hearing dated April 14, 2010 and Temporary Order dated April 7, 2010 are available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

For media inquiries:

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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)

1.4.16 Roy Michael Steplock

FOR IMMEDIATE RELEASE
April 13, 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 – Following a hearing in the above named matter, the Commission issued an Order approving the Settlement Agreement reached between Staff of the Commission and Roy Michael Steplock.

A copy of the Order dated April 12, 2010 and the Settlement Agreement dated April 7, 2010 attached as Schedule "A" are available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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416-593-2315

For investor inquiries:

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

1.4.17 Christopher Joseph Geddes

FOR IMMEDIATE RELEASE
April 13, 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 – Following a hearing in the above named matter, the Commission issued an Order approving the Settlement Agreement reached between Staff of the Commission and Christopher Joseph Geddes.

A copy of the Order dated April 12, 2010 and the Settlement Agreement dated April 8, 2010 attached as Schedule "A" are available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

For media inquiries:

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416-593-8307

Robert Merrick
Senior Communications Specialist
416-593-2315

For investor inquiries:

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

1.4.18 Edward John Holko

FOR IMMEDIATE RELEASE
April 13, 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 – Following a hearing in the above named matter, the Commission issued an Order approving the Settlement Agreement reached between Staff of the Commission and Edward John Holko.

A copy of the Order dated April 12, 2010 and the Settlement Agreement dated April 8, 2010 attached as Schedule "A" are available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

For media inquiries:

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Robert Merrick
Senior Communications Specialist
416-593-2315

For investor inquiries:

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

1.4.19 Ralph James Tersigni

FOR IMMEDIATE RELEASE
April 13, 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 – Following a hearing in the above named matter, the Commission issued an Order approving the Settlement Agreement reached between Staff of the Commission and Ralph James Tersigni.

A copy of the Order dated April 12, 2010 and the Settlement Agreement dated April 7, 2010 attached as Schedule "A" are available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

For media inquiries:

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Robert Merrick
Senior Communications Specialist
416-593-2315

For investor inquiries:

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Extorre Gold Mines Limited

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – application for relief from the qualification criteria in National Instrument 44-101 Short Form Prospectus Distributions to permit an issuer to file a prospectus in the form of a short form prospectus – issuer is a new reporting issuer that is the continuation of an existing business – information circular concerning the spin-out transaction contained prospectus-level disclosure of the issuer – issuer will file an annual report which will contain financial statements of the existing business – issuer will incorporate by reference the financial statements of the existing business and the annual report into any prospectus the issuer files before it files its first annual financial statements – relief granted, subject to conditions.

Applicable Legislative Provisions

National Instrument 44-101 Short Form Prospectus Distributions, ss. 2.1, 2.2, 8.1.

March 29, 2010

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

AND

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

AND

IN THE MATTER OF
EXTORRE GOLD MINES LIMITED
(the Filer)

DECISION

Background

1 The securities regulatory authority or regulator in each of the Jurisdictions (Decision Maker) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) exempting the Filer from the qualification criteria requirement in paragraph 2.2(d)(i) of National Instrument 44-101 *Short Form Prospectus Distributions* (NI 44-101) that the Filer have current annual financial statements in at least one jurisdiction in which it is a reporting issuer (the Exemption Sought).

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

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

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

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

Interpretation

2 Terms defined in National Instrument 14-101 *Definitions*, MI 11-102 and National Instrument 44-101 *Short Form Prospectus Distributions* have the same meaning if used in this decision, unless otherwise defined.

Representations

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

1. Exeter Resource Corporation (Exeter) is a corporation that was incorporated on February 10, 1984 under the *Company Act* (British Columbia) and subsequently transitioned under the *Business Corporations Act* (British Columbia) (the BC Act); the head office of Exeter is located in Vancouver, British Columbia;

2. Exeter has authorized capital consisting of 100,000,000 common shares without par value (Exeter Common Shares), of which 74,437,898 Exeter Common Shares were outstanding as at February 25, 2010;

3. Exeter is a "reporting issuer" within the meaning of applicable securities legislation in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and New Brunswick;

4. the Exeter Common Shares are listed on the Toronto Stock Exchange (the TSX), the NYSE-Amex stock exchange (NYSE-AMEX) and the Frankfurt Stock Exchange;

5. the Filer is a corporation that was incorporated on December 21, 2009 under the *Canada Business Corporations Act*. The head office of the Filer is located in Vancouver, British Columbia;

6. on March 23, 2010 (the Effective Date), Exeter and the Filer completed a "spin out" transaction (the Transaction) by way of plan of arrangement under the BC Act, pursuant to which, among other things:

   (a) the Exeter Common Shares were replaced by new common shares of Exeter (New Common Shares) and Exeter's authorized share capital now consists of an unlimited number of New Common Shares;

   (b) a series of share exchanges took place resulting in the shareholders of Exeter (the Shareholders) (other than dissenting Shareholders) holding one New Common Share and one common share of the Filer (Extorre Common Shares) for each Exeter Common Share held at the Effective Date; and

   (c) Exeter's wholly owned British Virgin Islands subsidiaries, Estelar Resources Limited and Cognito Limited, which held Exeter's Argentine assets including cash, working capital balances and interests in a number of precious and base metal projects (the Argentine Business), were transferred to the Filer;

7. the Transaction received the favourable vote of 99.83% of the Shareholders and approval of the Supreme Court of British Columbia;

8. on the Effective Date, 74,755,898 New Common Shares and 74,755,898 Extorre Common Shares were outstanding;

9. Exeter filed an information circular dated February 6, 2010 with respect to the Transaction (the Circular), which includes prospectus level disclosure on the Filer as required by section 14.2 of Form 51-102F5;

10. the Circular includes:

    (a) audited financial statements of the Filer for the period from December 21, 2009 (the date of incorporation) until December 31, 2009;

    (b) a pro forma balance sheet of the Filer as at December 31, 2009 and pro forma statements of loss and comprehensive loss for the years ended December 31, 2009 and 2008; and

    (c) audited consolidated financial statements of the Argentine Business for the nine months ended September 30, 2009 and the years ended December 31, 2008 and 2007;

11. the Circular also incorporates by reference audited annual financial statements of Exeter for the years ended December 31, 2008 and December 31, 2007;

12. on the Effective Date, the Filer became a "reporting issuer" within the meaning of applicable securities legislation in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and New Brunswick;

13. the Filer has authorized capital consisting of an unlimited number of Extorre Common Shares, of which 74,755,898 Extorre Common Shares are outstanding;

14. the Filer is an electronic filer under National Instrument 13-101 *System for Electronic Document Analysis and Retrieval*;

15. the Extorre Common Shares are listed on the TSX;

16. the Filer intends to apply to list its common shares on the OTCQX exchange and subsequently on the NYSE-AMEX;

17. the Filer is seeking to have the Extorre Common Shares registered under the United States Securities Exchange Act of 1934, as amended (the Exchange Act), by filing an annual report on Form 20-F (the Annual Report) in the United States;

18. the Annual Report will include all disclosure required in a registration statement filed in Form 20-F and will also include

    (a) financial statements of the Argentine Business for the years ended December 31, 2009, 2008, and 2007 (the Argentine Business Financial Statements), and

    (b) disclosure of the Argentine Business as if the Argentine Business were the "company" for the purposes of Form 20-F;

19. once the Extorre Common Shares are registered in the United States under the Exchange Act and the Filer files the Annual Report in the Jurisdictions, the Annual Report will constitute a current AIF for the purposes of NI 44-101;

20. the Filer has filed with the securities regulatory authority or regulator in each of the jurisdictions in which it is a reporting issuer all periodic and timely disclosure documents required under the securities laws of those jurisdictions;

21. the Filer has not been exempted from the requirement of the applicable continuous disclosure rule to file annual financial statements and the Filer has not yet been required under such continuous disclosure rule to file such financial statements;

22. the Filer meets all of the basic qualification criteria in section 2.2 of NI 44-101, other than paragraph 2.2(d).

23. the Filer would like to be eligible to carry out a short form prospectus offering pursuant to NI 44-101 as soon as possible following the Effective Date; and

24. Exeter and the Filer are not in default of any requirement of securities legislation in any jurisdiction of Canada.

Decision

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

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

1. at any time the Filer files a short form prospectus, the Filer satisfies the qualification criteria in section 2.2 of NI 44-101, other than the qualification criteria set out in paragraph 2.2(d)(i) of NI 44-101,

2. the Filer has filed the Annual Report with the securities regulators in each jurisdiction where the Filer is a reporting issuer at or before the time of filing of a short form prospectus,

3. the Filer incorporates by reference the Annual Report and the Argentine Business Financial Statements into any short form prospectus that it files, and

4. the Exemption Sought shall only be valid until the earlier of the time the Filer is required, under the Legislation, to file its annual financial statements for the year ended December 31, 2010, and the time the Filer files its annual financial statements for the year ended December 31, 2010.

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

2.1.2 Blumont Capital Corporation et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Approval granted for change of manager of a mutual fund – change of manager will not result in any material changes to the management and administration of the Fund – change of manager is not detrimental to unitholders or the public interest – change of manager approval granted on the condition that prior approval of the fund's unitholders of the proposed change of manager is obtained at a special meeting of unitholders.

Applicable Legislative Provisions

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

February 19, 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
BLUMONT CAPITAL CORPORATION
(the Filer)

AND

NORTHERN RIVERS CAPITAL
MANAGEMENT INC.
(the Manager)

AND

IN THE MATTER OF
NORTHERN RIVERS CONSERVATIVE
GROWTH FUND (the Fund)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction (the **Legislation**) for approval of the proposed change of manager of the Fund from the Manager to the Amalgamated Corporation (as defined below) under paragraph 5.5(1)(a) of National Instrument 81-102 – *Mutual Funds* (**NI 81-102**) (the **Approval Sought**).

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

(a) the Ontario Securities Commission (the Principal Regulator) 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 all of the provinces and territories of Canada other than Quebec.

Interpretation

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

Representations

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

The Manager and the Fund

1. The Manager is a corporation incorporated under the *Canada Business Corporations Act* with its head office in Toronto, Ontario.

2. The Manager is the manager of the Fund.

3. The Manager is registered with the applicable securities commissions as: (i) a portfolio manager in Ontario, and (ii) an exempt market dealer in Ontario and Newfoundland and Labrador.

4. The Fund is an open-end mutual fund trust that was established under the laws of the Province of Ontario pursuant to a Declaration of Trust dated as of August 27, 2007. The Fund is a reporting issuer in all of the provinces and territories of Canada other than Quebec.

5. Units of the Fund are being offered under a simplified prospectus and an annual information form, each dated August 21, 2009, as amended by Amendment No. 1 dated December 23, 2009. The Fund is subject to, among other laws and regulations, NI 81-102, National Instrument 81-106 – *Investment Fund Continuous Disclosure* (**NI 81-106**) and National Instrument 81-107 – *Independent Review Committee for Investment Funds* (**NI 81-107**).

6. Neither the Manager nor the Fund is in default of applicable securities legislation of any province or territory of Canada.

The Proposed Transaction

7. The Filer was incorporated on June 2, 2000 under the *Business Corporations Act* (Ontario), and its

head office address is 70 University Avenue, Suite 1200, Toronto, Ontario M5J 2M4. The Filer manages and distributes alternative investment products to Canadian retail investors designed to provide enhanced diversification and return potential outside of traditional equity and fixed income investments. As at December 31, 2009, the Filer had over $311 million in assets under management.

8. The Filer is registered with the Ontario Securities Commission as: (i) a portfolio manager, and (ii) a mutual fund dealer.

9. The Filer is a wholly-owned subsidiary of BluMont Capital Inc., which, in turn, is wholly-owned by Integrated Asset Management Corp. (**IAM**). IAM is an Ontario corporation, the outstanding common shares of which are listed on the Toronto Stock Exchange under the symbol "IAM". IAM is one of Canada's leading alternative asset management companies, with over $2.0 billion in assets and committed capital under management in private debt, private equity, managed futures, real estate and retail alternative investments.

10. Neither the Filer nor IAM is in default of applicable securities legislation of any province or territory of Canada.

11. The shareholders of the Manager have entered into a share purchase agreement dated as of December 15, 2009 with the Filer and the Manager, pursuant to which the Filer proposes to acquire 100% of the equity of the Manager from such shareholders (the **Proposed Transaction**). Subject to receipt of regulatory approvals and satisfaction of closing conditions, the Proposed Transaction is expected to close on or about February 23, 2010.

12. A press release announcing the Proposed Transaction was issued on December 16, 2009.

The Proposed Change of Manager

13. Following the completion of the Proposed Transaction, on or about March 25, 2010, it is contemplated that the Filer and the Manager will be amalgamated to form one entity continuing under the name "BluMont Capital Corporation" (the **Amalgamated Corporation**). It is proposed that the Amalgamated Corporation will become the manager of the Fund.

14. Prior to the change of manager of the Fund from the Manager to the Amalgamated Corporation (the **Change of Manager**), the Manager will seek securityholder approval of the Change of Manager at a special meeting of securityholders of the Fund (the **Special Meeting**) on or about March 25, 2010 (the **Meeting Date**).

15. It is expected that the composition of the board of directors of the Amalgamated Corporation will be the same as the present composition of the board of directors of the Filer.

16. The Proposed Transaction and the Change of Manager are not expected to have any material impact on the Fund or on the securityholders of the Fund.

17. There are no current plans to change, as a result of the Proposed Transaction and the Change of Manager, the personnel who are responsible for the investment management activities of the Fund.

18. The completion of the Proposed Transaction and the Change of Manager are not expected to affect the operation or administration of the Fund, including its investment objectives or strategies.

19. In accordance with the provisions of NI 81-107, the Manager has referred the matters related to the Proposed Transaction to the Independent Review Committee for the Fund (the **IRC**), for review by the IRC. The IRC has advised that, after reasonable inquiry, it has concluded that the matters proposed do not create any conflict issues that have not been adequately addressed and, on this basis, achieve a fair and reasonable result for the Fund.

20. Upon the completion of the Proposed Transaction, all current members of the IRC for the Fund will cease to be members of the IRC by operation of subsection 3.10(1)(c) of NI 81-107. It is expected that immediately following the Proposed Transaction, the IRC will be reconstituted with new members as contemplated in the commentary to Sections 3.3(5) and 3.10 of NI 81-107.

21. To the extent that any changes that would constitute "material changes" within the meaning of NI 81-106 will be effected with respect to the Fund as a result of the Proposed Transaction and the Change of Manager, appropriate amendments will be made to the prospectus of the Fund.

Decision

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

The decision of the Principal Regulator under the Legislation is that the Approval Sought is granted provided that:

(i) the Manager obtains prior approval of the securityholders of the Fund of the Change of Manager at the Special Meeting on the Meeting Date;

(ii) the notice of the Special Meeting and the management information circular in respect of the Special Meeting (the **Circular**) are mailed to the securityholders of the Fund and copies thereof are filed on SEDAR in accordance with applicable securities legislation;

(iii) all other information and documents necessary to comply with the applicable proxy solicitation requirements of securities legislation for the Special Meeting are mailed to securityholders of the Fund;

(iv) prior to the mailing of the Circular to the securityholders of the Fund, a draft copy of the Circular is provided to the Principal Regulator with sufficient time to review the Circular; and

(v) the Principal Regulator is satisfied that the Circular adequately describes the proposed Change of Manager.

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

2.1.3 Skylon Big Three STAR LP and CI Investments Inc.

Headnote

NP 11-203 – Exemptions granted to limited partnership from the requirement in National Instrument 81-106 Investment Fund Continuous Disclosure to file an annual information form. The partnership has a short lifespan and does not have a readily available secondary market. All units of the partnership held by public investors have already been redeemed. The partnership will prepare and file annual financial statements and management reports of fund performance.

Applicable Legislative Provisions

National Instrument 81-106 Investment Fund Continuous Disclosure, ss. 9.2, 17.1.

March 31, 2010

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

AND

IN THE MATTER OF
SKYLON BIG THREE STAR LP
(the Partnership) AND
CI INVESTMENTS INC.
(the Promoter, and together with the Partnership, the Filers)

DECISION

Background

The Ontario Securities Commission (the Decision Maker) has received an application from the Filers on behalf of the Partnership for a decision under the securities legislation of Ontario (the Legislation), for an exemption pursuant to section 17.1 of National Instrument 81-106 – *Investment Fund Continuous Disclosure* (NI 81-106) from the requirement to prepare and file an annual information form (an AIF) in Section 9.2 of NI 81-106 for each financial year (the Exemption Sought).

Interpretation

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

Representations

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

1. The Partnership was formed pursuant to the provisions of the *Limited Partnerships Act* (Ontario) on September 9, 2008.

2. Skylon Big Three STAR General Partner Inc. is the general partner of the Partnership (the General Partner). The General Partner was incorporated under the provisions of the *Business Corporations Act* (Ontario) on September 9, 2008.

3. The principal office of the Partnership, the General Partner and the Promoter is located at 2 Queen Street, Twentieth Floor, Toronto, Ontario, M5C 3G7.

4. Neither the Partnership nor the Promoter is in default of securities legislation in Ontario.

5. The Partnership filed a final prospectus relating to its initial public offering in Ontario on December 10, 2008 and became a reporting issuer in Ontario.

6. The Promoter is a promoter of the Partnership.

7. The Partnership was formed to invest in the common shares of TD, RBC and BNS (the Selected Banks) while limiting the impact of possible declines in the market prices of the common shares of the Selected Banks. Returns may be generated during a period of approximately one year (the Investment Period) from a variety of sources including (a) premiums from writing covered call options in respect of the common shares of the Selected Banks, (b) appreciation in the market prices of the common shares of the Selected Banks, (c) dividends paid on the common shares of the Selected Banks, and (d) the use of leverage.

8. The Partnership was structured in such a manner that it would be dissolved on or before January 31, 2011, and is now expected to be dissolved by the end of April 2010. Upon dissolution, the limited partners of record holding the then outstanding Units are entitled to receive 99.99% of the assets of the Partnership remaining after payment of debts, liabilities and liquidation expenses of the Partnership.

9. The Partnership's objective is to provide investors with the opportunity for attractive after-tax returns by virtue of the Partnership's investment during the Investment Period in the common shares of the Selected Banks while limiting the impact of possible declines in the market prices of the common shares of the Selected Banks.

10. The limited partnership units of the Partnership (the Units) are not, and will not be, listed or quoted for trading on any stock exchange or market. The Units are also not redeemable by limited partners. Generally, Units are not transferred by the limited partners, since limited partners must be the holder of the Units on the last day of each fiscal year of the Partnership in order to obtain the desired tax deduction.

11. It is a term of the partnership agreement governing the Partnership that the general partner has the authority to manage, control, administer and operate the business and affairs of the Partnership, including the authority to take all measures necessary or appropriate for the business, or ancillary thereto, and to ensure that the Partnership complies with all necessary reporting and administrative requirements. The Promoter provides or will cause to be provided all of the administrative services required by the Partnership.

12. The limited partners of the Partnership have, by subscribing for Units, agreed to the irrevocable power of attorney contained in the partnership agreement and have thereby, in effect, consented to the making of this application.

13. Since its formation, the Partnership's activities have been limited to (i) completing the issue of the Units under its prospectus, (ii) investing its available funds in accordance with its investment objective, and (iii) incurring expenses as described in its prospectus.

14. On December 30, 2009, the Partnership redeemed all of its then outstanding Units, in exchange for cash equal to the net asset value per Unit on that date, with the exception of Units of the Partnership held by the initial limited partner in the Partnership, Skylon Big Three STAR Limited Partner Inc. (the Limited Partner), which were not redeemed, and remain outstanding.

15. Given that (a) the range of business activities conducted by the Partnership is limited, (b) the duration of the Partnership's existence will be short, (c) all Units of the Partnership except the Units held by the Limited Partner have been redeemed, (d) the Partnership will not issue any more Units, (e) annual financial statements and management reports of fund performance in respect of the year ending December 31, 2009 will be prepared and filed, and (f) the Partnership expects to terminate in April, 2010, the preparation and distribution of an AIF by the Partnership would not be of any benefit to the Limited Partner or former limited partners of the Partnership, and would impose a material financial burden on the Partnership.

16. The Filers are of the view that the Exemption Sought is not against the public interest, is in the best interests of the Partnership and the limited partners, and represents the business judgment of responsible persons uninfluenced by considera-

tions other than the best interest of the Partnership and the limited partners.

Decision

The Decision Maker 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 Maker under the Legislation is that the Exemption Sought is granted.

"Darren McKall"
Assistant Manager
Ontario Securities Commission

2.1.4 Challenger Energy Corp.

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 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).

Citation: Challenger Energy Corp., Re, 2010 ABASC 164

April 12, 2010

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN,
MANITOBA, ONTARIO, NEW BRUNSWICK,
NOVA SCOTIA, PRINCE EDWARD ISLAND AND
NEWFOUNDLAND AND LABRADOR
(the Jurisdictions)

AND

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

AND

IN THE MATTER OF
CHALLENGER ENERGY CORP.
(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 Challenger Energy Corp. is deemed not to be a reporting issuer.

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

(a) the Alberta 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 meaning if used in this decision, unless otherwise defined.

Representations

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

1. Canadian Superior is a reporting issuer in each of the provinces of Canada except New Brunswick, and its common shares are listed on the Toronto Stock Exchange and NYSE Amex Exchange.

2. Challenger is a reporting issuer in each of the Jurisdictions but not the Province of Québec, and its common shares, October Warrants and March Warrants (each as hereinafter defined) were formerly, but are no longer, listed on the TSX Venture Exchange.

3. During 2009, each of Challenger and Canadian Superior applied for and was granted an order under the *Companies' Creditors Arrangement Act* (**CCAA**). On September 17, 2009, both companies completed their financial restructuring and emerged from CCAA protection. The plan (the **Plan**) under which the companies emerged from CCAA protection involved the acquisition by Canadian Superior of all outstanding common shares of Challenger in exchange for approximately 27.4 million common shares of Canadian Superior. At the time of implementation of the Plan, Challenger had outstanding two classes of warrants, one of which (the **October Warrants**) expired October 2, 2009 and the other of which (the **March Warrants**) expired on March 6, 2010.

4. On implementation of the Plan, the October Warrants and the March Warrants became exercisable for Canadian Superior common shares rather than Challenger common shares although both classes were far "out of the money".

5. As a result of the Plan, the outstanding securities of the Filer are owned by fewer than 15 security holders in each of the jurisdictions in Canada and fewer than 51 security holders in total in Canada.

6. Following implementation of the Plan, the common shares of Challenger were delisted from the TSX Venture Exchange and the October Warrants and the March Warrants were delisted from the TSX Venture Exchange following their expiry. As such, no securities of the Filer are traded on a marketplace as defined in National Instrument 21-101 Marketplace Operation.

7. The Filer is not in default of any of its obligations under the Legislation as a reporting issuer, except for failing to file and forward to holders of the March Warrants financial statements and management's discussion and analysis of Challenger for the interim period ended September 30, 2009 (the **Challenger Disclosure**). However, Canadian Superior prepares its financial statements on a consolidated basis, including the accounts of Challenger, and the Challenger disclosure would not have been useful to holders of the March Warrants since those warrants were, prior to expiry, exercisable for Canadian Superior common shares rather than Challenger common shares.

8. The Filer was 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* as it is in default of making the Challenger Disclosure.

9. The Filer has no plans to seek public financing by way of an offering of securities in Canada.

10. The Filer is applying for relief that it is not a reporting issuer in each of the jurisdictions in Canada in which it is a reporting issuer.

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 Filer is deemed to have ceased to be a reporting issuer.

"Blaine Young"
Associate Director, Corporate Finance

2.2 Orders

2.2.1 IBK Capital Corp. and William F. White – 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
IBK CAPITAL CORP. AND
WILLIAM F. WHITE

ORDER
(Sections 127 and 127.1)

WHEREAS on November 12, 2009, the Commission issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") accompanied by a Statement of Allegations dated November 12, 2009;

AND WHEREAS on November 12, 2009 counsel for the Respondents, IBK Capital Corp. ("IBK") and William F. White ("White") were served with the Notice of Hearing and Statement of Allegations;

AND WHEREAS on December 2, 2009, a hearing was held before the Commission and the Commission ordered that the hearing be adjourned to January 10, 2010;

AND WHEREAS on January 10, 2010, a hearing was held before the Commission and the Commission ordered that a pre-hearing conference be scheduled for April 8, 2010;

AND WHEREAS Staff of the Commission and counsel for the respondents advised the Commission that they request that the pre-hearing conference be adjourned to April 20, 2010;

IT IS ORDERED THAT the pre-hearing conference scheduled for April 8, 2010 at 10:00 a.m. be adjourned to April 20, 2010 at 10:00 a.m.

DATED at Toronto this 7th day of April, 2010

"David L. Knight"

2.2.2 Marine Mining Corp. – s. 144

Headnote

Section 144 – application for variation of cease trade order – issuer cease traded due to failure to file with the Commission annual financial statements – issuer has applied for a variation of the cease trade order to permit the issuer to proceed with a private placement – potential investors to be accredited investors and to receive copy of cease trade order and partial revocation order prior to making investment decision – partial revocation granted subject to conditions.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 127, 144.
National Instrument 45-106 Prospectus and Registration Exemptions.

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

AND

IN THE MATTER OF
MARINE MINING CORP.
(the "Applicant")

ORDER
(Section 144)

WHEREAS the Applicant is subject to a cease trade order dated May 26, 2004 made pursuant to subsection 127(1) and subsection 127(5) of the Act ordering that trading in securities of the Applicant cease (the "Cease Trade Order");

AND WHEREAS the Applicant has made an application to the Ontario Securities Commission (the "Commission") pursuant to section 144 of the Act for a partial revocation of the Cease Trade Order;

AND WHEREAS Applicant has represented to the Commission that:

1. The Applicant was formed by certificate and articles of incorporation under the *Business Corporations Act* (Ontario) on May 27, 1993.

2. The Applicant's registered and head office is located at 856 Millwood Road, Toronto, Ontario, M4G 1W6.

3. The Applicant is a reporting issuer in Ontario and is not a reporting issuer or equivalent under the securities legislation of any other jurisdiction in Canada.

4. The Applicant's authorized capital consists of an unlimited number of common shares (the "**Common Shares**"), of which 28,583,272 Common Shares are issued and outstanding.

5. The Cease Trade Order was issued due to the failure of the Applicant to file audited financial statements for the period ended December 31, 2003 (the "**Financial Statements**"). No further financial statements have been filed since that time and no further continuous disclosure documents required by applicable securities legislation have been filed by the Applicant since that time.

6. The Applicant's principal assets consist of approximately $500,000 in cash and marketable securities received subsequent to the issuance of the Cease Trade Order, and interests in certain mineral property concessions in Ghana.

7. The Applicant suffered financial distress caused by difficult capital market conditions in the early 2000s. As a result, the Applicant has lacked the funds necessary to prepare, file, or deliver any subsequent financial statements or other continuous disclosure documents required by applicable securities legislation.

8. The Applicant is seeking to effect a financing transaction to enable the Applicant to bring itself into compliance with its continuous disclosure obligations and fund operations, one or more of which transactions, or the actions associated therewith, may constitute a contravention of the Cease Trade Order. More specifically, the Applicant proposes to complete a brokered or non-brokered private placement of its securities (the "**Private Placement**") with accredited

investors (as such term is defined in National Instrument 45-106 – *Prospectus and Registration Exemptions*) resident in the Province of Ontario (each a "**Potential Investor**") to raise gross proceeds of up to $750,000. The Applicant is proposing to sell units ("**Units**") comprised of one (1) Common Share and one half (1/2) of a common share purchase warrant (a "**Warrant**"), for a subscription price equal to $0.12 per Unit. Each whole Warrant shall entitle the investor to purchase one additional Common Share on or before the date that is one (1) year from the date the Common Shares are listed for trading on a stock exchange recognized by the Commission, at an exercise price of $0.20 per Common Share. The Warrants may contain a feature enabling the Applicant to accelerate the expiry date for the Warrants upon notice to the Warrant holders.

9. The proceeds from the Private Placement shall be used to prepare and file continuous disclosure documents with a view to obtaining a full revocation of the Cease Trade Order, to pay filing fees with respect thereto to the Commission, to pay outstanding fees to the Applicant's transfer agent, to fund the preparation of the application for the revocation of the Cease Trade Order, to advance the Applicant's current work program and to provide working capital. These expenses are more fully described in paragraph 10 below.

10. The Applicant proposes to use the proceeds of the private placement as follows:

(a)	Legal, accounting and audit fees		$100,000
(b)	Fees and penalties for late filing of materials		$20,500
(c)	Ghana Work Program:		
	(i)	Completion of dockage and staging grounds at the Ankobra River;	$175,000
	(ii)	Completion of a sidescan and bulk sampling program;	$329,500
	(iii)	Consultant salaries, wages and compliance in Ghana.	$125,000

11. The portion of the Private Placement proceeds proposed to be allocated to the Applicant's work programs and working capital requirements will allow it to preserve its property interests until such time as it is capable of applying for a full revocation of the Cease Trade Order.

12. As the Private Placement will involve trades in securities of the Applicant (including, for greater certainty, acts in furtherance of trades in securities of the Applicant), it cannot be completed without a variation of the Cease Trade Order.

13. The Private Placement trades will take place in Ontario.

14. The Private Placement will be completed in accordance with applicable securities legislation.

15. The Applicant believes that the proceeds of the Private Placement will be sufficient to bring its continuous disclosure obligations up to date and pay all related outstanding fees.

16. Prior to completion of the Private Placement each Potential Investor will:

    (a) receive a copy of the Cease Trade Order;

    (b) receive a copy of this Order; and

    (c) receive written notice from the Applicant and acknowledge that all of the Applicant's securities, including the securities issued in connection with the Private Placement, will remain subject to the Cease Trade Order until it is revoked, and that the granting of this Order does not guarantee the issuance of a full revocation order in the future.

17. The Applicant is not in default of any requirements of the Cease Trade Order or the Act or the rules and regulations made pursuant thereto, subject to the deficiencies outlined in paragraph 5 above.

18. Upon the issuance of this Order, the Applicant will:

    (a) issue a press release and file a material change report announcing, among other things, the Private Placement and this Order;

(b) market the Private Placement and provide information relating to the Applicant to the Potential Investors in accordance with the provisions of this Order and in accordance with the Act and the rules and regulations made pursuant thereto; and

(c) issue securities in connection with the Private Placement.

19. To bring its continuous disclosure record up to date, the Applicant intends, within a reasonable time following the completion of the Private Placement, to file the following documents on SEDAR once completed:

(a) the Financial Statements;

(b) its interim financial statements for the interim periods ending on or around the date of the completion of the Private Placement, and the related management discussion and analysis;

(c) all certifications by the Chief Executive Officer and the Chief Financial Officer of the Applicant with respect to the Applicant's annual and interim filings required by National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*; and

(d) all other continuous disclosure documents required by applicable securities legislation to be filed by the Applicant.

20. The purpose of the Private Placement is to enable the Applicant to raise sufficient funds to reactivate its business to bring its continuous disclosure up to date and to apply for a full revocation of the Cease Trade Order.

21. The Applicant intends, within a reasonable time following the completion of the Private Placement, to apply to the Commission for a full revocation of the Cease Trade Order.

22. The Applicant is not considering, nor is it involved in any discussion relating to a reverse take-over, merger, amalgamation or other form of combination or transaction similar to any of the foregoing.

23. The Applicant undertakes to hold its annual meeting of shareholders within three (3) months of the date that the Cease Trader Order is revoked in full.

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 Cease Trade Order be and is hereby partially revoked solely to permit trades in securities of the Applicant (including, for greater certainty, acts in furtherance of trades in securities of the Applicant) that are necessary for and are in connection with the Private Placement provided that:

(a) prior to completion of the Private Placement each Potential Investor will:

(i) receive a copy of the Cease Trade Order;

(ii) receive a copy of this Order; and

(iii) receive written notice from the Applicant, and acknowledge that all of the Applicant's securities, including the securities issued in connection with the Private Placement will remain subject to the Cease Trade Order until it is revoked, and that the granting of this Order does not guarantee the issuance of a full revocation order in the future; and

(b) this Order will terminate on the earlier of:

(i) completion of the Private Placement; and

(ii) 120 days from the date hereof.

DATED this 8th day of April, 2010.

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

2.2.3 Robert Joseph Vanier (a.k.a. Carl Joseph Gagnon) – 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
ROBERT JOSEPH VANIER
(a.k.a. CARL JOSEPH GAGNON)**

**ORDER
(Sections 127 and 127.1)**

WHEREAS on March 29, 2010, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing and a Statement of Allegations pursuant to section 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") in respect of Robert Joseph Vanier;

AND WHEREAS on April 8, 2010 at 2:00 p.m., the Commission held a hearing where Staff of the Commission ("Staff") and counsel for the Respondent attended;

AND UPON HEARING submissions from counsel for Staff and from counsel for the Respondent;

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

IT IS ORDERED THAT the hearing is adjourned to April 9, 2010 at 2:30 p.m.

DATED at Toronto this 8th day of April, 2010.

"James Turner"

"Paulette L. Kennedy"

2.2.4 Ameron Oil and Gas Ltd. and MX-IV, Ltd. – ss. 127(1), 127(5)

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

AND

**IN THE MATTER OF
AMERON OIL AND GAS LTD.
AND MX-IV, LTD.**

**TEMPORARY ORDER
Sections 127(1) & 127(5)**

WHEREAS it appears to the Ontario Securities Commission (the "Commission") that:

1. Ameron Oil and Gas Ltd. ("Ameron") purports to be a private corporation registered in the Bahamas;

2. MX-IV, Ltd. ("MX-IV") purports to be a Bahamian limited partnership and units of the MX-IV limited partnership are being offered for sale as investments (the "MX-IV Securities") to residents of Canada;

3. Representatives of Ameron appear to be offering the MX-IV Securities for sale from offices in the Toronto region;

4. The trading of the MX-IV Securities appears to be taking place at offices where Net Squares Inc. ("Net Squares") was paying the rent;

5. Net Squares is an Ontario corporation with a registered office address in Toronto, Ontario;

6. A preliminary prospectus or a prospectus have not been filed for the MX-IV Securities and the Director has not issued a receipt in respect of the MX-IV Securities;

7. Ameron and MX-IV are not registered with the Commission in any capacity;

8. Staff are conducting an investigation into the trading of the MX-IV Securities, and it appears that Ameron and MX-IV and their representatives, may have engaged in the following conduct:

   (i) trading in MX-IV Securities without proper registration or appropriate exemption from the registration requirements under the Act, contrary to section 25 of the Act;

   (ii) trading the MX-IV Securities in a manner that would be a distribution of those securities where no preliminary prospectus or prospectus has been filed and no

receipt has been issued by the Director, contrary to section 53 of the Act; and

(iii) engaging or participating in acts or a course of conduct relating to the MX-IV Securities that they knew or ought to have known perpetrates a fraud on any person or company contrary to section 126.1 of the Act.

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

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

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

IT IS ORDERED pursuant to clause 2 of subsection 127(1) of the Act that all trading in the securities of MX-IV, Ltd. shall cease;

IT IS FURTHER ORDERED pursuant to clause 2 of subsection 127(1) of the Act that Ameron Oil and Gas Ltd., MX-IV, Ltd. and their representatives, cease trading in all securities;

IT IS FURTHER ORDERED pursuant to clause 2 of subsection 127(1) of the Act that any exemptions contained in Ontario securities law do not apply to Ameron Oil and Gas Ltd. and MX-IV, Ltd.; and

IT IS FURTHER ORDERED pursuant to subsection 127(6) of the Act that this order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by order of the Commission.

Dated at Toronto this 6th day of April, 2010

"David Wilson"

2.2.5 Teodosio Vincent Pangia – 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
TEODOSIO VINCENT PANGIA

ORDER
Sections 127 and 127.1

WHEREAS on February 25, 2009, the Commission issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5 as amended (the "Act"), accompanied by Staff's Statement of Allegations, in relation to Teodosio Vincent Pangia (the "Respondent");

AND WHEREAS on May 29, 2009, the Commission issued a Notice of Hearing and an Amended Statement of Allegations pursuant to sections 127 and 127.1 of the Act in relation to the Respondent;

AND WHEREAS the Respondent entered into a Settlement Agreement with Staff of the Commission dated February 22, 2010 (the "Settlement Agreement") in which he agreed to a settlement of the proceedings commenced by the Notice of Hearing dated February 25, 2009, as amended May 29, 2009, subject to the approval of the Commission;

AND UPON reviewing the Settlement Agreement and Statement of Allegations, and upon hearing submissions from counsel for Staff and counsel for the Respondent;

AND WHEREAS the Respondent acknowledges that the facts set out in Part III of the Settlement Agreement constituted conduct contrary to the public interest under the Act;

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

IT IS HEREBY ORDERED that the Settlement Agreement, appended hereto as Schedule "A", is approved.

DATED AT TORONTO this 8th day of April, 2010.

"Patrick J. LeSage"

"Carol S. Perry"

SCHEDULE "A"

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

AND

**IN THE MATTER OF
TEODOSIO VINCENT PANGIA**

SETTLEMENT AGREEMENT

PART I – INTRODUCTION

1. The Ontario Securities Commission (the "Commission") will issue a Notice of Hearing to announce that it will hold a hearing to consider whether, pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), it is in the public interest for the Commission to make certain orders in respect of Teodosio Vincent Pangia (the "Respondent").

PART II – JOINT SETTLEMENT RECOMMENDATION

2. Staff of the Commission ("Staff") agree to recommend settlement of the proceeding commenced by Notice of Hearing dated February 25, 2009, as amended by Notice of Hearing dated May 29, 2009 (the "Proceeding") against the Respondent according to the terms and conditions set out in Part V of this Settlement Agreement. The Respondent agrees to the making of an order in the form attached as Schedule "A", based on the facts set out below.

PART III – AGREED FACTS

3. For this proceeding, and any other regulatory proceeding commenced by a securities regulatory authority, the Respondent agrees with the facts as set out in Part III of this Settlement Agreement.

4. The Respondent is a resident of Burlington, Ontario.

5. The Respondent has not been registered to trade securities in Ontario since 1989.

6. On December 16, 2003, the Ontario Securities Commission permanently banned the Respondent from trading in securities, using any exemptions contained in Ontario securities law, and becoming or acting as a director and/or officer of any issuer, and he was prohibited from applying for registration in any capacity under Ontario securities law.

7. Transdermal Corp is a cosmetics and skin care business incorporated in the State of Nevada. Its shares did not trade on any exchange as at December 2008.

8. The Respondent was not an officer or director of Transdermal. During 2008, he was in a common law relationship with a director and co-founder of Transdermal.

9. In 2008, the Respondent provided services to Transdermal as a consultant. In that capacity, he assisted in writing Transdermal's business plan, and in the creation of its website. The Respondent is also a shareholder of Transdermal.

10. On December 1, 2008, the Respondent attended a meeting of Transdermal directors and their spouses in Windsor, Ontario. The agenda circulated in advance indicated that the purpose of the meeting was to discuss product marketing strategy.

11. K. and Q. were invited to attend the meeting by the brother of one of the directors, S. Q. owned a gym and spa and K. was his business partner. Unbeknownst to the Respondent, Q. was interested in investing in Transdermal.

12. In advance of the meeting, Q. had received from S. a copy of the business plan that the Respondent had assisted in drafting.

13. The business plan described the company, its products, the market for its products, the management team, and its financial plan and cash flow forecast. It did not include a subscription agreement or invite a subscription for shares. The business plan stated that the company initially required $1,000,000 "in order to execute its vision", and that the company would raise those funds through private placements in accordance with U.S. securities law.

14. After the arrival of K. and Q. at the meeting, the Respondent had discussions with them about the business plan.

15. The Respondent spoke to K. and Q. about the company, its products, its prospects and its capital needs.

16. During the meeting, Q. stated that he was interested in investing in Transdermal and might want to invest $1,000,000.

17. However, no monies changed hands. No term sheets or subscription documents were offered to K. and Q. and none were promised, and there was no discussion between the Respondent and K. and Q. about the mechanics of payment for any shares.

18. At the end of the meeting, the Respondent gave his name and contact information to K. and Q. in response to K.'s request for it.

19. The Respondent had no dealings with K. and Q. either before or after the meeting.

20. No shares in Transdermal were ultimately purchased by K. or Q.

21. The Respondent did not intend to breach the Act.

PART IV – CONDUCT CONTRARY TO THE PUBLIC INTEREST

22. The Respondent admits that his conduct as described above was not in the public interest.

PART V – TERMS OF SETTLEMENT

23. The Respondent agrees to the terms of settlement listed below.

24. The Commission will make an order pursuant to section 127(1) and section 127.1 of the Act:

    (a) approving the settlement agreement;

    (b) that trading in any securities by the Respondent cease permanently;

    (c) that any exemptions contained in Ontario securities law do not apply to the Respondent permanently;

    (d) that the Respondent be reprimanded;

    (e) that the Respondent resign as director and officer of any issuer;

    (f) that the Respondent be prohibited from becoming or acting as a director or officer of any issuer, registrant and/or investment fund manager permanently; and

    (g) that the Respondent pay an administrative penalty of $15,000, to be allocated under s. 3.4(2)(b) of the Act to or for the benefit of third parties.

25. The Respondent agrees to personally make any payments ordered above by certified cheque when the Commission approves this Settlement Agreement. The Respondent will not be reimbursed for, or receive a contribution toward, this payment from any other person or company.

26. The Respondent undertakes to consent to a regulatory Order made by any provincial or territorial securities regulatory authority in Canada containing any or all of the prohibitions set out in sub-paragraphs 24(b) to 24(f) above. These prohibitions may be modified to reflect the provisions of the relevant provincial or territorial securities law.

PART VI – STAFF COMMITMENT

27. If the Commission approves this Settlement Agreement, Staff will not commence any proceeding under Ontario securities law in relation to the facts set out in Part III of this Settlement Agreement, subject to the provisions of paragraph 28 below.

28. If the Commission approves this Settlement Agreement and at any subsequent time the Respondent fails to comply with any of the terms of the Settlement Agreement set out in Part V above, Staff may bring proceedings under Ontario securities law against the Respondent. These proceedings may be based on, but are not limited to, the facts set out in Part III of this Settlement Agreement as well as the breach of the Settlement Agreement.

PART VII – PROCEDURE FOR APPROVAL OF SETTLEMENT

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

30. Staff and the Respondent agree that this Settlement Agreement will form all of the agreed facts that will be submitted at the settlement hearing on the Respondent's conduct, unless the parties agree that additional facts should be submitted at the settlement hearing.

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

32. If the Commission approves this Settlement Agreement, neither party will make any public statement that is inconsistent with this Settlement Agreement or with any additional agreed facts submitted at the settlement hearing.

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

PART VIII – DISCLOSURE OF SETTLEMENT AGREEMENT

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

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

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

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

PART IX – EXECUTION OF SETTLEMENT AGREEMENT

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

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

Dated this 22nd day of February, 2010.

STAFF OF THE ONTARIO SECURITIES COMMISSION

"Tom Atkinson"
Tom Atkinson
Director, Enforcement Branch

TEODOSIO VINCENT PANGIA

"Teodosio Pangia"
Teodosio Vincent Pangia

"Witness"
Witness

SCHEDULE "A"

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

AND

IN THE MATTER OF
TEODOSIO VINCENT PANGIA

ORDER
Sections 127 and 127.1

WHEREAS on February 25, 2009, the Commission issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990 c. S.5 as amended (the "Act"), accompanied by Staff's Statement of Allegations, in relation to Teodosio Vincent Pangia (the "Respondent");

AND WHEREAS on May 29, 2009, the Commission issued a Notice of Hearing and an Amended Statement of Allegations pursuant to sections 127 and 127.1 of the Act in relation to the Respondent;

AND WHEREAS the Respondent entered into a Settlement Agreement with Staff of the Commission dated February 22, 2010 (the "Settlement Agreement") in which he agreed to a settlement of the proceedings commenced by the Notice of Hearing dated February 25, 2009, as amended May 29, 2009, subject to the approval of the Commission;

AND UPON reviewing the Settlement Agreement and Statement of Allegations, and upon hearing submissions from counsel for Staff and counsel for the Respondent;

AND WHEREAS the Respondent acknowledges that the facts set out in Part III of the Settlement Agreement constituted conduct contrary to the public interest under the Act;

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

IT IS HEREBY ORDERED that the Settlement Agreement is approved.

DATED AT TORONTO this day of , 2010.

_____ _____

2.2.6 Robert Joseph Vanier (a.k.a. Carl Joseph Gagnon) – 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
ROBERT JOSEPH VANIER
(a.k.a. CARL JOSEPH GAGNON)**

**ORDER
(Sections 127 and 127.1)**

WHEREAS on March 29, 2010, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing and a Statement of Allegations pursuant to section 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") in respect of Robert Joseph Vanier ("Vanier");

AND WHEREAS on April 8, 2010 at 2:00 p.m., the Commission held a hearing where Staff of the Commission ("Staff") and counsel for the Respondent attended and the hearing was adjourned to April 9, 2010 at 2:30 p.m.;

AND WHEREAS on April 9, 2010 at 2:30 p.m., the Commission held a hearing where Staff and counsel for the Respondent attended;

AND UPON HEARING submissions from counsel for Staff and from counsel for the Respondent;

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

IT IS ORDERED THAT the hearing is adjourned to April 12, 2010 at 3:30 p.m..

DATED at Toronto this 9th day of April, 2010.

"James Turner"

"Paulette Kennedy"

2.2.7 Brilliante Brasilcan Resources Corp. et al. – ss. 127(1), (2) and (8)

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

AND

**IN THE MATTER
BRILLIANTE BRASILCAN RESOURCES CORP.,
YORK RIO RESOURCES INC.,
BRIAN W. AIDELMAN, JASON GEORGIADIS,
RICHARD TAYLOR AND VICTOR YORK**

**ORDER
(Subsections 127(1), (2) and (8))**

WHEREAS on October 21, 2008, the Ontario Securities Commission ("Commission") ordered pursuant to subsection 127(1) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") that all trading in the securities of Brilliante Brasilcan Resources Corp. ("Brilliante") shall cease and that Brilliante, York Rio Resources Inc. ("York Rio") and their representatives, including Brian W. Aidelman ("Aidelman"), Jason Georgiadis ("Georgiadis"), Richard Taylor ("Taylor"), and Victor York ("York") shall cease trading in all securities (the "Temporary Order");

AND WHEREAS on October 21, 2008, the Commission further ordered pursuant to subsection 127(6) of the Act that the Temporary Order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by order of the Commission;

AND WHEREAS the Commission issued a Notice of Hearing on October 23, 2008 to consider, among other things, whether to extend the Temporary Order;

AND WHEREAS on November 4, 2008 the Commission adjourned the hearing to November 14, 2008 at 10:00 a.m. and further extended the Temporary Order until the close of business on November 14, 2008;

AND WHEREAS on November 14, 2008, the Commission amended the Temporary Order (the "Amended Temporary Order") to permit each of York, Aidelman, Georgiadis and Taylor to trade securities for the account of his registered retirement savings plans (as defined in the *Income Tax Act* (Canada)) in which he and/or his spouse have sole legal and beneficial ownership, provided that:

(i) the securities traded are listed and posted for trading on the Toronto Stock Exchange, the New York Stock Exchange or NASDAQ (or their successor exchanges) or are issued by a mutual fund which is a reporting issuer;

(ii) he does not own legally or beneficially (in the aggregate, together with his spouse) more than one percent of the outstanding

securities of the class or series of the class in question;

(iii) he carries out any permitted trading through a registered dealer (which dealer must be given a copy of this order) and through accounts opened in his name only; and

(iv) he shall provide Staff with the particulars of the accounts (before any trading in the accounts under this order occurs) including the name of the registered dealer through which the trading will occur and the account numbers, and he shall instruct the registered dealer to provide copies of all trade confirmation notices with respect to the accounts directly to Staff at the same time that such notices are provided to him;

AND WHEREAS on November 14, 2008, the Commission adjourned the hearing to March 3, 2009 at 2:30 p.m. and further extended the Amended Temporary Order until March 4, 2009;

AND WHEREAS on March 3, 2009, the Commission adjourned the hearing to September 3, 2009 at 10:00 a.m. and further extended the Amended Temporary Order until September 4, 2009;

AND WHEREAS on September 3, 2009, the Commission adjourned the hearing to March 3, 2010 at 10:00 a.m. and further extended the Amended Temporary Order, until March 4, 2010;

AND WHEREAS on March 3, 2010, the Commission adjourned the hearing to April 12, 2010 at 9:00 a.m. and further extended the Amended Temporary Order, until April 13, 2010;

AND WHEREAS the Commission has been informed that York is not opposed to the extension of the Amended Temporary Order;

AND WHEREAS the Commission has been informed by Staff that they have not heard from Brilliante, York Rio, Aidelman, Georgiadis and Taylor with respect to the hearing of April 12, 2010;

AND WHEREAS the Commission is satisfied that reasonable steps have been taken by Staff to give all Respondents notice of the hearing and all Respondents, other than Taylor, have been duly served with such notice;

AND WHEREAS the Commission is of the opinion that the time required to conclude a hearing could be prejudicial to the public interest;

AND WHEREAS satisfactory information has not been provided by the Respondents to the Commission;

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

IT IS ORDERED pursuant to subsection 127(8) of the Act that the hearing is adjourned to June 10, 2010 at 2:00 p.m.;

IT IS FURTHER ORDERED pursuant to subsection 127(8) of the Act that the Amended Temporary Order is extended until close of business on June 11, 2010, subject to further extension by order of the Commission;

DATED at Toronto this 13th day of April, 2010.

"David L. Knight"

2.2.8 York Rio Resources Inc. et al. – s. 127

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

AND

**IN THE MATTER
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**

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

WHEREAS on March 2, 2010, the Commission issued a Notice of Hearing pursuant to sections 37, 127 and 127.1 of the Act accompanied by a Statement of Allegations dated March 2, 2010, issued by Staff of the Commission ("Staff") with respect to York Rio Resources Inc. ("York Rio"), Brilliante Brascan Resources Corp. ("Brilliante"), Victor York ("York"), Robert Runic ("Runic"), George Schwartz ("Schwartz"), Peter Robinson ("Robinson"), Adam Sherman ("Sherman"), Ryan Demchuk ("Demchuk"), Matthew Oliver ("Oliver"), Gordon Valde ("Valde") and Scott Bassingdale ("Bassingdale"), (collectively, the "Respondents");

AND WHEREAS on March 3, 2010, the Commission ordered that the hearing be adjourned until April 12, 2010;

AND WHEREAS on April 12, 2010, Staff informed the Commission that all parties had either been served with notice of today's hearing or that service had been attempted on all parties;

AND WHEREAS on April 12, 2010, counsel for Staff, Demchuk and counsel for York appeared;

AND WHEREAS on April 12, 2010, Staff informed the Commission that counsel for Sherman, counsel for Robinson and counsel for Oliver had contacted Staff and indicated that they could not attend the hearing on April 12, 2010 but could attend at a later date;

AND WHEREAS on April 12, 2010, upon hearing submissions from counsel for Staff, Demchuk and counsel for York;

IT IS ORDERED THAT the hearing is adjourned to June 10, 2010 at 2:00 p.m. or such other date as is agreed to by the parties and determined by the Office of the Secretary.

DATED at Toronto this 13th day of April, 2010.

"David L. Knight"

2.2.9 Robert Joseph Vanier (a.k.a. Carl Joseph Gagnon) – 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
ROBERT JOSEPH VANIER
(a.k.a. CARL JOSEPH GAGNON)**

**ORDER
(Sections 127 and 127.1)**

WHEREAS on March 29, 2010, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing and a Statement of Allegations pursuant to section 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") in respect of Robert Joseph Vanier ("Vanier");

AND WHEREAS on April 8, 2010 at 2:00 p.m., the Commission held a hearing where Staff of the Commission ("Staff") and counsel for the Respondent attended and the hearing was adjourned to April 9, 2010 at 2:30 p.m.;

AND WHEREAS on April 9, 2010 at 2:30 p.m., the Commission held a hearing where Staff and counsel for the Respondent attended and the hearing was adjourned to April 12, 2010 at 3:30 p.m.;

AND WHEREAS on April 12, 2010 at 3:30 p.m., the Commission held a hearing where Staff and counsel for the Respondent attended;

AND WHEREAS the Respondent has provided an Undertaking in a form satisfactory to the Commission that is attached to this Order;

AND UPON HEARING submissions from counsel for Staff and from counsel for the Respondent;

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

IT IS ORDERED THAT a pre-hearing conference shall be held on May 10, 2010 at 10:00 a.m. or as soon thereafter as may be fixed by the Secretary to the Commission and agreed to by the parties.

DATED at Toronto this 12th day of April, 2010.

"James E. A. Turner"

IN THE MATTER OF
ROBERT JOSEPH VANIER
(a.k.a. CARL JOSEPH GAGNON)

UNDERTAKING TO THE
ONTARIO SECURITIES COMMISSION

I, Robert Joseph Vanier, am a Respondent to a proceeding commenced by Notice of Hearing dated March 29, 2010 (the "Notice of Hearing") issued by the Ontario Securities Commission (the "Commission"). I undertake to the Commission, that, subject to my right to revoke or modify this undertaking on thirty (30) days written notice to Staff of the Commission and to the Commission, pending the final determination of the decision on the merits and any sanctions in the proceeding commenced by the Notice of Hearing against me, I will not:

1. act as an officer or director of any Reporting Issuer, and in particular as an officer or director of Onco Petroleum Inc. ("Onco") or any associate or affiliate of Onco; and

2. vote or exercise any right attaching to securities of Onco or any associate or affiliate of Onco held by me or held by any corporate entities controlled by me.

"Robert J. Vanier"
Robert Joseph Vanier

Date: April 12, 2010

"Doug Hampson"
Witness

Date: April 12, 2010

Acknowledged as Received by,

"John Stevenson"
John Stevenson, Secretary to the
Ontario Securities Commission

2.2.10 Abel Da Silva

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

AND

IN THE MATTER OF
ABEL DA SILVA

ORDER

WHEREAS on October 21st, 2008 the Ontario Securities Commission (the "Commission") issued a Notice of Hearing in this matter and scheduled a hearing to commence on November 27th, 2008 at 3:00 p.m.;

AND WHEREAS Staff of the Ontario Securities Commission ("Staff") filed a Statement of Allegations dated October 20th, 2008 with the Commission;

AND WHEREAS Staff served Abel Da Silva ("Da Silva") with a certified copy of the Notice of Hearing and Staff's Statement of Allegations as evidenced by the Affidavit of Service of Wayne Vanderlaan, sworn on November 10th, 2008, filed with the Commission;

AND WHEREAS a panel of the Commission held a hearing on November 27th, 2008 at 3:00 p.m. and Staff attended and made submissions, including advising the Panel that the disclosure was available on this matter, and Staff undertook to notify Da Silva that disclosure is available;

AND WHEREAS on November 27th, 2008, Da Silva did not appear at the hearing;

AND WHEREAS on November 27th, 2008, a panel of the Commission ordered that the hearing in this matter is adjourned to June 4th, 2009 at 11:00 a.m.

AND WHEREAS Staff served Da Silva with a certified copy of the Order of the Commission dated November 27th, 2008 as evidenced by the Affidavit of Service of Kathleen McMillan sworn on June 3rd, 2009;

AND WHEREAS on June 4th, 2009, a status hearing was held commencing at 11:00 a.m. and Staff appeared before the panel of the Commission and provided the panel of the Commission with a status update with respect to this matter;

AND WHEREAS on June 4th, 2009, Da Silva did not attend before the panel of the Commission;

AND WHEREAS on June 4th, 2009, a panel of the Commission considered the submissions of Staff;

AND WHEREAS on June 4th, 2009, a panel of the Commission ordered that the hearing with respect to the Notice of Hearing dated October 21st, 2008 and Staff's

Statement of Allegations dated October 20th, 2008 be adjourned to September 10th, 2009 at 10:30 a.m.;

AND WHEREAS on September 10th, 2009, a status hearing was held commencing at 10:30 a.m. and Staff appeared before the panel of the Commission and provided the panel of the Commission with a status update with respect to this matter;

AND WHEREAS on September 10th, 2009, a panel of the Commission ordered that the hearing with respect to the Notice of Hearing dated October 21st, 2008 and Staff's Statement of Allegations dated October 20th, 2008 is adjourned to January 12th, 2010 at 10:30 a.m.;

AND WHEREAS on January 12th, 2010, a status hearing was held commencing at 10:30 a.m. and Staff appeared before the panel of the Commission and provided the panel of the Commission with a status update with respect to this matter;

AND WHEREAS on January 12th, 2010, Da Silva did not attend and the matter was adjourned to April 12, 2010;

AND WHEREAS on April 12th, 2010, DaSilva did not attend before the panel of the Commission despite being made aware of the hearing date;

AND WHEREAS on April 12th, 2010, a panel of the Commission considered the submissions of Staff and is of the opinion that it is in the public interest to make this order;

IT IS HEREBY ORDERED that the hearing with respect to the Notice of Hearing dated October 21st, 2008 and Staff's Statement of Allegations dated October 20th, 2008 is adjourned to June 30, 2010 at 9:30 a.m.

DATED at Toronto this 13th day of April, 2010.

"David L. Knight"

2.2.11 Uranium308 Resources Inc. et al. – s. 127

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

AND

IN THE MATTER OF
URANIUM308 RESOURCES INC.,
MICHAEL FRIEDMAN, GEORGE SCHWARTZ,
PETER ROBINSON, AND SHAFI KHAN

ORDER
(Section 127)

WHEREAS on February 20, 2009, the Ontario Securities Commission (the "Commission") issued a temporary cease trade order pursuant to subsections 127(1) and 127(5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") ordering: that all trading in securities by Uranium308 Resources Inc. ("U308 Inc.") shall cease and that all trading in Uranium308 Resources Inc. securities shall cease; that all trading in securities by Uranium308 Resources Plc. ("U308 Plc.") shall cease and that all trading in Uranium308 Resources Plc. securities shall cease; that all trading in securities by Innovative Gifting Inc. ("IGI") shall cease; and, that Michael Friedman ("Friedman"), Peter Robinson ("Robinson"), George Schwartz ("Schwartz"), and Alan Marsh Shuman ("Shuman") cease trading in all securities (the "Temporary Order");

AND WHEREAS, on February 20, 2009, the Commission ordered that the Temporary Order shall expire on the 15th day after its making unless extended by order of the Commission;

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

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

AND WHEREAS on March 6, July 10, November 30, 2009 and on February 3, 2010, hearings were held before the Commission and the Commission ordered that the Temporary Order be extended;

AND WHEREAS on February 3, 2010, the Commission ordered that the Temporary Order be extended until March 8, 2010 and the hearing with respect to the matter be adjourned to March 5, 2010;

AND WHEREAS on March 2, 2010, the Commission issued a Notice of Hearing to consider, inter

alia, whether to make orders, pursuant to sections 37, 127, and 127.1, against U308 Inc., Friedman, Schwartz, Robinson and Shafi Khan ("Khan") (collectively the "Respondents");

AND WHEREAS on March 2, 2010, Staff of the Commission issued a Statement of Allegations against the Respondents;

AND WHEREAS Staff served the Respondents with the Notice of Hearing dated March 2, 2010 and Staff's Statement of Allegations dated March 2, 2010. Service by Staff was evidenced by the Affidavit of Service of Joanne Wadden, sworn on March 4, 2010, which was filed with the Commission;

AND WHEREAS on March 5, 2010, the Commission ordered that the Temporary Order be extended until April 13, 2010 and the hearing with respect to the matter be adjourned to April 12, 2010;

AND WHEREAS on March 5, 2010, counsel for Staff advised the Commission that Staff were not seeking to extend the Temporary Order against Shuman and the Commission did not extend the Temporary Order against Shuman;

AND WHEREAS on April 12, 2010, counsel for Staff, Khan, and counsel for Friedman appeared before the Commission. Counsel for Robinson was not present but he had provided information to counsel for Staff which was relayed to the Commission. Schwartz was also not present but he had provided information to counsel for Staff which was relayed to the Commission;

AND WHEREAS on April 12, 2010, counsel for Staff requested the extension of the Temporary Order as against U308 Inc., Friedman, Schwartz, Robinson, and U308 Plc.;

AND WHEREAS on April 12, 2010, counsel for Staff provided counsel for Friedman and Khan with Staff's initial disclosure in this matter. Counsel for Staff advised the Commission that Staff's initial disclosure was also prepared and available for the other respondents to pick up from Staff;

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

IT IS ORDERED that, pursuant to subsection 127(8) of the Act, the Temporary Order is extended as against U308 Inc., Friedman, Schwartz, Robinson, and U308 Plc. to July 2, 2010; and

IT IS FURTHER ORDERED that the hearing with respect to the Notice of Hearing dated March 2, 2010 and with respect to the Temporary Order is adjourned to June 30, 2010, at 10:00 a.m. at which time a pre-hearing conference will be held.

DATED at Toronto this 13th day of April, 2010.

"David L. Knight"

2.2.12 Peter Robinson and Platinum International Investments Inc.

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

AND

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

ORDER

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

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

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

AND WHEREAS Staff served the Respondents with copies of the Notice of Hearing and Staff's Statement of Allegations dated December 17, 2009, as evidenced by the Affidavit of Kathleen McMillan sworn on January 11, 2010, and filed with the Commission;

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

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

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

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

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

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

AND WHEREAS on February 3 and March 5, 2010, hearings were held before the Commission and the Commission ordered that the Temporary Cease Trade Order be extended and that the hearing be adjourned;

AND WHEREAS on April 12, 2010, Staff of the Commission appeared before the Commission and made submissions;

AND WHEREAS on April 12, 2010, counsel for Platinum and Robinson was not present but counsel had provided information to counsel for Staff which was relayed to the Commission;

AND WHEREAS on April 12, 2010, Staff requested an adjournment of the hearing, an extension of the Temporary Cease Trade Order, and the scheduling of a pre-hearing conference;

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

IT IS ORDERED that, pursuant to subsection 127(8) of the Act, the Temporary Cease Trade Order is extended until June 11, 2010; and

IT IS FURTHER ORDERED that the hearing with respect to this matter is adjourned to June 10, 2010, at 3:00 p.m. at which time a pre-hearing conference will be held.

DATED at Toronto this 13th day of April, 2010.

"David L. Knight"

2.2.13 Innovative Gifting 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
INNOVATIVE GIFTING INC.,
TERENCE LUSHINGTON,
Z2A CORP., AND CHRISTINE HEWITT

ORDER
(Section 127)

WHEREAS on February 20, 2009, the Ontario Securities Commission (the "Commission") issued a temporary cease trade order pursuant to subsections 127(1) and 127(5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") ordering, *inter alia*, that all trading in securities by Innovative Gifting Inc. ("IGI") shall cease (the "Temporary Order");

AND WHEREAS, on February 20, 2009, the Commission ordered that the Temporary Order shall expire on the 15th day after its making unless extended by order of the Commission;

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

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

AND WHEREAS on March 6, July 10, November 30, 2009 and on February 3, 2010, hearings were held before the Commission and the Commission ordered that the Temporary Order be extended;

AND WHEREAS on February 3, 2010, the Commission ordered that the Temporary Order be extended until March 8, 2010 and the hearing with respect to the matter be adjourned to March 5, 2010;

AND WHEREAS on March 2, 2010, the Commission issued a Notice of Hearing to consider, inter alia, whether to make orders, pursuant to sections 127, and 127.1 of the Act, against IGI, Terence Lushington ("Lushington"), Z2A Corp. ("Z2A"), and Christine Hewitt ("Hewitt") (collectively the "Respondents");

AND WHEREAS on March 2, 2010, Staff of the Commission issued a Statement of Allegations against the Respondents;

AND WHEREAS Staff served the Respondents with the Notice of Hearing dated March 2, 2010 and Staff's Statement of Allegations dated March 2, 2010. Service by Staff was evidenced by the Affidavit of Service of Joanne Wadden, sworn on March 4, 2010, which was filed with the Commission;

AND WHEREAS on March 5, 2010, the Commission ordered that the Temporary Order be extended until April 13, 2010 and the hearing with respect to the matter be adjourned to April 12, 2010;

AND WHEREAS on April 12, 2010, counsel for Staff, counsel for IGI and Lushington, and counsel for Z2A and Hewitt appeared before the Commission and made submissions;

AND WHEREAS on April 12, 2010, counsel for Staff requested an extension of the Temporary Order as against IGI;

AND WHEREAS on April 12, 2010, counsel for IGI and Lushington consented to the extension of the Temporary Order as against IGI;

AND WHEREAS on April 12, 2010, counsel for Staff provided counsel for the Respondents with Staff's initial disclosure in this matter;

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

IT IS ORDERED that, pursuant to subsection 127(8) of the Act, the Temporary Order is extended as against IGI until July 22, 2010; and

IT IS FURTHER ORDERED that the hearing with respect to the Notice of Hearing dated March 2, 2010 and with respect to the Temporary Order is adjourned to July 21, 2010, at 10:00 a.m. at which time a pre-hearing conference will be held.

DATED at Toronto this 13th day of April, 2010.

"David L. Knight"

2.2.14 QuantFX Asset Management Inc. et al. – ss. 127(1), 127(5)

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

AND

IN THE MATTER OF
QUANTFX ASSET MANAGEMENT INC.,
VADIM TSATSKIN, LUCIEN SHTROMVASER AND
ROSTISLAV ZEMLINSKY

TEMPORARY ORDER
Sections 127(1) & 127(5)

WHEREAS it appears to the Ontario Securities Commission (the "Commission") that:

i) QuantFX Asset Management Inc. ("QuantFX") is incorporated under the *Canada Business Corporations Act*;

ii) QuantFX is registered with the Ministry of Government Services for the Province of Ontario;

iii) The registered address of QuantFX is in Toronto, Ontario;

iv) Vadim Tsatskin ("Tsatskin"), Lucien Shtromvaser ("Shtromvaser") and Rostislav Zemlinsky ("Zemlinsky) are the registered directors of QuantFX;

v) QuantFX is not registered with the Commission in any capacity;

vi) Tsatskin, Shtromvaser and Zemlinsky are not registered with the Commission in any capacity;

vii) Staff are conducting an investigation into QuantFX, and it appears that QuantFX and their representatives, including Tsatskin, Shtromvaser and Zemlinsky, may have engaged in the following conduct:

1) trading without proper registration or appropriate exemption from the registration requirements under the Act, contrary to section 25(1) of the Act;

2) engaging in the business of advising persons with respect to investing in, buying or selling securities without proper registration or appropriate exemption from the registration requirements under the Act, contrary to section 25(3) of the Act;

AND WHEREAS the Commission is of the opinion that the time required to conclude a hearing could be prejudicial to the public interest as contemplated by subsection 127(5) of the Act;

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

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

IT IS ORDERED pursuant to clause 2 of subsection 127(1) of the Act that QuantFX, Tsatskin, Shtromvaser and Zemlinsky, cease trading in all securities;

IT IS FURTHER ORDERED pursuant to clause 3 of subsection 127(1) of the Act that any exemptions contained in Ontario securities law do not apply to QuantFX, Tsatskin, Shtromvaser and Zemlinsky; and

IT IS FURTHER ORDERED pursuant to subsection 127(6) of the Act that this order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by order of the Commission.

Dated at Toronto this 9th day of April, 2010

"James Turner"

2.2.15 Christina Harper et al. – ss. 127(1), 127(5)

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

AND

IN THE MATTER OF
CHRISTINA HARPER, HOWARD RASH,
MICHAEL SCHAUMER, ELLIOT FEDER,
VADIM TSATSKIN, ODED PASTERNAK,
ALAN SILVERSTEIN, HERBERT GROBERMAN,
ALLAN WALKER, PETER ROBINSON,
VYACHESLAV BRIKMAN, NIKOLA BAJOVSKI,
BRUCE COHEN AND ANDREW SCHIFF

TEMPORARY ORDER
Sections 127(1) & 127(5)

WHEREAS on July 10, 2008, the Ontario Securities Commission (the "Commission") issued a temporary cease trade order pursuant to clause 2 of subsection 127(1) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") ordering that all trading by Global Energy Group, Ltd. ("Global Energy") and the New Gold Limited Partnerships (the "New Gold Partnerships") and their officers, directors, employees and/or agents in securities of the New Gold Partnerships shall cease (the "Original TCTO");

AND WHEREAS as set out in the Original TCTO, it appears to the Commission that:

i) Global Energy is a corporation that purported to be registered in the Bahamas but appears to be have been operated out of a number of offices in Toronto, Ontario and Concord, Ontario;

ii) The New Gold Limited Partnerships purported to be a series of limited liability partnerships situated in the state of Kentucky and the Bahamas;

iii) No exemption from the registration and prospectus requirements under the Act applied to the trading in securities of the New Gold Partnerships;

iv) No prospectus receipt had been issued for the securities of the New Gold Partnerships pursuant to section 53 of the Act; and

v) False or misleading information was contained in materials related to the sale of the securities of the New Gold Partnerships contrary to section 126.1 of the Act.

AND WHEREAS since the issuance of the Original TCTO, Staff have continued their investigation into Global Energy and the New Gold Partnerships and it would appear that Christina Harper, Howard Rash, Michael Schaumer, Elliot Feder, Vadim Tsatskin, Oded Pasternak, Alan Silverstein, Herbert Groberman, Allan Walker, Peter Robinson, Vyacheslav Brikman, Nikola Bajovski, Bruce Cohen and Andrew Schiff may have engaged in the following conduct contrary to the Act:

i) Trading in the securities of the New Gold Partnerships without proper registration or appropriate exemption from the registration requirements under the Act, contrary to section 25 of the Act; and

ii) Trading in the securities of New Gold Partnerships in a manner that would be a distribution of those securities where no preliminary prospectus or prospectus has been filed and no receipt has been issued by the Director, contrary to section 53 of the Act;

AND WHEREAS it would appear that Christina Harper, Howard Rash, Michael Schaumer, Elliot Feder and Vadim Tsatskin may have engaged or participated in acts or a course of conduct relating to the securities of New Gold Partnerships that they knew or ought to have known perpetrates a fraud on any person or company contrary to section 126.1 of the Act;

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

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

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

IT IS ORDERED pursuant to clause 2 of subsection 127(1) of the Act that Christina Harper, Howard Rash, Michael Schaumer, Elliot Feder, Vadim Tsatskin, Oded Pasternak, Alan Silverstein, Herbert Groberman, Allan Walker, Peter Robinson, Vyacheslav Brikman, Nikola Bajovski, Bruce Cohen and Andrew Schiff shall cease trading in all securities;

IT IS FURTHER ORDERED pursuant to clause 3 of subsection 127(1) of the Act that any exemptions contained in Ontario securities law do not apply to Christina Harper, Howard Rash, Michael Schaumer, Elliot Feder, Vadim Tsatskin, Oded Pasternak, Alan Silverstein, Herbert Groberman, Allan Walker, Peter Robinson, Vyacheslav Brikman, Nikola Bajovski, Bruce Cohen and Andrew Schiff; and

IT IS FURTHER ORDERED pursuant to subsection 127(6) of the Act that this order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by order of the Commission.

Dated at Toronto this 7th day of April, 2010

"James Turner"

2.2.16 Roy Michael Steplock

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

AND

IN THE MATTER OF
ROY MICHAEL STEPLOCK

ORDER

WHEREAS on April 1, 2010, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") in relation to Roy Michael Steplock ("Steplock");

AND WHEREAS Steplock entered into a settlement agreement with Staff of the Commission ("Staff") dated April 7, 2010 (the "Settlement Agreement"), a copy of which is attached as Schedule "A" to this Order, in which he agreed to a settlement of the proceeding commenced by the Notice of Hearing dated April 1, 2010, subject to the approval of the Commission;

AND UPON reviewing the Settlement Agreement, and upon hearing submissions from counsel for Staff and Steplock;

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

IT IS ORDERED THAT:

1. the Settlement Agreement is approved;

2. Steplock shall be and is hereby reprimanded;

3. Steplock is prohibited from becoming registered under the Act for a period of 20 years from the date of approval of the Settlement Agreement;

4. Steplock is prohibited from becoming or acting as an officer or director of a reporting issuer, an investment fund, an investment fund manager and a registrant for a period of 20 years from the date of approval of the Settlement Agreement;

5. Steplock will pay an administrative penalty of $75,000, to be allocated under s. 3.4(2)(b) of the Act to or for the benefit of third parties;

6. Steplock will disgorge to the Commission the greater of $245,327.10 or 50% of the sale price (net of capital gains tax paid and real estate commissions paid) from the sale of the Condominium described in paragraph 43 of the Settlement Agreement, to be allocated under s. 3.4(2)(b) of the Act to or for the benefit of third parties;

7. Steplock will cooperate with the Commission and Staff in this respect of any proceeding commenced with respect to the subject-matter of this Settlement Agreement and will appear and give truthful and accurate testimony at the hearing of any such proceeding, if requested by Staff; and

8. Steplock will pay the sum of $50,000 in respect of the costs of the investigation of this matter.

DATED at Toronto this 12th day of April, 2010.

"David L. Knight"

"Carol S. Perry"

SCHEDULE "A"

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

AND

**IN THE MATTER OF
ROY MICHAEL STEPLOCK**

**SETTLEMENT AGREEMENT
BETWEEN STAFF OF THE
ONTARIO SECURITIES COMMISSION AND
ROY MICHAEL STEPLOCK**

PART I – INTRODUCTION

1. By Notice of Hearing and related Statement of Allegations dated April 1, 2010 (the "Notice of Hearing"), the Ontario Securities Commission (the "Commission") announced that it proposed to hold a hearing to consider whether, pursuant to s. 127 and s. 127.1(1) and (2) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), it is in the public interest to make certain orders against the Respondent, Roy Michael Steplock ("Steplock"), as described in the Notice of Hearing.

PART II – JOINT SETTLEMENT RECOMMENDATION

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

PART III – ACKNOWLEDGEMENT

3. For the purposes of this settlement hearing only, Steplock agrees with the facts set out in Part IV of the settlement agreement (the "Settlement Agreement").

PART IV – FACTS

(a) The Fund and Fund Manager

4. Retrocom Growth Fund ("Retrocom" or the "Fund") is a reporting issuer in Ontario and was incorporated in 1995 as a labour-sponsored investment fund. In December of 2005, Retrocom suspended redemptions because it did not have sufficient liquidity to meet outstanding redemption requests. On August 2, 2006, Retrocom issued a press release announcing that it was insolvent and had 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.

5. In its prospectus dated January 14, 2003, as amended from time to time (the "Prospectus"), Retrocom stated that it was "established to invest in small and medium-sized companies involved in high-tech communications, fibre optics, health-care development, innovative building technologies, energy and environmental conservation, construction and real estate development." 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. Retrocom's labour-sponsored status provided investors with favourable tax treatment for investments in the Fund.

6. 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.

7. Pursuant to section 116 of the Act, RIMI, as Retrocom's manager, was required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of the Fund and to exercise the degree of care, diligence and skill that a reasonably prudent fund manager would exercise in the circumstances.

(b) The Respondent

8. Steplock 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. Steplock, directly or indirectly, also held a majority stake in Bellporte Inc., which owns RIMI.

9. 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. Steplock was registered in various capacities with the Commission between 1998 and 2006, on behalf of Bellporte Black Investment Management (the Fund's Manager prior to RIMI) and/or RIMI.

10. Steplock's compensation from RIMI for the years 2003, 2004 and 2005 (exclusive of the Personal Benefit defined and described herein) was $222,069, $278,267, and $256,272, respectively.

(c) Significant Over-Valuation of Assets During Fiscal 2000 to 2005

11. The financial year-end for the Fund was August 31. For fiscal years ending August 31, 2001 to 2004 the Fund's financial statements were audited by a professional audit firm and, in conjunction therewith, an annual valuation policy compliance review was conducted by a different professional audit firm. During this period, RIMI valued the Fund's assets.

12. In its audited financial statements for the period ending August 31, 2003, Retrocom recorded assets with a value of approximately $68 million. For the year ending August 31, 2004 Retrocom's assets were valued in its audited financial statements in the approximate amount of $52 million. Audited financial statements for the year ending August 31, 2005 were never completed.

13. In or about February of 2006 a Special Committee of Retrocom's Board of Directors was formed. The Special Committee retained Richter to review Retrocom's financial affairs during the period September 1, 2000 to August 31, 2005 (the "Period"). In summary, Richter found that:

(a) As at August 2000, Retrocom had invested in 25 projects. An additional 13 projects were invested in subsequent to August 31, 2001. During the Period, 13 projects were disposed of or realized;

(b) RIMI received management fees calculated as a percentage (3.25%) of the Fair Value of the Fund's assets;

(c) Net asset values ("NAVs") for the Fund were prepared on the Fair Values ascribed to the Fund's assets;

(d) The NAV for the Fund during the Period was overstated by $54 million; and

(e) The overstatement of the Fund's NAV during the Period resulted in an overpayment of fees to RIMI of between $1.8 and $4.8 million.

14. In 2005, in the context of the Fund's year-end audit, Cole & Partners performed a valuation of the Fund's assets as at August 31, 2005. Cole & Partners reported that the Fund's NAVs were cumulatively overstated by approximately $147 million during the Period.

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

15. For the year ending August 31, 2004, KPMG (the Fund's auditor at the time), 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").

16. 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 $7.0 million. The Reversal was made retroactive to September 1, 2004. Steplock was a member of the Board of Directors of the Fund until January 31, 2005, two days prior to the Reversal, and he attended the Valuation Committee meeting which authorized the Reversal.

17. 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 referred to as the "Blanford/Finchwood" swap was anticipated to close at a purchase price which was in excess of the valuation ascribed to the Finchwood property in the Fund's 2004 year-end audit.

18. Neither RIMI nor the Valuation Committee consulted with the Fund's external 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.

19. In or about June of 2005, Steplock and others at RIMI learned for certain that the Blanford/Finchwood swap had failed to close. However, it appears, based on the Fund's draft Financial Statements for the years ending August 31, 2005 and 2006, that RIMI continued to receive management fees calculated on the basis of the Reversal until February 28, 2006. In other words, for a period of approximately 8 months, Steplock was aware that management fees were being paid to RIMI by the Fund on the basis of a NAV that was improperly inflated by at least $6 million. Accordingly, the Fund overpaid RIMI's management fees by approximately $130,000 between July 1, 2005 and February 28, 2006 (the "Inflated Fees").

20. Based on the Fund's draft Financial Statements for the years ended August 31, 2005 and 2006 and the Fund's audited Financial Statements for the year ended August 31, 2004, it appears that between July 1, 2005 and February 28, 2006, investors who redeemed out of the Fund were overpaid in the cumulative amount of approximately $37,000 as a consequence of the Fund's inflated NAV during the period. Conversely, investors who subscribed to the Fund during this period appear to have overpaid in the cumulative amount of approximately $13,000.

21. 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 when the Blanford/Finchwood swap fell through, and in accepting the Inflated Fees, was in breach of its obligations pursuant to section 116 of the Act. Specifically, in relation to the Write-Down and Reversal, RIMI failed to exercise its powers and discharge its duties as manager of the Fund honestly, in good faith and in the best interests of the Fund and to exercise the degree of care, diligence and skill required of a reasonably prudent fund manager under the circumstances.

22. Steplock acknowledges that he authorized and participated in these non-compliances by RIMI with Ontario securities law and, accordingly, that he failed to comply with Ontario securities law, contrary to section 129.2 of the Act and the public interest.

(e) Additional Fees and Conflict of Interest

23. Pursuant to the Prospectus, RIMI was to receive an annual management fee, calculated daily and payable monthly in arrears, to equal 3.25% per annum of the aggregate NAV of the Fund. Also, pursuant to the Prospectus, RIMI was permitted to receive fees directly from investee companies for services provided:

> RIMI monitors each of the Fund's investments on a continuous basis and may receive from investee companies certain fees for services provided thereto. RIMI may require that a representative of it be appointed as a director or observer to the board of directors of an investee company… (page 28)

24. Article 5.1 of the management agreement between RIMI and the Fund (the "Management Agreement") stated:

> 5.1 Applicable Standards. The Manager 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. Unless the Fund consents, the Manager shall not, and shall not permit its employees, directors or officers to enter into any arrangements with any Eligible Business in which the Fund is considering an investment or with any Investee Company or with any director, officer, shareholder or affiliate of any such Eligible Business or Investee Company or with any such Eligible Business or Investee Company, or with any person dealing at arm's length with any of the aforesaid persons, such that the Manager or any of its employees, directors or officers receive or would receive any fee, payment or benefit as a result of dealing with such Eligible Business or Investee Company or such persons.

25. 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 the following services: monitoring, diligence, viewings, security/break-ins, liaising with City and police officials, marketing activities, feasibility studies, financial modeling, construction consulting, debt restructuring, loan processing and due diligence, financial analysis, vacant property reports, architectural renderings, sponsorships and promotions (the "Additional Fees").

26. 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 Steplock and 50% by another RIMI employee (the "Condominium"). At the time of transfer, the Condominium was valued at $490,654.21. A current assessment estimates the Condominium's value to be in the

range of $550,000 to $575,000. Accordingly, Steplock 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").

27. Steplock did not seek the consent of the Fund prior to RIMI's acceptance of the Additional Fees, nor did he take any steps to ensure that RIMI did so.

28. Steplock did not disclose to the Fund that he had received the Personal Benefit.

29. None of the Additional Fees were deducted from the management fees paid by Retrocom to RIMI, although RIMI's duties, as set out in the Management Agreement, included, among other things, "ongoing monitoring of investments."

30. Steplock acknowledges that a conflict of interest was created by the Additional Fees, because he and RIMI had an incentive to recommend that the Fund make investments in projects that would generate fees in the nature of the Additional Fees, regardless of whether such investments were in the best interests of the Fund.

31. Accordingly, Steplock acknowledges that his failure to personally disclose, and to ensure that RIMI disclosed to the Fund its intended receipt of the Additional Fees, prior to accepting such payments, was in breach of his and RIMI's obligations pursuant to section 116 of the Act to exercise its powers and discharge its duties fairly, honestly, in good faith and in the best interests of the Fund and to exercise the degree of care, diligence and skill expected of a reasonably prudent fund manager in the circumstances. Equally, his failure to inform the Fund of RIMI's receipt of the Additional Fees, including but not limited to his receipt of the Personal Benefit, was in breach of section 116 of the Act.

32. Steplock further acknowledges that he authorized, permitted and participated in these non-compliances with Ontario securities law by RIMI and accordingly, that he failed to comply with Ontario securities law contrary to section 129.2 of the Act and the public interest.

(f) Imprudent, Material Over-Valuations of Assets

33. Both the asset valuation prepared by Cole & Partners for fiscal 2005 and Richter's report to the Special Committee in relation to the Period indicate that the Fund's assets were significantly over-valued during the Material Time.

34. RIMI, as manager, made investment recommendations to the Fund and provided ongoing asset valuations. RIMI was expected to bring reasonable due diligence to bear in fulfilling these duties. However, RIMI's valuation practices were significantly deficient in a number of ways, including:

(a) that RIMI's files did not contain sufficient information and/or documentation to reasonably support the values ascribed to many of the Fund's assets throughout the Period;

(b) that RIMI's files in relation to the Fund's investments were often incomplete and/or superficial and contained mathematical errors;

(c) that certain assumptions made by RIMI to support the values ascribed to certain of the Fund's assets during the Period were unreasonable and/or overly-aggressive;

(d) that, for certain assets, the valuation assumptions made by RIMI lacked reasonable documentation;

(e) that reasonable due diligence was not conducted with respect to many of the investments that RIMI recommended that the Fund make; and

(f) that, on RIMI's advice, the Fund subordinated its security interest and/or made further advances of funds in circumstances in which it should have been obvious that doing so was to the Fund's detriment.

35. Based on the foregoing, Steplock acknowledges that RIMI failed to fulfill its obligations pursuant to section 116 of the Act to discharge its duties in respect of the valuation of the Fund's assets during the Material Time, honestly, in good faith and in the best interests of the Fund and to exercise the degree of care, diligence and skill expected of a reasonably prudent fund manager in the circumstances.

36. Steplock further acknowledges that he authorized and participated in these non-compliances with Ontario securities law and, accordingly, that he failed to comply with Ontario securities law contrary to section 129.2 of the Act and the public interest.

(g) Misleading Staff

37. Steplock was first interviewed by Staff on February 22, 2007. During the interview, despite being asked numerous questions about his compensation, Steplock failed to inform Staff of the Personal Benefit.

38. Steplock was interviewed by Staff again on February 21, 2008 (the "Second Interview"). Prior to the commencement of the Second Interview, Steplock learned that Staff had been made aware of the Personal Benefit from other sources. He acknowledged the Personal Benefit during the Second Interview.

39. Steplock acknowledges that his failure to inform Staff of the Personal Benefit promptly during Staff's investigation of this matter was in contravention of clause (a) of subsection 122(1) of the Act.

PART V – TERMS OF SETTLEMENT

40. Steplock agrees to the terms of settlement listed below.

41. The Commission will make an order pursuant to section 127(1) and section 127.1 of the Act that:

(a) the Settlement Agreement is approved;

(b) Steplock shall be reprimanded;

(c) Steplock is prohibited from becoming registered under the Act for a period of 20 years from the date of approval of the Settlement Agreement;

(d) Steplock is prohibited from becoming or acting as an officer or director of a reporting issuer, an investment fund, an investment fund manager and a registrant for a period of 20 years from the date of approval of the Settlement Agreement;

(e) Steplock will pay an administrative penalty of $75,000, to be allocated under s. 3.4(2)(b) of the Act to or for the benefit of third parties;

(f) Steplock will disgorge to the Commission the greater of $245,327.10 or 50% of the sale price (net of capital gains tax paid and real estate commissions paid) from the sale of the Condominium described in paragraph 43 below, to be allocated under s. 3.4(2)(b) of the Act to or for the benefit of third parties;

(g) Steplock will cooperate with the Commission and Staff in this respect of any proceeding commenced with respect to the subject-matter of this Settlement Agreement and will appear and give truthful and accurate testimony at the hearing of any such proceeding, if requested by Staff; and

(h) Steplock will pay the sum of $50,000 in respect of the costs of the investigation of this matter.

42. Steplock agrees to personally make the costs payment ordered in paragraph 41 (h) above by certified cheque when the Commission approves this Settlement Agreement. Steplock will not be reimbursed for, or receive a contribution toward, this or any other payment made pursuant to this Settlement Agreement from any other person or company subject to paragraph 45 below.

43. Steplock agrees to provide, when the Commission approves this Settlement Agreement:

(a) a written undertaking to the Commission executed by himself and the legal owner of the Condominium to list the Condominium for sale within 5 days of the approval of the Settlement Agreement;

(b) a consent executed by himself and the legal owner of the Condominium to a certificate of direction pursuant to s. 126(1) and (4) of the Act to be registered on title to the Condominium; and

(c) a direction by the legal owner of the Condominium directing any purchaser of the Condominium to direct payment of all sale proceeds, after payout only of (i) the outstanding first mortgage (instrument No. AT1671009), (ii) applicable capital gains taxes, and (iii) applicable real estate commissions, to the Commission on closing of the sale of the Condominium.

44. Upon receipt of the funds from the sale of the Condominium, the Commission will revoke its certificate and direction against title to the Condominium. In the event that the Condominium is not sold within 120 days of the date when the Commission approves this Settlement Agreement and/or the amounts set out in paragraphs 41 (e) and (f) are not otherwise

paid, the Commission will seek to enforce its Order approving this Settlement Agreement as an order of the Ontario Superior Court of Justice pursuant to section 151 of the Act.

45. Steplock hereby agrees and acknowledges that, in the event that he should receive any further or additional funds in connection with the transactions giving rise to the Personal Benefit: (i) if the amounts owing pursuant to this Settlement Agreement are not paid in full, he will direct those funds to the Commission; (ii) if the amounts owing pursuant to this Settlement Agreement are paid in full, he will direct those funds to Richter in its capacity as trustee for Retrocom; and (iii) should Richter no longer be acting as trustee, he will return to the Commission for direction in respect of those funds.

46. Steplock is not aware of any fees in the nature of the Additional Fees owing to him or RIMI at this time, other than fees in connection with the transactions giving rise to the Personal Benefit. If he becomes aware of any such fees he will provide notice and details to Staff forthwith.

PART VI – STAFF COMMITMENT

47. If the Commission approves this Settlement Agreement, Staff will not commence any proceedings against Steplock under Ontario securities law in relation to the facts alleged in the Notice of Hearing, subject to paragraph 48 below.

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

PART VII – PROCEDURE FOR APPROVAL OF SETTLEMENT

49. The parties will seek approval of this Settlement Agreement at a public hearing before the Commission according to the procedures set out in this Settlement Agreement and the Commission's Rules of Practice. At the request of the parties, approval of this Settlement Agreement will be considered at a joint hearing at which settlement agreements for other respondents will also be considered.

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

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

52. If the Commission approves this Settlement Agreement, Steplock will not make any public statement that is inconsistent with this Settlement Agreement or with any additional agreed facts submitted at the settlement hearing.

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

PART VIII – DISCLOSURE OF SETTLEMENT AGREEMENT

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

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

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

55. Both parties will keep the terms of the Settlement Agreement confidential until the Commission approves the Settlement Agreement, except that the Settlement Agreement may be disclosed to the other respondents who are in attendance at the settlement hearing, as provided in paragraph 49 above. Upon approval of the Settlement Agreement by the Commission, the parties will no longer have to maintain confidentiality. If the Commission does not approve the Settlement Agreement, both parties and every other respondent in attendance at the settlement hearing must continue to keep the terms of the Settlement Agreement confidential, unless they agree in writing not to do so or if otherwise required by law.

PART IX – EXECUTION OF SETTLEMENT AGREEMENT

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

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

Dated at Toronto this 7th day of April, 2010

Witness: "Paul Rexe"

"R. Michael Steplock"
R. Michael Steplock

Dated at Toronto this 7th day of April, 2010

Staff of the Ontario Securities Commission

"Tom Atkinson"
Tom Atkinson
Director of Enforcement

SCHEDULE "A"

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

AND

IN THE MATTER OF
ROY MICHAEL STEPLOCK

ORDER

WHEREAS on April 1, 2010, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") in relation to Roy Michael Steplock ("Steplock");

AND WHEREAS Steplock entered into a settlement agreement with Staff of the Commission ("Staff") dated April ●, 2010 (the "Settlement Agreement"), a copy of which is attached as Schedule "A" to this Order, in which he agreed to a settlement of the proceeding commenced by the Notice of Hearing dated April 1, 2010, subject to the approval of the Commission;

AND UPON reviewing the Settlement Agreement, and upon hearing submissions from counsel for Staff and Steplock;

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

IT IS ORDERED THAT:

1. the Settlement Agreement is approved;

2. Steplock shall be and is hereby reprimanded;

3. Steplock is prohibited from becoming registered under the Act for a period of 20 years from the date of approval of the Settlement Agreement;

4. Steplock is prohibited from becoming or acting as an officer or director of a reporting issuer, an investment fund, an investment fund manager and a registrant for a period of 20 years from the date of approval of the Settlement Agreement;

5. Steplock will pay an administrative penalty of $75,000, to be allocated under s. 3.4(2)(b) of the Act to or for the benefit of third parties;

6. Steplock will disgorge to the Commission the greater of $245,327.10 or 50% of the sale price (net of capital gains tax paid and real estate commissions paid) from the sale of the Condominium described in paragraph 43 of the Settlement Agreement, to be allocated under s. 3.4(2)(b) of the Act to or for the benefit of third parties;

7. Steplock will cooperate with the Commission and Staff in this respect of any proceeding commenced with respect to the subject-matter of this Settlement Agreement and will appear and give truthful and accurate testimony at the hearing of any such proceeding, if requested by Staff; and

8. Steplock will pay the sum of $50,000 in respect of the costs of the investigation of this matter.

DATED at Toronto this day of April, 2010.

_____ _____

2.2.17 Christopher Joseph Geddes

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

AND

IN THE MATTER OF
CHRISTOPHER JOSEPH GEDDES

ORDER

WHEREAS on April 1, 2010, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") in relation to Christopher Joseph Geddes ("Geddes");

AND WHEREAS Geddes entered into a settlement agreement with Staff of the Commission ("Staff") dated April 7, 2010 (the "Settlement Agreement"), a copy of which is attached as Schedule "A" to this Order, in which he agreed to a settlement of the proceeding commenced by the Notice of Hearing dated April 1, 2010, subject to the approval of the Commission;

AND UPON reviewing the Settlement Agreement, and upon hearing submissions from counsel for Staff and Geddes;

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

IT IS ORDERED THAT:

1. the Settlement Agreement is approved;

2. Geddes shall be and is hereby reprimanded;

3. Geddes is prohibited from becoming registered under the Act for a period of 5 years from the date of approval of the Settlement Agreement;

4. Geddes is prohibited from becoming or acting as an officer or director of a reporting issuer, an investment fund, an investment fund manager and a registrant for a period of 5 years from the date of approval of the Settlement Agreement;

5. Geddes will make a voluntary payment to the Commission in the amount of $218,400 to be allocated under s. 3.4(2)(b) of the Act to or for the benefit of third parties;

6. Geddes will cooperate with the Commission and Staff in respect of any proceeding commenced with respect to the subject-matter of this Settlement Agreement and will appear and give truthful and accurate testimony at the hearing of any such proceeding, if requested by Staff; and

7. Geddes will pay the sum of $15,000 in respect of the costs of the investigation of this matter.

DATED at Toronto this 12th day of April, 2010.

"David L. Knight"

"Carol S. Perry"

SCHEDULE "A"

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

AND

**IN THE MATTER OF
CHRISTOPHER JOSEPH GEDDES**

**SETTLEMENT AGREEMENT
BETWEEN STAFF OF THE
ONTARIO SECURITIES COMMISSION AND
CHRISTOPHER JOSEPH GEDDES**

PART I – INTRODUCTION

1. By Notice of Hearing and related Statement of Allegations dated April 1, 2010 (the "Notice of Hearing"), the Ontario Securities Commission (the "Commission") announced that it proposed to hold a hearing to consider whether, pursuant to s. 127 and s. 127.1(1) and (2) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), it is in the public interest to make certain orders against the Respondent, Christopher Joseph Geddes ("Geddes"), as described in the Notice of Hearing.

PART II – JOINT SETTLEMENT RECOMMENDATION

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

PART III – ACKNOWLEDGEMENT

3. For the purposes of this settlement hearing only, Geddes agrees with the facts set out in Part IV of the settlement agreement (the "Settlement Agreement").

PART IV – FACTS

(a) The Fund and Fund Manager

4. Retrocom Growth Fund ("Retrocom" or the "Fund") is a reporting issuer in Ontario and was incorporated in 1995 as a labour-sponsored investment fund. In December of 2005, Retrocom suspended redemptions because it did not have sufficient liquidity to meet outstanding redemption requests. On August 2, 2006, Retrocom issued a press release announcing that it was insolvent and had 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.

5. In its prospectus dated January 14, 2003, as amended from time to time (the "Prospectus"), Retrocom stated that it was "established to invest in small and medium-sized companies involved in high-tech communications, fibre optics, health-care development, innovative building technologies, energy and environmental conservation, construction and real estate development." 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. Retrocom's labour-sponsored status provided investors with favourable tax treatment for investments in the Fund.

6. 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.

7. Pursuant to section 116 of the Act, RIMI, as Retrocom's manager, was required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of the Fund and to exercise the degree of care, diligence and skill that a reasonably prudent fund manager would exercise in the circumstances.

(b) The Respondent

8. Geddes was, from May, 2003 to June, 2006, the Fund's Chief Financial Officer. 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, KPMG, in the performance of its audit work. From March, 2004 to March, 2005 Geddes served as Chief Financial Officer 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 and for which RIMI acted as manager. Geddes has never been registered with the Commission.

9. Geddes' compensation from the Fund for the years 2003, 2004 and 2005 (exclusive of the Personal Benefit defined and described herein) was $24,000.00 (2003), $24,000.00 (2004) and $8,300.00 (2005), respectively and his compensation from RIMI for those years (also exclusive of the Personal Benefit) was $94,793.00 (2003), $152,453.00 (2004) and $153,532.00 (2005), respectively.

(c) Significant Over-Valuation of Assets During Fiscal 2000 to 2005

10. The financial year-end for the Fund was August 31. For fiscal years ending August 31, 2001 to 2004 the Fund's financial statements were audited by a professional audit firm and, in conjunction therewith, an annual valuation policy compliance review was conducted by a different professional audit firm. During this period, RIMI valued the Fund's assets.

11. In its audited financial statements for the period ending August 31, 2003, Retrocom recorded assets with a value of approximately $68 million. For the year ending August 31, 2004 Retrocom's assets were valued in its audited financial statements in the approximate amount of $52 million. Audited financial statements for the year ending August 31, 2005 were never completed.

12. In or about February of 2006 a Special Committee of Retrocom's Board of Directors was formed. The Special Committee retained Richter to review Retrocom's financial affairs during the period September 1, 2000 to August 31, 2005 (the "Period"). In summary, Richter found that:

(a) As at August 2000, Retrocom had invested in 25 projects. An additional 13 projects were invested in subsequent to August 31, 2001. During the Period, 13 projects were disposed of or realized;

(b) RIMI received management fees calculated as a percentage (3.25%) of the Fair Value of the Fund's assets;

(c) Net asset values ("NAVs") for the Fund were prepared on the Fair Values ascribed to the Fund's assets;

(d) The NAV for the Fund during the Period was overstated by $54 million; and

(e) The overstatement of the Fund's NAV during the Period resulted in an overpayment of fees to RIMI of between $1.8 and $4.8 million.

13. In 2005, in the context of the Fund's year-end audit, Cole & Partners performed a valuation of the Fund's assets as at August 31, 2005. Cole & Partners reported that the Fund's NAVs were cumulatively overstated by approximately $147 million during the Period.

(d) Additional Fees and Conflict of Interest

14. In or about December of 2003, the Fund purchased a property from a developer (the "Developer") for approximately $23 million. This property was then resold to the REIT as part of a larger transaction. Geddes was Chief Financial Officer of the Fund at the time in addition to working for RIMI and he participated in the Fund's consideration and review of this acquisition in that capacity.

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

16. Geddes did not obtain the Fund's consent prior to his acceptance of the Personal Benefit, nor did he disclose to the Fund that he had received it.

17. Geddes acknowledges that a potential conflict of interest was created by his acceptance and non-disclosure to the Fund of the Personal Benefit given his role as Chief Financial Officer of the Fund. Accordingly, Geddes acknowledges that his conduct in respect of the Personal Benefit as described above was contrary to the best interests of the Fund and the public interest.

PART V – RESPONDENT'S POSITION

18. As set out above, the Fund appears to have been significantly over-valued during the period September 1, 2000 to August 31, 2005. At a meeting of the Fund's Valuation Committee in February, 2005 Geddes recommended against a write-up of the Fund's NAV by $8.5 million, which would have effectively reversed an $8.5 million write-down of the Fund's NAV which had been recommended by the Fund's auditors as at August 31, 2004.

19. In addition, at a meeting of the Fund's Investment Committee held in April, 2005, Geddes advised those present at the meeting that he believed that that the Fund's assets were over-valued and recommended that their values be significantly reduced. He provided this advice on his own initiative without having been asked by the Fund to do so.

PART VI – TERMS OF SETTLEMENT

20. Geddes agrees to the terms of settlement listed below.

21. The Commission will make an order pursuant to section 127(1) and section 127.1 of the Act that:

(a) the Settlement Agreement is approved;

(b) Geddes shall be reprimanded;

(c) Geddes is prohibited from becoming registered under the Act for a period of 5 years from the date of approval of the Settlement Agreement;

(d) Geddes is prohibited from becoming or acting as an officer or director of a reporting issuer, an investment fund, an investment fund manager and a registrant for a period of 5 years from the date of approval of the Settlement Agreement;

(e) Geddes will make a voluntary payment to the Commission in the amount of $218,400 to be allocated under s. 3.4(2)(b) of the Act to or for the benefit of third parties;

(f) Geddes will cooperate with the Commission and Staff in respect of any proceeding commenced with respect to the subject-matter of this Settlement Agreement and will appear and give truthful and accurate testimony at the hearing of any such proceeding, if requested by Staff; and

(g) Geddes will pay the sum of $15,000 in respect of the costs of the investigation of this matter.

22. Geddes will not be reimbursed for, or receive a contribution toward, this or any other payment made pursuant to this Settlement Agreement from any other person or company subject to paragraph 23 below.

23. Geddes hereby agrees and acknowledges that, in the event that he should receive any further or additional funds in connection with Retrocom or RIMI he will provide notice to Staff forthwith and: (i) if the amounts owing pursuant to this Settlement Agreement are not paid in full, he will direct those funds to the Commission; (ii) if the amounts owing pursuant to this Settlement Agreement are paid in full, he will direct those funds to Richter in its capacity as trustee for Retrocom; and (iii) should Richter no longer be acting as trustee, he will return to the Commission for direction in respect of those funds.

PART VII – STAFF COMMITMENT

24. If the Commission approves this Settlement Agreement, Staff will not commence any proceedings against Geddes under Ontario securities law in relation to the facts alleged in the Notice of Hearing, subject to paragraph 25 below.

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

PART VIII – PROCEDURE FOR APPROVAL OF SETTLEMENT

26. The parties will seek approval of this Settlement Agreement at a public hearing before the Commission according to the procedures set out in this Settlement Agreement and the Commission's Rules of Practice. At the request of the parties, approval of this Settlement Agreement will be considered at a joint hearing at which settlement agreements for other respondents will also be considered.

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

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

29. If the Commission approves this Settlement Agreement, Geddes will not make any public statement that is inconsistent with this Settlement Agreement or with any additional agreed facts submitted at the settlement hearing.

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

PART IX – DISCLOSURE OF SETTLEMENT AGREEMENT

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

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

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

32. Both parties will keep the terms of the Settlement Agreement confidential until the Commission approves the Settlement Agreement, except that the Settlement Agreement may be disclosed to the other respondents who are in attendance at the settlement hearing, as provided in paragraph 26 above. Upon approval of the Settlement Agreement by the Commission, the parties will no longer have to maintain confidentiality. If the Commission does not approve the Settlement Agreement, both parties and every other respondent in attendance at the settlement hearing must continue to keep the terms of the Settlement Agreement confidential, unless they agree in writing not to do so or if otherwise required by law.

PART X – EXECUTION OF SETTLEMENT AGREEMENT

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

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

Dated at Toronto this 8th day of April, 2010

Witness: "Maria Cabral"

"Chris Geddes"
Christopher Joseph Geddes

Dated at Toronto this 7th day of April, 2010

Staff of the Ontario Securities Commission

"Tom Atkinson"
Tom Atkinson
Director of Enforcement

SCHEDULE "A"

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

AND

IN THE MATTER OF
CHRISTOPHER JOSEPH GEDDES

ORDER

WHEREAS on April 1, 2010, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") in relation to Christopher Joseph Geddes ("Geddes");

AND WHEREAS Geddes entered into a settlement agreement with Staff of the Commission ("Staff") dated April ●, 2010 (the "Settlement Agreement"), a copy of which is attached as Schedule "A" to this Order, in which he agreed to a settlement of the proceeding commenced by the Notice of Hearing dated April 1, 2010, subject to the approval of the Commission;

AND UPON reviewing the Settlement Agreement, and upon hearing submissions from counsel for Staff and Geddes;

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

IT IS ORDERED THAT:

1. the Settlement Agreement is approved;

2. Geddes shall be and is hereby reprimanded;

3. Geddes is prohibited from becoming registered under the Act for a period of 5 years from the date of approval of the Settlement Agreement;

4. Geddes is prohibited from becoming or acting as an officer or director of a reporting issuer, an investment fund, an investment fund manager and a registrant for a period of 5 years from the date of approval of the Settlement Agreement;

5. Geddes will make a voluntary payment to the Commission in the amount of $218,400 to be allocated under s. 3.4(2)(b) of the Act to or for the benefit of third parties;

6. Geddes will cooperate with the Commission and Staff in respect of any proceeding commenced with respect to the subject-matter of this Settlement Agreement and will appear and give truthful and accurate testimony at the hearing of any such proceeding, if requested by Staff; and

7. Geddes will pay the sum of $15,000 in respect of the costs of the investigation of this matter.

DATED at Toronto this day of April, 2010.

_____ _____

2.2.18 Edward John Holko

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

AND

IN THE MATTER OF
EDWARD JOHN HOLKO

ORDER

WHEREAS on April 1, 2010, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") in relation to Edward John Holko ("Holko");

AND WHEREAS Holko entered into a settlement agreement with Staff of the Commission ("Staff") dated April 7, 2010 (the "Settlement Agreement"), a copy of which is attached as Schedule "A" to this Order, in which he agreed to a settlement of the proceeding commenced by the Notice of Hearing dated April 1, 2010, subject to the approval of the Commission;

AND UPON reviewing the Settlement Agreement, and upon hearing submissions from counsel for Staff and Holko;

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

IT IS ORDERED THAT:

1. the Settlement Agreement is approved;

2. Holko shall be and is hereby reprimanded;

3. Holko is prohibited from becoming or acting as an officer or director of a reporting issuer, an investment fund, an investment fund manager and a registrant for a period of 3 years from the date of approval of the Settlement Agreement;

4. Holko shall disgorge to the Commission the greater of $245,327.10 or 50% of the sale price (net of capital gains tax and real estate commissions paid) from the sale of the Condominium described in paragraph 29(a) of the Settlement Agreement, to be allocated under s. 3.4(2)(b) of the Act to or for the benefit of third parties;

5. Holko shall cooperate with the Commission and Staff in this respect of any proceeding commenced with respect to the subject-matter of the Settlement Agreement and will appear and give truthful and accurate testimony at the hearing of any such proceeding, if requested by Staff; and

6. Holko shall pay the sum of $5,000 in respect of the costs of the investigation of this matter.

DATED at Toronto this 12th day of April, 2010.

"David L. Knight"

"Carol S. Perry"

SCHEDULE "A"

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

AND

**IN THE MATTER OF
EDWARD JOHN HOLKO**

**SETTLEMENT AGREEMENT
BETWEEN STAFF OF THE
ONTARIO SECURITIES COMMISSION AND
EDWARD JOHN HOLKO**

PART I – INTRODUCTION

1. By Notice of Hearing and related Statement of Allegations dated April 1, 2010 (the "Notice of Hearing"), the Ontario Securities Commission (the "Commission") announced that it proposed to hold a hearing to consider whether, pursuant to s. 127 and s. 127.1(1) and (2) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), it is in the public interest to make certain orders against the Respondent, Edward John Holko ("Holko"), as described in the Notice of Hearing.

PART II – JOINT SETTLEMENT RECOMMENDATION

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

PART III – ACKNOWLEDGEMENT

3. For the purposes of this settlement hearing only, Holko agrees with the facts set out in Part IV of the settlement agreement (the "Settlement Agreement").

PART IV – FACTS

(a) The Fund and Fund Manager

4. Retrocom Growth Fund ("Retrocom" or the "Fund") is a reporting issuer in Ontario and was incorporated in 1995 as a labour-sponsored investment fund. In December of 2005, Retrocom suspended redemptions because it did not have sufficient liquidity to meet outstanding redemption requests. On August 2, 2006, Retrocom issued a press release announcing that it was insolvent and had 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.

5. In its prospectus dated January 14, 2003, as amended from time to time (the "Prospectus"), Retrocom stated that it was "established to invest in small and medium-sized companies involved in high-tech communications, fibre optics, health-care development, innovative building technologies, energy and environmental conservation, construction and real estate development." 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. Retrocom's labour-sponsored status provided investors with favourable tax treatment for investments in the Fund.

6. 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.

7. Pursuant to section 116 of the Act, RIMI, as Retrocom's manager, was required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of the Fund and to exercise the degree of care, diligence and skill that a reasonably prudent fund manager would exercise in the circumstances.

(b) The Respondent

8. At all material times, Holko was the Vice-President of Finance and Administration at RIMI. From February 13, 2002 until June 23, 2004 Holko was registered with the Commission as a Director and Officer (non-advising) with the title of Chief Financial Officer of Bellporte Black, the Fund's manager prior to RIMI.

9. Holko holds the professional designation of Certified Management Accountant

10. Holko's compensation from RIMI for the years 2003, 2004 and 2005 (exclusive of the Personal Benefit defined and described herein) was approximately $133,000, $174,000 and $138,000, respectively.

(c) Significant Over-Valuation of Assets During Fiscal 2000 to 2005

11. The financial year-end for the Fund was August 31. For fiscal years ending August 31, 2001 to 2004 the Fund's financial statements were audited by a professional audit firm and, in conjunction therewith, an annual valuation policy compliance review was conducted by a different professional audit firm. During this period, RIMI valued the Fund's assets and such valuations were approved by the Fund's Valuation Committee which Holko did not sit on.

12. In its audited financial statements for the period ending August 31, 2003, Retrocom recorded assets with a value of approximately $68 million. For the year ending August 31, 2004 Retrocom's assets were valued in its audited financial statements in the approximate amount of $52 million. Audited financial statements for the year ending August 31, 2005 were never completed.

13. In 2005, in the context of the Fund's year-end audit (which was not completed), Cole & Partners performed a valuation of the Fund's assets as at August 31, 2005. Cole & Partners reported that the Fund's NAVs were cumulatively overstated by approximately $147 million during the period September 1, 2000 to August 31, 2005 (the "Period"). In or about February 2006, the Special Committee retained Richter to review Retrocom's financial affairs during the Period. Richter found that the Fund's NAVs were overstated by $54 million during the Period.

(d) Additional Fees and Conflict of Interest

14. Pursuant to the Prospectus, RIMI was to receive an annual management fee, calculated daily and payable monthly in arrears, to equal 3.25% per annum of the aggregate NAV of the Fund. Also, pursuant to the Prospectus, RIMI was permitted to receive fees directly from investee companies for services provided:

> RIMI monitors each of the Fund's investments on a continuous basis and may receive from investee companies certain fees for services provided thereto. RIMI may require that a representative of it be appointed as a director or observer to the board of directors of an investee company… (page 28)

15. Article 5.1 of the management agreement between RIMI and the Fund (the "Management Agreement") stated:

> 5.1 Applicable Standards. The Manager 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. Unless the Fund consents, the Manager shall not, and shall not permit its employees, directors or officers to enter into any arrangements with any Eligible Business in which the Fund is considering an investment or with any Investee Company or with any director, officer, shareholder or affiliate of any such Eligible Business or Investee Company or with any such Eligible Business or Investee Company, or with any person dealing at arm's length with any of the aforesaid persons, such that the Manager or any of its employees, directors or officers receive or would receive any fee, payment or benefit as a result of dealing with such Eligible Business or Investee Company or such persons.

16. 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 which Holko did not have a role) in respect of the provision of the following services: monitoring, diligence, viewings, security/break-ins, liaising with City and police officials, marketing activities, feasibility studies, financial modeling, construction consulting, debt restructuring, loan processing and due diligence, financial analysis, vacant property reports, architectural renderings, sponsorships and promotions (the "Additional Fees").

17. 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 Holko and 50% by another RIMI employee (the "Condominium"). At the time of transfer, the Condominium was valued at $490,654.21. A current assessment estimates the Condominium's value to be in the range of

$550,000 to $575,000. Accordingly, Holko 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").

18. Holko did not personally seek the consent of the Fund prior to RIMI's acceptance of the Additional Fees, nor did he take any steps to ensure that RIMI did so. Equally, Holko did not personally disclose to the Fund that he had received the Personal Benefit.

19. Holko states that he believed that others at RIMI who also sat on the Fund's Board of Directors had informed the Fund of his receipt of the Personal Benefit and had obtained the Fund's approval in respect of same. He acknowledges however, that he ought to have been more careful and sought confirmation in respect of this important assumption, particularly given that the others on which he relied also received a personal benefit.

20. None of the Additional Fees were deducted from the management fees paid by Retrocom to RIMI, although RIMI's duties, as set out in the Management Agreement, included, among other things, "ongoing monitoring of investments."

21. Holko acknowledges that a conflict of interest was created by the Additional Fees, because RIMI had an incentive to recommend that the Fund make investments in projects that would generate fees in the nature of the Additional Fees, regardless of whether such investments were in the best interests of the Fund.

22. Accordingly, Holko acknowledges RIMI's failure to disclose to the Fund its intended receipt of the Additional Fees, prior to accepting such payments, was in breach of its obligations pursuant to section 116 of the Act to exercise its powers and discharge its duties fairly, honestly, in good faith and in the best interests of the Fund and to exercise the degree of care, diligence and skill expected of a reasonably prudent fund manager in the circumstances. Equally, Holko acknowledges that RIMI's failure to disclose to the Fund its receipt of the Additional Fees, including the Personal Benefit, was in breach of section 116 of the Act.

23. Holko further acknowledges that he ought to have been more careful in ensuring that the Additional Fees and Personal Benefit received by RIMI were properly disclosed to the Fund. He therefore acknowledges that he acquiesced and participated in these non-compliances with Ontario securities law by RIMI and accordingly, that he failed to comply with Ontario securities law contrary to section 129.2 of the Act and the public interest.

PART V – RESPONDENT'S POSITION

24. Holko did not sit on any of the Fund's committees, including those committees that were charged with responsibilities and that had decision-making powers in connection with the valuation of the Fund's assets, the audit of the Fund's financial affairs or the investment of the Fund's assets.

25. Holko has cooperated with Staff fully in the investigation and resolution of this matter.

PART VI – TERMS OF SETTLEMENT

26. Holko agrees to the terms of settlement listed below.

27. The Commission will make an order pursuant to section 127(1) and section 127.1 of the Act that:

(a) the Settlement Agreement is approved;

(b) Holko shall be reprimanded;

(c) Holko is prohibited from becoming or acting as an officer or director of a reporting issuer, an investment fund, an investment fund manager and a registrant for a period of 3 years from the date of approval of the Settlement Agreement;

(d) Holko will disgorge to the Commission the greater of $245,327.10 or 50% of the sale price (net of capital gains tax and real estate commissions paid) from the sale of the Condominium described in paragraph 29(a) below, to be allocated under s. 3.4(2)(b) of the Act to or for the benefit of third parties;

(e) Holko will cooperate with the Commission and Staff in this respect of any proceeding commenced with respect to the subject-matter of this Settlement Agreement and will appear and give truthful and accurate testimony at the hearing of any such proceeding, if requested by Staff; and

(f) Holko will pay the sum of $5,000 in respect of the costs of the investigation of this matter.

28. Holko agrees to personally make the costs payment ordered in paragraph 27 (f) above by certified cheque when the Commission approves this Settlement Agreement. Holko will not be reimbursed for, or receive a contribution toward, this or any other payment made pursuant to this Settlement Agreement from any other person or company subject to paragraph 31 below.

29. Holko agrees to provide, when the Commission approves this Settlement Agreement:

(a) a written undertaking to the Commission executed by himself and the legal owner of the Condominium to list the Condominium for sale within 5 days of the approval of the Settlement Agreement;

(b) a consent executed by himself and the legal owner of the Condominium to a certificate of direction pursuant to s. 126(1) and (4) of the Act to be registered on title to the Condominium; and

(c) a direction by the legal owner of the Condominium directing any purchaser of the Condominium to direct payment of all sale proceeds, after payout only of (i) the outstanding first mortgage (instrument No. AT1671009), (ii) applicable capital gains taxes, and (iii) applicable real estate commissions, to the Commission on closing of the sale of the Condominium.

30. Upon receipt of the funds from the sale of the Condominium, the Commission will revoke its certificate and direction against title to the Condominium. In the event the Condominium is not sold within 120 days of the date when the Commission approves this Settlement Agreement and the amount set out in paragraph 27 (d) is not otherwise paid, the Commission will seek to enforce its Order approving this Settlement Agreement as an order of the Ontario Superior Court of Justice pursuant to section 151 of the Act.

31. Holko hereby agrees and acknowledges that, in the event that he should receive any further or additional funds in connection with the transactions giving rise to the Personal Benefit: (i) if the amounts owing pursuant to this Settlement Agreement are not paid in full, he will direct those funds to the Commission; (ii) if the amounts owing pursuant to this Settlement Agreement are paid in full, he will direct those funds to Richter in its capacity as trustee for Retrocom; and (iii) should Richter no longer be acting as trustee, he will return to the Commission for direction in respect of those funds.

32. Holko is not aware of any fees in the nature of the Additional Fees owing to him or RIMI at this time, other than fees in connection with the transactions giving rise to the Personal Benefit. If he becomes aware of any such fees he will provide notice and details to Staff forthwith.

PART VII – STAFF COMMITMENT

33. If the Commission approves this Settlement Agreement, Staff will not commence any proceedings against Holko under Ontario securities law in relation to the facts alleged in the Notice of Hearing, subject to paragraph 34 below.

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

PART VIII – PROCEDURE FOR APPROVAL OF SETTLEMENT

35. The parties will seek approval of this Settlement Agreement at a public hearing before the Commission according to the procedures set out in this Settlement Agreement and the Commission's Rules of Practice. At the request of the parties, approval of this Settlement Agreement will be considered at a joint hearing at which settlement agreements for other respondents will also be considered.

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

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

38. If the Commission approves this Settlement Agreement, Holko will not make any public statement that is inconsistent with this Settlement Agreement or with any additional agreed facts submitted at the settlement hearing.

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

PART IX – DISCLOSURE OF SETTLEMENT AGREEMENT

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

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

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

41. Both parties will keep the terms of the Settlement Agreement confidential until the Commission approves the Settlement Agreement, except that the Settlement Agreement may be disclosed to the other respondents who are in attendance at the settlement hearing, as provided in paragraph 35 above. Upon approval of the Settlement Agreement by the Commission, the parties will no longer have to maintain confidentiality. If the Commission does not approve the Settlement Agreement, both parties and every other respondent in attendance at the settlement hearing must continue to keep the terms of the Settlement Agreement confidential, unless they agree in writing not to do so or if otherwise required by law.

PART X – EXECUTION OF SETTLEMENT AGREEMENT

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

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

Dated at Toronto this 8th day of April, 2010

Witness: "Michael Magonet" "Ed Holko"
Edward John Holko

Dated at Toronto this 7th day of April, 2010

Staff of the Ontario Securities Commission

"Tom Atkinson"
Tom Atkinson
Director of Enforcement

SCHEDULE "A"

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

AND

IN THE MATTER OF
EDWARD JOHN HOLKO

ORDER

WHEREAS on April 1, 2010, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") in relation to Edward John Holko ("Holko");

AND WHEREAS Holko entered into a settlement agreement with Staff of the Commission ("Staff") dated April ●, 2010 (the "Settlement Agreement"), a copy of which is attached as Schedule "A" to this Order, in which he agreed to a settlement of the proceeding commenced by the Notice of Hearing dated April 1, 2010, subject to the approval of the Commission;

AND UPON reviewing the Settlement Agreement, and upon hearing submissions from counsel for Staff and Holko;

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

IT IS ORDERED THAT:

1. the Settlement Agreement is approved;

2. Holko shall be and is hereby reprimanded;

3. Holko is prohibited from becoming or acting as an officer or director of a reporting issuer, an investment fund, an investment fund manager and a registrant for a period of 3 years from the date of approval of the Settlement Agreement;

4. Holko shall disgorge to the Commission the greater of $245,327.10 or 50% of the sale price (net of capital gains tax and real estate commissions paid) from the sale of the Condominium described in paragraph 29(a) of the Settlement Agreement, to be allocated under s. 3.4(2)(b) of the Act to or for the benefit of third parties;

5. Holko shall cooperate with the Commission and Staff in this respect of any proceeding commenced with respect to the subject-matter of the Settlement Agreement and will appear and give truthful and accurate testimony at the hearing of any such proceeding, if requested by Staff; and

6. Holko shall pay the sum of $5,000 in respect of the costs of the investigation of this matter.

DATED at Toronto this day of April, 2010.

_____ _____

2.2.19 Ralph James Tersigni

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

AND

IN THE MATTER OF
RALPH JAMES TERSIGNI

ORDER

WHEREAS on April 1, 2010, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") in relation to Ralph James Tersigni ("Tersigni");

AND WHEREAS Tersigni entered into a settlement agreement with Staff of the Commission ("Staff") dated April 7, 2010 (the "Settlement Agreement"), a copy of which is attached as Schedule "A" to this Order, in which he agreed to a settlement of the proceeding commenced by the Notice of Hearing dated April 1, 2010, subject to the approval of the Commission;

AND UPON reviewing the Settlement Agreement, and upon hearing submissions from counsel for Staff and Tersigni;

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

IT IS ORDERED THAT:

1. the Settlement Agreement is approved;

2. Tersigni shall be and is hereby reprimanded;

3. Tersigni is prohibited from becoming registered under the Act for a period of 15 years from the date of approval of the Settlement Agreement;

4. Tersigni is prohibited from becoming or acting as an officer or director of a reporting issuer, an investment fund, an investment fund manager and a registrant for a period of 15 years from the date of approval of the Settlement Agreement;

5. Tersigni will pay an administrative penalty of $180,000, to be allocated under s. 3.4(2)(b) of the Act to or for the benefit of third parties;

6. Tersigni will disgorge to the Commission the sum of $601,712.06, to be allocated under s. 3.4(2)(b) of the Act to or for the benefit of third parties;

7. Tersigni will cooperate with the Commission and Staff in this respect of any proceeding commenced with respect to the subject-matter of this Settlement Agreement and will appear and give truthful and accurate testimony at the hearing of any such proceeding, if requested by Staff; and

8. Tersigni will pay the sum of $50,000 in respect of the costs of the investigation of this matter.

DATED at Toronto this 12th day of April, 2010.

"David L. Knight"

"Carol S. Perry"

SCHEDULE "A"

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

AND

**IN THE MATTER OF
RALPH JAMES TERSIGNI**

**SETTLEMENT AGREEMENT
BETWEEN STAFF OF THE
ONTARIO SECURITIES COMMISSION AND
RALPH TERSIGNI**

PART I – INTRODUCTION

1. By Notice of Hearing and related Statement of Allegations dated April 1, 2010 (the "Notice of Hearing"), the Ontario Securities Commission (the "Commission") announced that it proposed to hold a hearing to consider whether, pursuant to s. 127 and s. 127.1(1) and (2) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), it is in the public interest to make certain orders against the Respondent, Ralph James Tersigni ("Tersigni"), as described in the Notice of Hearing.

PART II – JOINT SETTLEMENT RECOMMENDATION

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

PART III – ACKNOWLEDGEMENT

3. For the purposes of this settlement hearing only, Tersigni agrees with the facts set out in Part IV of the settlement agreement (the "Settlement Agreement").

PART IV – FACTS

(a) The Fund and Fund Manager

4. Retrocom Growth Fund ("Retrocom" or the "Fund") is a reporting issuer in Ontario and was incorporated in 1995 as a labour-sponsored investment fund. In December of 2005, Retrocom suspended redemptions because it did not have sufficient liquidity to meet outstanding redemption requests. On August 2, 2006, Retrocom issued a press release announcing that it was insolvent and had 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.

5. In its prospectus dated January 14, 2003, as amended from time to time (the "Prospectus"), Retrocom stated that it was "established to invest in small and medium-sized companies involved in high-tech communications, fibre optics, health-care development, innovative building technologies, energy and environmental conservation, construction and real estate development." 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. Retrocom's labour-sponsored status provided investors with favourable tax treatment for investments in the Fund.

6. 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.

7. Pursuant to section 116 of the Act, RIMI, as Retrocom's manager, was required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of the Fund and to exercise the degree of care, diligence and skill that a reasonably prudent fund manager would exercise in the circumstances.

(b) The Respondent

8. Between 1997 and 2005 Tersigni was employed as the Vice-President, Marketing and Labour Relations of RIMI. Tersigni also held a 12% stake in Bellporte Inc., which owns RIMI.

9. 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 and was a member of the Fund's Investment Committee in 2003 and 2004 and Audit Committee from 2003 to 2005.

10. Tersigni's compensation from RIMI for the years 2003, 2004 and 2005 (exclusive of the Personal Benefit defined and described herein) was $129,190, $188,744, and $200,974, respectively.

(c) Significant Over-Valuation of Assets During Fiscal 2000 to 2005

11. The financial year-end for the Fund was August 31. For fiscal years ending August 31, 2001 to 2004 the Fund's financial statements were audited by a professional audit firm and, in conjunction therewith, an annual valuation policy compliance review was conducted by a different professional audit firm. During this period, RIMI valued the Fund's assets.

12. In its audited financial statements for the period ending August 31, 2003, Retrocom recorded assets with a value of approximately $68 million. For the year ending August 31, 2004 Retrocom's assets were valued in its audited financial statements in the approximate amount of $52 million. Audited financial statements for the year ending August 31, 2005 were never completed.

13. In or about February of 2006 a Special Committee of Retrocom's Board of Directors was formed. The Special Committee retained Richter to review Retrocom's financial affairs during the period September 1, 2000 to August 31, 2005 (the "Period"). In summary, Richter found that:

(a) As at August 2000, Retrocom had invested in 25 projects. An additional 13 projects were invested in subsequent to August 31, 2001. During the Period, 13 projects were disposed of or realized;

(b) RIMI received management fees calculated as a percentage (3.25%) of the Fair Value of the Fund's assets;

(c) Net asset values ("NAVs") for the Fund were prepared on the Fair Values ascribed to the Fund's assets;

(d) The NAV for the Fund during the Period was overstated by $54 million; and

(e) The overstatement of the Fund's NAV during the Period resulted in an overpayment of fees to RIMI of between $1.8 and $4.8 million.

14. In 2005, in the context of the Fund's year-end audit, Cole & Partners performed a valuation of the Fund's assets as at August 31, 2005. Cole & Partners reported that the Fund's NAVs were cumulatively overstated by approximately $147 million during the Period.

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

15. For the year ending August 31, 2004, KPMG (the Fund's auditor at the time), 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").

16. 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 $7.0 million. The Reversal was made retroactive to September 1, 2004.

17. 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 referred to as the "Blanford/Finchwood" swap was anticipated to close at a purchase price which was in excess of the valuation ascribed to the Finchwood property in the Fund's 2004 year-end audit.

18. Neither RIMI nor the Valuation Committee consulted with the Fund's external 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.

19. In or about June of 2005, Tersigni and others at RIMI learned for certain that the Blanford/Finchwood swap had failed to close. However, it appears, based on the Fund's draft Financial Statements for the years ending August 31, 2005 and 2006, that RIMI continued to receive management fees calculated on the basis of the Reversal until February 28, 2006. In other words, for a period of approximately 8 months, Tersigni was aware that management fees were being paid to RIMI by the Fund on the basis of a NAV that was improperly inflated by at least $6 million. Accordingly, the Fund overpaid RIMI's management fees by approximately $130,000 between July 1, 2005 and February 28, 2006 (the "Inflated Fees").

20. Based on the Fund's draft Financial Statements for the years ended August 31, 2005 and 2006 and the Fund's audited Financial Statements for the year ended August 31, 2004, it appears that between July 1, 2005 and February 28, 2006, investors who redeemed out of the Fund were overpaid in the cumulative amount of approximately $37,000 as a consequence of the Fund's inflated NAV during the period. Conversely, investors who subscribed to the Fund during this period appear to have overpaid in the cumulative amount of approximately $13,000.

21. 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 when the Blanford/Finchwood swap fell through, and in accepting the Inflated Fees, was in breach of its obligations pursuant to section 116 of the Act. Specifically, in relation to the Write-Down and Reversal, RIMI failed to exercise its powers and discharge its duties as manager of the Fund honestly, in good faith and in the best interests of the Fund and to exercise the degree of care, diligence and skill required of a reasonably prudent fund manager under the circumstances.

22. Tersigni acknowledges that he permitted and participated in these non-compliances by RIMI with Ontario securities law and, accordingly, that he failed to comply with Ontario securities law, contrary to section 129.2 of the Act and the public interest.

(e) Additional Fees and Conflict of Interest

23. Pursuant to the Prospectus, RIMI was to receive an annual management fee, calculated daily and payable monthly in arrears, to equal 3.25% per annum of the aggregate NAV of the Fund. Also, pursuant to the Prospectus, RIMI was permitted to receive fees directly from investee companies for services provided:

> RIMI monitors each of the Fund's investments on a continuous basis and may receive from investee companies certain fees for services provided thereto. RIMI may require that a representative of it be appointed as a director or observer to the board of directors of an investee company… (page 28)

24. Article 5.1 of the management agreement between RIMI and the Fund (the "Management Agreement") stated:

> 5.1 Applicable Standards. The Manager 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. Unless the Fund consents, the Manager shall not, and shall not permit its employees, directors or officers to enter into any arrangements with any Eligible Business in which the Fund is considering an investment or with any Investee Company or with any director, officer, shareholder or affiliate of any such Eligible Business or Investee Company or with any such Eligible Business or Investee Company, or with any person dealing at arm's length with any of the aforesaid persons, such that the Manager or any of its employees, directors or officers receive or would receive any fee, payment or benefit as a result of dealing with such Eligible Business or Investee Company or such persons.

25. 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 the following services: monitoring, diligence, viewings, security/break-ins, liaising with City and police officials, marketing activities, feasibility studies, financial modeling, construction consulting, debt restructuring, loan processing and due diligence, financial analysis, vacant property reports, architectural renderings, sponsorships and promotions (the "Additional Fees").

26. 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 Tersigni's spouse (the "Condominium"). At the time of transfer, the Condominium was valued at $315,754.21 and it was later sold for $349,500. Accordingly, Tersigni obtained a personal benefit in the amount of $349,500 as a consequence of the transfer of the Condominium. In addition, a further $252,212.06 was obtained by Tersigni by way of cheque to the same numbered company that received the Condominium (the "Cash Payment") (the Condominium and the Cash Payment, together, are the "Personal Benefit").

27. Tersigni did not seek the consent of the Fund prior to RIMI's acceptance of the Additional Fees, nor did he take any steps to ensure that RIMI did so.

28. Tersigni did not disclose to the Fund that he had received the Personal Benefit.

29. None of the Additional Fees were deducted from the management fees paid by Retrocom to RIMI, although RIMI's duties, as set out in the Management Agreement, included, among other things, "ongoing monitoring of investments."

30. Tersigni acknowledges that a conflict of interest was created by the Additional Fees, because he and RIMI had an incentive to recommend that the Fund make investments in projects that would generate fees in the nature of the Additional Fees, regardless of whether such investments were in the best interests of the Fund.

31. Accordingly, Tersigni acknowledges that his failure to personally disclose, and to ensure that RIMI disclosed to the Fund its intended receipt of the Additional Fees, prior to accepting such payments, was in breach of his and RIMI's obligations pursuant to section 116 of the Act to exercise its powers and discharge its duties fairly, honestly, in good faith and in the best interests of the Fund and to exercise the degree of care, diligence and skill expected of a reasonably prudent fund manager in the circumstances. Equally, his failure to inform the Fund of RIMI's receipt of the Additional Fees, including but not limited to his receipt of the Personal Benefit, was in breach of section 116 of the Act.

32. Tersigni further acknowledges that he authorized, permitted and participated in these non-compliances with Ontario securities law by RIMI and accordingly, that he failed to comply with Ontario securities law contrary to section 129.2 of the Act and the public interest.

(f) Imprudent, Material Over-Valuations of Assets

33. Both the asset valuation prepared by Cole & Partners for fiscal 2005 and Richter's report to the Special Committee in relation to the Period indicate that the Fund's assets were significantly over-valued during the Material Time.

34. RIMI, as manager, made investment recommendations to the Fund and provided ongoing asset valuations. RIMI was expected to bring reasonable due diligence to bear in fulfilling these duties. However, RIMI's valuation practices were significantly deficient in a number of ways, including:

(a) that RIMI's files did not contain sufficient information and/or documentation to reasonably support the values ascribed to many of the Fund's assets throughout the Period;

(b) that RIMI's files in relation to the Fund's investments were often incomplete and/or superficial and contained mathematical errors;

(c) that certain assumptions made by RIMI to support the values ascribed to certain of the Fund's assets during the Period were unreasonable and/or overly-aggressive;

(d) that, for certain assets, the valuation assumptions made by RIMI lacked reasonable documentation;

(e) that the Fund make; and

(f) that, on RIMI's advice, the Fund subordinated its security interest and/or made further advances of funds in circumstances in which it should have been obvious that doing so was to the Fund's detriment.

35. Based on the foregoing, Tersigni acknowledges that RIMI failed to fulfill its obligations pursuant to section 116 of the Act to discharge its duties in respect of the valuation of the Fund's assets during the Material Time, honestly, in good faith and in the best interests of the Fund and to exercise the degree of care, diligence and skill expected of a reasonably prudent fund manager in the circumstances.

36. Tersigni further acknowledges that he acquiesced and participated in these non-compliances with Ontario securities law and, accordingly, that he failed to comply with Ontario securities law contrary to section 129.2 of the Act and the public interest.

(g) Misleading Staff

37. Tersigni was first interviewed by Staff on February 9, 2007. Tersigni was interviewed voluntarily and he chose to attend without counsel. During the interview, despite being asked numerous questions about his compensation, Tersigni failed to inform Staff of the Personal Benefit.

38. Tersigni was interviewed by Staff again on February 11, 2008, again on a voluntary basis without counsel. In that interview, Tersigni confirmed his prior testimony that his compensation from RIMI consisted exclusively of his salary and a *de*

minimis Christmas bonus. Tersigni only finally admitted receiving the Personal Benefit later in the interview after being shown title documents for the Condominium.

39. Tersigni acknowledges that his failure to inform Staff of the Personal Benefit promptly during Staff's investigation of this matter was in contravention of clause (a) of subsection 122(1) of the Act.

PART V – TERMS OF SETTLEMENT

40. Tersigni agrees to the terms of settlement listed below.

41. The Commission will make an order pursuant to section 127(1) and section 127.1 of the Act that:

(a) the Settlement Agreement is approved;

(b) Tersigni shall be reprimanded;

(c) Tersigni is prohibited from becoming registered under the Act for a period of 15 years from the date of approval of the Settlement Agreement;

(d) Tersigni is prohibited from becoming or acting as an officer or director of a reporting issuer, an investment fund, an investment fund manager and a registrant for a period of 15 years from the date of approval of the Settlement Agreement;

(e) Tersigni will pay an administrative penalty of $180,000, to be allocated under s. 3.4(2)(b) of the Act to or for the benefit of third parties;

(f) Tersigni will disgorge to the Commission the sum of $601,712.06, to be allocated under s. 3.4(2)(b) of the Act to or for the benefit of third parties;

(g) Tersigni will cooperate with the Commission and Staff in this respect of any proceeding commenced with respect to the subject-matter of this Settlement Agreement and will appear and give truthful and accurate testimony at the hearing of any such proceeding, if requested by Staff; and

(h) Tersigni will pay the sum of $50,000 in respect of the costs of the investigation of this matter.

42. Tersigni agrees to personally make the costs payment ordered in paragraph 41 (h) above by certified cheque when the Commission approves this Settlement Agreement. Tersigni will not be reimbursed for, or receive a contribution toward, this or any other payment made pursuant to this Settlement Agreement from any other person or company subject to paragraph 45 below.

43. Tersigni agrees to post a piece of vacant agricultural land which he owns directly or indirectly (the "Vacant Land") as security for the payments owing pursuant to this Settlement Agreement and to provide, when the Commission approves this Settlement Agreement:

(a) a written undertaking to the Commission executed by himself and the legal owner of the Vacant Land to list the Vacant Land for sale within 5 days of the approval of the Settlement Agreement;

(b) a consent by himself and the legal owner of the Vacant Land to a certificate of direction pursuant to s. 126(1) and (4) of the Act to register on title to the Vacant Land; and

(c) a direction by the legal owner of the Vacant Land directing any purchaser of the Vacant Land to direct payment of the portion, up to all, of the sale proceeds (net of capital gains tax paid and real restate commissions paid) equal to the amounts payable pursuant to this Settlement Agreement to the Commission on closing of the sale of the Vacant Land.

44. Upon receipt of the funds from the sale of the Vacant Land, the Commission will revoke its certificate and direction against title to the Vacant Land. In the event that the Vacant Land is not sold within 120 days of the date when the Commission approves this Settlement Agreement and/or the amounts set out in paragraphs 41 (e) and (f) are not otherwise paid, the Commission will seek to enforce its Order approving this Settlement Agreement as an order of the Ontario Superior Court of Justice pursuant to section 151 of the Act.

45. Tersigni hereby agrees and acknowledges that, in the event that he should receive any further or additional funds in connection with the transactions giving rise to the Personal Benefit: (i) if the amounts owing pursuant to this Settlement

Agreement are not paid in full, he will direct those funds to the Commission; (ii) if the amounts owing pursuant to this Settlement Agreement are paid in full, he will direct those funds to Richter in its capacity as trustee for Retrocom; and (iii) should Richter no longer be acting as trustee, he will return to the Commission for direction in respect of those funds.

46. Tersigni is not aware of any fees in the nature of the Additional Fees owing to him or RIMI at this time, other than fees in connection with the transactions giving rise to the Personal Benefit. If he becomes aware of any such fees he will provide notice and details to Staff forthwith.

PART VI – STAFF COMMITMENT

47. If the Commission approves this Settlement Agreement, Staff will not commence any proceedings against Tersigni under Ontario securities law in relation to the facts alleged in the Notice of Hearing, subject to paragraph 48 below.

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

PART VII – PROCEDURE FOR APPROVAL OF SETTLEMENT

49. The parties will seek approval of this Settlement Agreement at a public hearing before the Commission according to the procedures set out in this Settlement Agreement and the Commission's Rules of Practice. At the request of the parties, approval of this Settlement Agreement will be considered at a joint hearing at which settlement agreements for other respondents will also be considered.

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

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

52. If the Commission approves this Settlement Agreement, Tersigni will not make any public statement that is inconsistent with this Settlement Agreement or with any additional agreed facts submitted at the settlement hearing.

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

PART VIII – DISCLOSURE OF SETTLEMENT AGREEMENT

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

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

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

55. Both parties will keep the terms of the Settlement Agreement confidential until the Commission approves the Settlement Agreement, except that the Settlement Agreement may be disclosed to the other respondents who are in attendance at the settlement hearing, as provided in paragraph 49 above. Upon approval of the Settlement Agreement by the Commission, the parties will no longer have to maintain confidentiality. If the Commission does not approve the Settlement Agreement, both parties and every other respondent in attendance at the settlement hearing must continue to keep the terms of the Settlement Agreement confidential, unless they agree in writing not to do so or if otherwise required by law.

PART IX – EXECUTION OF SETTLEMENT AGREEMENT

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

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

Dated at Toronto this 7th day of April, 2010

Witness: "Joanne Tersigni" "Ralph Tersigni"
Ralph James Tersigni

Dated at Toronto this 7th day of April, 2010

Staff of the Ontario Securities Commission

"Tom Atkinson"
Tom Atkinson
Director of Enforcement

SCHEDULE "A"

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

AND

IN THE MATTER OF
RALPH JAMES TERSIGNI

ORDER

WHEREAS on April 1, 2010, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") in relation to Ralph James Tersigni ("Tersigni");

AND WHEREAS Tersigni entered into a settlement agreement with Staff of the Commission ("Staff") dated April ●, 2010 (the "Settlement Agreement"), a copy of which is attached as Schedule "A" to this Order, in which he agreed to a settlement of the proceeding commenced by the Notice of Hearing dated April 1, 2010, subject to the approval of the Commission;

AND UPON reviewing the Settlement Agreement, and upon hearing submissions from counsel for Staff and Tersigni;

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

IT IS ORDERED THAT:

1. the Settlement Agreement is approved;

2. Tersigni shall be and is hereby reprimanded;

3. Tersigni is prohibited from becoming registered under the Act for a period of 15 years from the date of approval of the Settlement Agreement;

4. Tersigni is prohibited from becoming or acting as an officer or director of a reporting issuer, an investment fund, an investment fund manager and a registrant for a period of 15 years from the date of approval of the Settlement Agreement;

5. Tersigni will pay an administrative penalty of $180,000, to be allocated under s. 3.4(2)(b) of the Act to or for the benefit of third parties;

6. Tersigni will disgorge to the Commission the sum of $601,712.06, to be allocated under s. 3.4(2)(b) of the Act to or for the benefit of third parties;

7. Tersigni will cooperate with the Commission and Staff in this respect of any proceeding commenced with respect to the subject-matter of this Settlement Agreement and will appear and give truthful and accurate testimony at the hearing of any such proceeding, if requested by Staff; and

8. Tersigni will pay the sum of $50,000 in respect of the costs of the investigation of this matter.

DATED at Toronto this day of April, 2010.

2.2.20 CNSX Markets Inc. – s. 15.1 of NI 21-101 Marketplace Operation and s. 6.1 of OSC Rule 13-502 Fees

Section 15.1 of National Instrument 21-101 Marketplace Operation (NI 21-101) and section 6.1 of OSC Rule 13-502 Fees (Rule 13-502) – exemption granted to CNSX Markets Inc. from the requirement in paragraph 3.2(1)(b) of NI 21-101 to file an amendment to Form 21-101F1 45 days prior to implementation of a fee change and from the requirements in Appendix C (item E(1) and item E(2)(a)) of Rule 13-502 to pay fees related to CNSX Markets Inc.'s exemption application.

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

AND

IN THE MATTER OF
CNSX MARKETS INC.

ORDER
(Section 15.1 of National Instrument 21-101 (NI 21-101)
and section 6.1 of OSC Rule 13-502 Fees)

UPON the application (the "Application") of CNSX Markets Inc. (the "Applicant") to the Director for an order pursuant to section 15.1 of NI 21-101 exempting the Applicant from the requirement in paragraph 3.2(1)(b) to file an amendment to the information previously provided in Form 21-101F1 (the "Form") regarding Exhibit N (fees) 45 days prior to implementation (the "45 day filing requirement");

AND UPON the Applicant filing an updated Form on March 29, 2010, describing a fee change to be implemented on a date no earlier than April 9, 2010 (the "Fee Change")

AND UPON the application by the Applicant (the "Fee Exemption Application") to the Director for an order pursuant to section 6.1 of OSC Rule 13-502 exempting the Applicant from the requirement to pay an activity fee of (a) $5,000 in connection with the Application in accordance with section 4.1 and item E(1) of Appendix C of OSC Rule13-502, and (b) $1,500 in connection with the Fee Exemption Application (Appendix C, item E(2)(a));

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

AND UPON the Applicant having represented to the Director as follows:

1. The Applicant is a recognized stock exchange in Ontario with its head office in Toronto,

2. The Applicant has extensively consulted with industry participants prior to arriving at the new fee model and plans to provide notice to the industry prior to implementation of the resulting fee schedule changes,

3. The current multi-market trading environment requires frequent changes to the fees and fee model to remain competitive and it has become unduly burdensome to delay 45 days before responding to participants' needs and/or competitors' initiatives,

4. The policy rationale behind the 45 day filing requirement, which the Applicant understands is to provide Commission staff with an opportunity to analyze the changes and determine if any objections should be raised prior to implementation, can be met in a shorter period, and

5. Given that the notice period was created prior to multi-markets becoming a reality, and in light of the current competitive environment and the limited and highly technical nature of the exemption being sought, it would become unduly onerous to pay fees in these circumstances;

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

IT IS ORDERED by the Director:

(a) pursuant to section 15.1 of NI 21-101 that the Applicant is exempted from the 45 day filing period for the Fee Change, and

(b) pursuant to section 6.1 of OSC Rule 13-502 that the Applicant is exempted from:

(i) paying an activity fee of $5,000 in connection with the Application, and

(ii) paying an activity fee of $1,500 in connection with the Fee Exemption Application

provided that the Fee Change has been filed at least 7 business days prior to implementation.

DATED this 8th day of April, 2010

"Susan Greenglass"
Director, Market Regulation
Ontario Securities Commission

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Chapter 4

Cease Trading Orders

4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Revoke
Pacific Energy Resources Ltd.	30 Mar 10	09 Apr 10		
Goldstake Explorations Inc.	08 Apr 10	20 Apr 10		
Topten inc.	09 Apr 10	21 Apr 10		
ConjuChem Biotechnologies Inc.	09 Apr 10	21 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
Synergex Corporation	08 Apr 10	20 Apr 10			
Copper Reef Mining Corporation	09 Apr 10	21 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			
Synergex Corporation	08 Apr 10	20 Apr 10			
Copper Reef Mining Corporation	09 Apr 10	21 Apr 10			

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Chapter 5

Rules and Policies

5.1.1 CSA Notice of Amendments to NI 24-101 Institutional Trade Matching and Settlement and Companion Policy 24-101CP Institutional Trade Matching and Settlement

CANADIAN SECURITIES ADMINISTRATORS

NOTICE OF AMENDMENTS
TO
NATIONAL INSTRUMENT 24-101
***INSTITUTIONAL TRADE MATCHING AND SETTLEMENT* AND**
COMPANION POLICY 24-101CP *INSTITUTIONAL TRADE MATCHING AND SETTLEMENT*

I. Introduction

The Canadian Securities Administrators (the CSA or we) have made amendments to National Instrument 24-101 *Institutional Trade Matching and Settlement* (NI 24-101 or the Instrument) and Companion Policy 24-101CP *Institutional Trade Matching and Settlement* (Companion Policy or CP).

The key amendment to the Instrument will maintain the current requirement to match DAP/RAP trades[1] by no later than noon on the business day following trade date (noon on T+1). Specifically, NI 24-101 will no longer provide for a transition to a requirement that DAP/RAP trades be matched by no later than midnight on trade date (midnight on T). We are also amending the documentation requirement, the provisions governing non-western hemisphere client trades, certain definitions and other provisions in the Instrument, including Forms 24-101F1, F2 and F5. Corresponding amendments to the CP have also been made.

We note that we are not implementing other proposals described in our Notice and Request for Comments published on October 30, 2009 (the CSA Request Notice),[2] in particular, a proposal to extend to 2 p.m. on T+1, for a transition period of two years, the current noon on T+1 deadline for matching DAP/RAP trades, and a proposal to simplify the calculation of the 90% target for exception reporting purposes.

Subject to Ministerial approval, the amendments to the Instrument will come into force on July 1, 2010 in all CSA jurisdictions. Additional information regarding the implementation or adoption of the amendments to the Instrument in each province or territory is included in Annex A. A list of the commenters, as well as a summary of comments and our responses to them, are included in Annex B. Annex C contains a report of industry compliance with NI 24-101. The amending instrument for NI 24-101 is in Annex D, with the corresponding blackline in Annex E. The amending instrument for the Companion Policy is in Annex F, with the corresponding blackline in Annex G. Where applicable, Annex H contains local material.

The materials are also 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

II. Background

The amendments were published on October 30, 2009 for a 90-day comment period. We received 15 comment letters in response to the request for comments. We have considered the comments received and thank all commenters for their

[1] A DAP/RAP trade is a trade executed for a client account that permits settlement on a delivery against payment or receipt against payment basis through the facilities of a clearing agency, and for which settlement is made on behalf of the client by a custodian other than the dealer that executed the trade. See definition of "DAP/RAP trade" in section 1.1 of the Instrument.

[2] See (2009) 32 OSCB 9059.

submissions. We briefly discuss below some of the key stakeholder comments and CSA decisions made in respect of the proposed amendments to NI 24-101. More detail is provided in Annex B.

III. Discussion

A. Key amendments

The CSA Request Notice had proposed to defer the requirement to match a DAP/RAP trade no later than the end of T by an additional period of five years (that is, from July 1, 2010 to July 1, 2015). We had asked for stakeholders' views on the length of this deferral. We had also asked whether the requirement should be deferred indefinitely until such time as global markets shorten their standard T+3 settlement cycles. We had specifically sought input on the costs and benefits of moving on July 1, 2015 to matching by midnight on T.

Most commenters were of the view that moving to the midnight on T deadline from the current noon on T+1 deadline was not justified from a cost-benefit perspective without a clear indication that the standard T+3 settlement cycle in North American capital markets would be shortened. Many commenters felt that there was no inherent value or benefit from requiring institutional trade matching (ITM) by midnight on T compared to noon on T+1, given the standard T+3 settlement cycle.

While we still encourage industry to work towards a same-day ITM goal, we acknowledge that a regulatory requirement to achieve this goal may no longer be appropriate at this time. Industry stakeholders appear almost unanimous in their view that it will take a compression of the settlement cycle to provide both a strong business and regulatory rationale to invest in the necessary resources and technological upgrades for moving to same-day matching. According to the industry, in the current settlement cycle of T+3, there may be no clear benefit to matching trades 12 hours earlier. While one commenter provided strong arguments that same-day matching would further reduce settlement fails and back-office costs in the Canadian markets, others indicated that it was not clear that matching trades 12 hours earlier would further mitigate any settlement risk or further enhance current settlement efficiency.

As there are no plans to shorten the T+3 settlement cycle in global markets at this time, we have decided to maintain the current ITM noon on T+1 deadline. Therefore, NI 24-101 will no longer provide for a transition to an ITM deadline of midnight on T. However, we would propose to consider re-introducing the midnight on T matching deadline into the Instrument through subsequent amendments if circumstances were to change. For example, as noted in the CSA Request Notice, a change in circumstances would include a shortening of standard T+3 settlement cycles in global markets.

In the CSA Request Notice, we had also sought input on whether we should extend the current ITM noon on T+1 deadline to 2 p.m. on T+1 for an interim period of two years. We had suggested that extending the current deadline by an additional two hours for two years may provide market participants with additional time to address delays and other ITM challenges that they are currently experiencing. However, most commenters were of the view that, although well intentioned, moving the current deadline to 2 p.m. on T+1 for two years might actually create more hardship than help for market participants to achieve their ITM goals. The commenters were almost unanimous in their view that such a change would require firms to incur additional costs, involve more scarce resources and be disruptive, only to have the industry revert back to noon on T+1 in two years. Most commenters support maintaining the noon on T+1 target. Another commenter noted that a change in the matching deadline, from 12:00 p.m. to 2:00 p.m. on T+1, would not make a material difference in matching rates for many of the participants. We acknowledge these strong views, and consequently will not implement this proposal.

In addition, the CSA Request Notice had sought input into a number of potential industry-wide infrastructure issues. We noted that a large number of dealers and advisers that actively trade on a DAP/RAP basis in Canada seemed unable to match 90% of their institutional equity trades by noon on T+1 due in part to such industry-wide infrastructure issues, which in turn directly impacted the adequacy of their ITM policies and procedures. For example, we had suggested that if ITM processing could continue beyond the 7:30 p.m. system shutdown time at CDS Clearing and Depository Services Inc. (CDS) until later in the evening, more trade-matching parties and their service providers might be willing to tighten their policies and procedures, including shifting their resources and reconfiguring their systems, to complete the ITM processes in the evening of T rather than in the morning of T+1. In the CSA Request Notice, we had asked what would be the costs and benefits of extending the current industry ITM processing times to allow market participants to process their trades beyond the CDS 7:30 p.m. cut-off time until later in the evening on T.

Most commenters questioned the need to change the current CDS 7:30 p.m. system shutdown time to a later time in the evening. They shared the view expressed by CDS that the closedown of its online system for approximately two hours or less does not have a negative impact on matching rates. CDS stated that, once the system is back up after the closedown period, there is sufficient time to process all trade instructions received during the closedown period and typically well before the 11:59 p.m. deadline for end-of-T matching. It added that there could be many downstream impacts on changing the timing of CDS' current delivery schedule as well as on external participants, service bureaus and vendors. It further suggested that, unless a complete end-to-end review is undertaken by all affected parties in the processing chain to determine the operational impacts

and costs associated with changing CDS' processing schedules, it would be difficult to ascertain whether there is an overall benefit to be achieved by the industry.

We had also suggested that the inability to track non-western hemisphere trades may have had an adverse effect on dealers' ITM performance, forcing some to needlessly complete and deliver quarterly exception reports on Form 24-101F1 and that, if specific trade identifiers were made available, certain dealers might be able to demonstrate that at least 90% of their trades in a quarter were matched by the deadline. In the CSA Request Notice, we had asked what would be the costs and benefits of having a specific industry-wide trade identifier to enable dealers to track and segregate their non-western hemisphere trades from western hemisphere trades.

Most commenters addressing this question were of the view that the cost of building an industry-wide specific trade identifier for distinguishing between western and non-western hemisphere trades may not justify the investment required and other business costs involved. A number of commenters also made the point that, from an operational perspective, in many cases it is unclear how to identify the source of a trade.

B. Other amendments

In the CSA Request Notice, we had proposed a number of other amendments that were intended to:

- lessen the regulatory burden of certain requirements of the Instrument,
- clarify certain provisions as a result of issues that were raised by stakeholders, including during the discussions of the CSA-Industry Working Group on NI 24-101 (Working Group), and
- modify the ITM reporting requirements of clearing agencies and matching service utilities (MSUs) under the Instrument.

Stakeholders who provided feedback on such other amendments were generally in favour of them, in part because of the above noted considerations. We discuss the final amendments below.

(a) Amending the quarterly exception reporting requirement

Because of our decision to maintain indefinitely the current ITM noon on T+1 deadline, NI 24-101's transitional rules will no longer be required. As a result, we are making the following amendments to the Instrument:

- References to "the end of T" and "the end of T+1" in Part 3 of the Instrument are being changed to "12 p.m. (noon) on T+1" and "12 p.m. (noon) on T+2" respectively.
- As proposed in the CSA Request Notice, the references to "95 percent" in Part 4 of the Instrument governing the exception reporting requirement are being changed to "90 per cent".

In the CSA Request Notice, we had proposed to amend the Instrument, including Exhibit A of Form 24-101F1, to simplify the method for determining the 90 per cent threshold for exception reporting by (i) eliminating the need to determine the threshold based on the total value of equity trades (thus retaining the total number of trades method only for equity trades) and (ii) eliminating the need to determine the threshold based on the total number of debt trades (thus retaining the total value method only for debt trades). While some commenters supported this proposal, others suggested the changes were not useful. The industry is currently using both methods for determining the threshold for both equity and debt securities trades, and have built their reporting processes to measure both volume and value. Some stakeholders suggested that this change will not have a positive effect on most market participants, and may even be counterproductive as many market participants use the processes currently in place for purposes beyond compliance with NI 24-101 and will continue to calculate both regardless of modifications to the regulatory requirements. As a result of these comments, we have decided not to proceed with these proposed amendments.

However, CSA Staff will, in consultation with the Working Group, consider making further amendments to Exhibits B and C of Form 24-101F1 later this year.

(b) Amending the pre-DAP/RAP trade execution documentation requirements and related key definition

As proposed in the CSA Request Notice, we are making the following amendments to the Instrument:

- The definition of "trade-matching party" in Part 1 of the Instrument is being amended in two ways. First, paragraph (a) of the definition is being amended to include a registered adviser only where it is acting for the institutional investor in *processing* the trade.

  Second, paragraph (b) of the definition is being amended by excluding institutional investors that are (i) individuals or (ii) persons and companies with total securities under administration or management not exceeding $10 million. The language for the latter exclusion is different from the version proposed in the CSA Request Notice. We made a slight modification to ensure that the language is similar to existing paragraph (5) of the definition "Institutional Customer" in the dealer member rules of the Investment Industry Regulatory Organization of Canada (IIROC). One commenter had suggested that, under the proposed language described in the CSA Request Notice, dealers would have an additional responsibility to monitor their clients' accounts or assets "under administration or management of less than $10 million". As dealers are already required under IIROC rules to monitor the accounts of non-individuals with total securities under administration or management exceeding $10 million, we do not expect this to be an additional burden for dealers.

- Sections 3.2 and 3.4 of the Instrument are being amended to make it clear that the documentation requirements of such sections support, and are part of, the primary ITM policies and procedures requirements of sections 3.1 and 3.3 of the Instrument. The drafting of the amendments to sections 3.2 and 3.4 differs slightly from the text in the CSA Request Notice, but no substantive change is intended.

(c) Amendments to the provisions governing non-western hemisphere institutional investors

As proposed in the CSA Request Notice, we are making amendments to subsections 3.1(2) and 3.3(2) of the Instrument to clarify that they apply to an institutional investor whose *settlement instructions* are usually made in and communicated outside the geographic region specified in those subsections. The geographic region specified in those subsections is presently described as the "western hemisphere". We agree with a number of commenters that this description is not sufficiently precise. Consequently, we are amending those subsections so that the geographic region is described instead as the "North American region", comprising Canada, the United States, Mexico, Bermuda and the countries of Central America and the Caribbean. In the context of the Canadian markets, it is appropriate to distinguish trades in this region from trades elsewhere in order to apply the different ITM deadlines of Part 3.

(d) Amendments to clarify certain other definitions and concepts and to modify Forms 24-101F2 and F5

As proposed in the CSA Request Notice, we are making non-substantive amendments to the definitions of "clearing agency", "institutional investor", "T+1", "T+2" and "T+3" in Part 1, paragraph (f) of section 2.1, Forms 24-101F1, 24-101F2 and 24-101F5, and other minor changes. Blackline versions of the Instrument and CP reflecting these amendments are in Annexes E and G.

C. Other stakeholder comments

The summary of comments and responses in Annex B describes other comments made by stakeholders. A number of stakeholders acknowledged the positive impact of NI 24-101 on ITM and settlement processes in Canada. They support the CSA's ongoing efforts to implement a framework for the timely and efficient processing and settlement of trades.

We had noted in the CSA Request Notice that NI 24-101 may have contributed to the overall decline of the fails-to-deliver rates in Canada since April 2007, when the Instrument came into force. We had also noted that NI 24-101 contains, in addition to the ITM requirements, a principle-based settlement rule that requires registered dealers to establish, maintain and enforce policies and procedures designed to facilitate settlement of trades by no later than the standard settlement date, which is typically T+3. We had explained that, while we are not proposing any amendments at this time to NI 24-101's settlement rule, a working group comprised of staff from a number of CSA jurisdictions and IIROC is assessing, among other things, whether Canada's trade settlement discipline regime may need to be strengthened in light of recent international developments. We had sought comments in the CSA Request Notice on whether our settlement discipline regime may need to be strengthened, including whether NI 24-101's settlement rule should be amended.

Unfortunately, we received few comments on this topic. However, one commenter suggested that, in their experience, on a daily average over a six month time frame, fully 99% of a given day's trades are settled by the contractual settlement date. The commenter said that, of the remaining one per cent of unsettled trades (fails), three quarters of these trades were confirmed by their counterparties, but placed on hold by the same counterparties for lack of funds or securities – suggesting that high matching rates do not necessarily guarantee settlement of any given trade. Another commenter, however, made strong arguments that same-day ITM and improved levels of automation lead to reduced operational risk and improved settlement efficiency.

D. CSA Staff Report

At the same time as we are publishing this notice and the final amendments to the Instrument and CP, we are publishing in Annex C a report of CSA Staff's findings of an analysis of the data from the quarterly exception reports submitted by registered firms on Form 24-101 F1, and from quarterly reports submitted by CDS and an MSU on Forms 24-101 F2 and F5, respectively. The report also contains some high-level observations of CSA Staff's discussions with stakeholders, including discussions with the Working Group.

E. Repeal or revocation of local transitional rules or orders

The amendments will mean that the extended transitional phase-in periods that were put in place in 2008 by local rules or blanket orders in the various jurisdictions are no longer necessary. Concurrent with the amendments coming into force, each of the jurisdictions will repeal or revoke its local rule or blanket order, as the case may be. Where applicable, full details of the specific rules or blanket orders impacted in each jurisdiction are set out in Annex H to this Notice. In Ontario, this will mean the revocation of Ontario Securities Commission Rule 24-502 *Exemption from Transitional Rule: Extension of Transitional Phase-In Period in National Instrument 24-101 – Institutional Trade Matching and Settlement*.

F. CSA Staff Notice 24-305

As a result of the amendments to the Instrument and CP, CSA Staff propose to amend and republish CSA Staff Notice 24-305 *Frequently Asked Questions About NI 24-101 -- Institutional Trade Matching and Settlement and Related Companion Policy* later this year.

IV. Questions

Please refer your questions to any of the following:

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April 16, 2010

ANNEX A
IMPLEMENTATION OF AMENDMENTS TO NI 24-101

The amendments to NI 24-101 will be implemented as:

- a rule in each of Alberta, British Columbia, Manitoba, Newfoundland and Labrador, Nova Scotia, New Brunswick, Ontario, the Northwest Territories, the Yukon Territory, Nunavut and Prince Edward Island;
- a regulation in Québec; and
- a commission regulation in Saskatchewan.

In Ontario, the amendments and other required materials were delivered to the Minister of Finance on April 15, 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 July 1, 2010.

In Québec, the amending instrument is a regulation made under section 331.1 of The Securities Act (Québec) and must be approved, with or without amendment, by the Minister of Finance. The amending instrument will come into force on the date of its publication in the Gazette officielle du Québec or on any later date specified in the regulation. It is also published in the Bulletin of the Autorité des marchés financiers.

In British Columbia, the implementation of the amending instrument is subject to ministerial approval. Provided all necessary approvals are obtained, British Columbia expects the amending instrument to come into force on July 1, 2010.

ANNEX B
SUMMARY OF PUBLIC COMMENTS AND CSA RESPONSES
ON NI 24-101 AND THE COMPANION POLICY

List of Commenters

1. Glenn MacPherson
2. Omgeo
3. Northern Trust Company
4. RBC Dexia Investor Services
5. State Street Corporation
6. CIBC Mellon
7. Investment Industry Association of Canada
8. RBC Dominion Securities Inc.
9. CDS Clearing and Depository Services Inc.
10. Mackenzie Financial Corporation
11. Investment Counsel Association of Canada
12. TD Waterhouse
13. CIBC
14. Laurentian Bank
15. B. White

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Summary of Comments and Responses

Summary of Comments	CSA Response
General comments	
Nine commenters supported the ongoing efforts of the CSA to enhance the efficiency of institutional trade matching (ITM) processes. They also recognized the positive impact that NI 24-101 has had on ITM rates since its implementation in 2007. In particular, some commenters acknowledged the benefits of the Instrument, which strives to maintain Canada's market competitiveness, reduce credit risk, decrease operational risk, and increase productivity. During the past five years, significant industry progress has been achieved for both trade entry and trade confirmation rates. The Instrument has made a positive impact on business conduct practices and overall risk management of all counterparties involved. In spite of the dramatic improvements in ITM rates, other commenters stressed that there is more work to be done to meet the current matching rates. One commenter suggested that market turmoil in the past two years has demonstrated that principles-based rules are inadequate and, consequently, the CSA should adopt a new prescriptive approach in this area. Two commenters were of the view that defined penalties for non-compliance with NI 24-101 should be considered by the CSA. An alternative would be to encourage compliance with the Instrument through public reporting of the names of registered firms that have the lowest matching rates. One commenter encouraged co-operation among the regulators of the trade-matching parties - the CSA for advisers, the Investment Industry Regulatory Organization of Canada (IIROC) for dealers, and the Office of the Superintendent for Financial Institutions (OSFI) for custodians - to ensure that all trade-matching parties are complying with their obligations under NI 24-101.	We thank the commenters for their remarks on the CSA's ongoing efforts to implement a framework for the timely and efficient processing and settlement of trades. As a principles-based rule, NI 24-101 was successful in encouraging market participants to address middle and back office issues and generally improving clearing processes and systems. Statistically, the ITM rates improved significantly for both debt and equity trades since the implementation of the Instrument in 2007. We note that a violation of the requirements of NI 24-101 is a breach of provincial securities laws, which can lead to, among other things, penalties, fines and administrative costs. We share the commenter's viewpoint that co-operation among the regulators is important, and the CSA will continue to work with IIROC and OSFI where appropriate.
Question 1 – For what period should the requirement to match no later than the end of T be deferred? Should the requirement be deferred indefinitely until such time as global markets shorten their standard T+3 settlement cycles? Please provide your reasons.	
Eleven commenters were of the view that the requirement to match no later than the end of T be deferred indefinitely until such time as North American markets shorten their standard T+3 settlement cycles. Reasons cited include:	While we still encourage industry to work towards a same-day ITM goal, we acknowledge that a regulatory requirement to achieve this goal may no longer be appropriate at this time. As there are no definite plans to shorten the T+3 settlement cycle in global markets, we

Summary of Comments	CSA Response
● Only a compression of the settlement cycle would provide the business rationale to invest ● in the necessary allocation of resources for the necessary technological upgrades. In the current settlement cycle there is no clear benefit to matching trades 12 hours earlier: it is unclear how it would mitigate any settlement risk or further enhance current settlement efficiency. ● The Instrument was originally intended to address the potential of a shortened settlement cycle; however, the likelihood of such an event has diminished in recent years. An indefinite extension of the current matching requirement would eliminate the need for further deliberations on the effectiveness of matching on T and would allow dealers to utilize their technology resources more efficiently. ● The current settlement rate / failure rate does not justify the costs in relation to the benefits. ● Efficiencies gained from moving the matching requirement to midnight on T would be outweighed by potential technological and other costs related to advancing the matching deadline. ● The Instrument has successfully promoted substantial improvements to the prerequisite trade reporting and subsequent matching rates. As global markets continue to recognize T+3 settlement cycles, the multilateral investments required to advance to trade date targets would be of limited value. ● The Instrument loses credibility if it continues to defer the deadline, and therefore it should be tied to the settlement cycle. In the current T+3 environment, the T+1 matching at noon is most appropriate as it is aggressive yet allows for sufficient time for researching unmatched transactions. ● As the prime client of the MSUs, the buy-side directs upgrades to processing and will only hasten changes if regulated through assessable penalties or the compression of the settlement period. Two commenters expressed concern that momentum may be lost and lead to a deterioration of the positive impacts of the Instrument. One commenter encouraged the CSA to shorten the proposed five year delay if it can be done without introducing risk into the post-trade process. The five year postponement is viewed as a lengthy delay and introduces the risk that market participants will relax their efforts to make the necessary changes.	have decided to maintain the current ITM noon on T+1 deadline. Therefore, NI 24-101 will no longer provide for a transition to an ITM deadline of midnight on T. However, we would propose to consider re-introducing the midnight on T matching deadline into the Instrument through subsequent amendments if circumstances were to change. For example, as noted in the CSA Request Notice, a change in circumstances would include a shortening of standard T+3 settlement cycles in global markets.

Summary of Comments	CSA Response
One commenter supported the amendment of the same-day matching target to 2015 because there is still room to optimize processes and the use of matching engines in the current framework. One commenter recommended an analysis be undertaken by CDS and other parts of the clearing and settlement chain prior to making a decision to defer permanently same-day ITM.	
Question 2 – We seek as much information as possible from stakeholders on the costs and benefits of the requirement to match a DAP/RAP trade no later than the end of T, including any available empirical data. What would be the benefits of moving to matching by midnight on T on July 1, 2015?	
Ten commenters were of the view that there were no benefits to moving to matching by midnight on T in July 2015 for, among others, the following reasons: ● Such a change can only be justified on a cost-benefit basis by the compression of the settlement period in North America. ● There was little or no benefit to moving to midnight on T, such as no significant improvement to the efficiency of the settlement process or risk mitigation. Moreover, the added costs for technology and manpower will be difficult to justify in the current financial environment. ● Small and mid-sized firms may be negatively impacted in their overall budget and ability to remain profitable owing to limited resources. It may be cost prohibitive for such firms to meet the requirements. One commenter was unable to quantify the benefit of moving to matching on T as the majority of risk was already mitigated through the implementation of technology to meet the current target. ● One commenter cited the low percentage of fails as sufficient reason not to incur added expenses through technology enhancements. One commenter suggested significant savings to date from the Instrument, as well as potential additional savings from further reducing fail rates in the Canadian market, if we moved to same-day ITM. Same-day ITM could contribute cost savings to the industry of a minimum $173.25 million CAD per year. Speeding up the affirmation rate would bring the following benefits: ● Fewer fails/reclaims/claims ● Reduced operational burden ● Reduced operational risk ● Reduced market error risk	We acknowledge the views of many who did not see an advantage to matching by midnight on T in the current financial climate. In addition, we recognize that there is little empirical data available.

Summary of Comments	CSA Response
● Lower costs, including FTE costs (via expanded capacity) ● Higher rates of STP ● Alignment with global regulatory reform ● Leverage investment in existing technology ● Higher customer satisfaction	
Question 3 – What are the costs and benefits of extending the current industry ITM processing times to allow market participants to process their trades beyond the CDS 7:30 p.m. cut-off time until late in the evening on T?	
The majority of commenters were not in favour of extending the current processing times. Reasons cited include the following: ● There is sufficient time to meet the current noon on T+1 trade matching targets. ● Costs would be high to implement required technological modifications and increase staffing if CDS trade processing were to extend past the current 7:30 p.m. cut off time. The percentage of trades matched would be small, thus the benefits would be minimal. ● A majority of dealers say that they would be unable to estimate fully the potential costs they would incur if there is an extension of the CDS processing times. Firms are limited by the availability of internal and external systems, the negative impact of having to staff for the extended time frame, and the potential inability to have contact and system availability with both clients and matching participants for the trades. Also, the ability to process trades beyond the CDS 7:30 p.m. cut off time will be dependent on external systems providers, CDS limitations, as well as the assurance of the availability of contacts for all market participants for the transaction. CDS does not expect a substantial improvement in the current matching rates by shutting the system down later in the evening. The current 7:30 p.m. shutdown allows CDS to complete its overnight batch processes on a timely basis and aligns with the timelines of external parties—participants, service bureaus, third party vendors, and exchanges. Two commenters were of the view that more investigation is required because of the multiple dependencies beyond institutional trade matching. One commenter did not see a link between the ITM process and the CDS process. While CDS processing is suspended for batch processing, it does not prevent counterparties from completing the match affirmed process through an MSU.	We acknowledge the comments stating that there would not be substantial improvements in the current matching rates if the system were shut down later than 7:30 p.m. Consequently, we are not pursuing this matter at this time.

Summary of Comments	CSA Response
Question 4 – What are the costs and benefits of having a specific industry-wide trade identifier to enable dealers to track and segregate their non-western hemisphere trades from western hemisphere trades?	
The majority of commenters did not see a reason to impose a specific industry-wide trade identifier to segregate the trades. Reasons cited include the following: ● There would be little benefit as the distinction between these types of trades is done internally at the custodian level. ● One commenter built internally the necessary oversight tools to distinguish between these types of trades. The cost of building an industry specific trade identifier would significantly outweigh any additional benefit. ● The benefit does not justify the investment required and the related operating costs involved. The majority of trades are within North America and many dealers already have in-house systems and processes to deal with this matter. ● Non-western trade-matching parties are generally efficient and thus are confirmed on a timely basis. ● CDS functionality may be limited and dependent on participant submissions. ● The process would be dependent on the development of a unique identifier at CDS, necessary system enhancements of all participants, and ensuring that the identifier is input on all transactions. Any related costs would be absorbed by all participants for the benefit of only a few. Consequently, an industry wide trade identifier would be of little benefit. CDS proposes to work with its participants to make changes if requested. It is noted that the overall benefit would be more accurate reporting of matching rates. Three of the commenters stated that the classification of western hemisphere and non-western hemisphere trades should be changed to North American and non-North American trades to alleviate confusion. One commenter notes the lack of worldwide standard industry mechanisms to identify location of market participants. The commenter urges regulators to participate in global discussions and work towards an internationally harmonized solution. Only one commenter suggests a possible benefit of cost reduction if registered firms meet the target and do not have to file exception reports.	Based on the comments received, we do not propose to pursue this matter. However, we agree that the distinction between western hemisphere trades and other trades is confusing. Consequently, we have decided to amend the Instrument to distinguish trades in a defined North American region from trades elsewhere.

Summary of Comments	CSA Response
Question 5 – Would extending the current requirement to match no later than noon on T+1 to a new deadline of 2 p.m. on T+1 help address current ITM processing delays and problems for the next two years?	
With only one exception, the commenters who responded to this question did not support the extension of the requirement to match no later than noon on T+1 to a new deadline of 2 p.m. on T+1. Reasons cited include the following: ● The costs to make the system changes, which in any case would be of an interim nature and necessitate further costs for reverting back to the current noon on T+1 standard in July 2012. ● The majority of advisers and dealers with significant trading volumes would prefer to use their scarce resources to improve the current matching rates. ● The extension to 2 p.m. would not be consistent with the purpose of the Instrument, which is to reduce risk (e.g., earlier detection and correction of erroneous transactions). ● Moving the deadline temporarily tarnishes the credibility of the Instrument as it appears to be flexible and ever changing. CDS noted that feedback it received suggested concerns about the costs for the initial technology change and subsequent reversion after the two year period expires. However, it noted that such a change may assist some dealers in meeting the current targets. CDS pledged to work with its participants to implement the changes if necessary and stated that the cost to CDS would be minimal. In addition, CDS would share with the Working Group its analysis of matching rates at both 2:00 p.m. and 7:30 p.m. on T+1. One commenter was of the view that a permanent adjustment of the deadline to 1 p.m. would accommodate smaller firms that are finding the current targets challenging, and not require further technology modifications in two years. Only one commenter viewed the proposed changes as beneficial by providing an interim step to meet the threshold and reduce the incidence of mandatory filings.	We acknowledge the strong views that this change, on an interim basis, would necessitate further costs, and consequently will not implement this proposal.

Summary of Comments	CSA Response
Other amendments	
Exception reporting threshold percentages Two commenters maintain that an eventual move to matching at midnight on T should be accompanied by a decrease in the matching threshold to a maximum of 80% to 85%. One commenter is of the view that it would be more economical and equally beneficial to reduce the matching target threshold rates rather than introduce an extended temporary time frame parameter.	See our response to comments on Question 1 above. As proposed in the CSA Request Notice, the references to “95 percent” in Part 4 of the Instrument governing the exception reporting requirement are being changed to “90 per cent”.
Method for determining threshold percentages A number of commenters who responded to the question noted that they would be able to provide reporting as set out in the proposal. However, many registered firms would continue to measure both the total number of trades and total value of trades for both debt and equity. Reasons cited include the following: ● Both measurements have merit: volume is an indication of the quality of processing and value is an indication of the impact for exceptions. ● It will impede the ability of dealers to focus on clients who process a limited number of equity trades with a large dollar value and a large number of debt trades for a small dollar value. ● There will be new challenges in dealing with clients who have few equity trades with a large dollar value or a large number of debt trades with a small dollar value. The current format provides the leverage and momentum to ensure accuracy and efficiency for the timely matching of these transactions. ● Certain firms use the processes for purposes other than measuring compliance with NI 24-101. ● Any changes for reporting to clients would necessitate client re-education which may not be perceived as a progressive use of limited resources. Although one commenter supported the amendment with respect to equities, the same method should be applied to debt trades. Trade matching is a transactional process and therefore the value of the trade should be of no significance.	We have decided not to proceed with these proposed amendments owing to the benefits of the current method for determining threshold percentages, as suggested by stakeholders.

Summary of Comments	CSA Response
One commenter fully concurred with the proposed modifications as value is a better measurement for debt trades as debt trade volumes are generally low and are not good indicators of efficient matching. Conversely, owing to the high number of equity trades, volume is a better indicator of efficient matching than value. Another commenter agreed that the approach was consistent with focusing on the areas of greatest risk. Registered firms should continue to complete all of the reporting as initially required by the Instrument; however, reporting to the regulators should be limited to not meeting the prescribed targets based on the number of equity trades and the volume of debt trades respectively.	
Amending the definition of trade-matching party Six commenters support the amendment to clarify which parties fall within the definition of trade-matching party. However, two of the commenters believe further explanations may be warranted: (a) Whether a duty is being imposed on dealers to monitor an institutional investor to ensure assets under administration or management are less than $10,000,000. (b) The definition should be amended to include all accounts for “any person or company other than an individual”.	Paragraph (a) of the definition is being amended to include a registered adviser only where it is acting for the institutional investor in *processing* the trade. Paragraph (b) of the definition is being amended by excluding institutional investors that are (i) individuals or (ii) persons and companies with total securities under administration or management not exceeding $10 million. The language for the latter exclusion is different from the version proposed in the CSA Request Notice. We made a slight modification to ensure that the language is similar to existing paragraph (5) of the definition “Institutional Customer” in the dealer member rules of the Investment Industry Regulatory Organization of Canada (IIROC). As dealers are already required under IIROC rules to monitor the accounts of non-individuals with total securities under administration or management exceeding $10 million, we do not expect this to be an additional burden for dealers.
Amending the trade matching documentation requirements Three commenters were in agreement with the proposed amendments to the trade matching documentation requirements. One commenter in particular noted the flexibility offered in circumstances where a counterparty has sound practices and but may not understand the importance of completing the trade-matching agreement or providing the trade-matching statement.	Sections 3.2 and 3.4 of the Instrument are being amended to make it clear that the documentation requirements of such sections support, and are part of, the primary ITM policies and procedures requirements of sections 3.1 and 3.3 of the Instrument.

Summary of Comments	CSA Response
Provisions governing non-western hemisphere institutional investors Two commenters agreed with the proposed amendments to include an institutional investor whose settlement instructions are usually made in and communicated from a geographical region outside of the western hemisphere.	As proposed in the CSA Request Notice, we are making amendments to subsections 3.1(2) and 3.3(2) of the Instrument to clarify that an institutional investor whose *settlement instructions* are usually made in and communicated from outside a defined geographical region be included in these subsections. In addition, we are amending these provisions so that the defined geographic region is now described as the “North American region”, which will be defined in the Instrument. We agree with a number of commenters who suggested that the difference between what is western hemisphere and what is non-western hemisphere is not clear.

ANNEX C
CSA Staff Report on Industry Compliance with NI 24-101

CSA STAFF REPORT ON

INDUSTRY COMPLIANCE WITH THE INSTITUTIONAL TRADE MATCHING REQUIREMENTS OF NATIONAL INSTRUMENT 24-101

Canadian Securities Administrators

Table of Contents

CSA STAFF REPORT ON INDUSTRY COMPLIANCE WITH THE INSTITUTIONAL TRADE MATCHING REQUIREMENTS OF NATIONAL INSTRUMENT 24-101

I. Purpose

The Canadian Securities Administrators staff (CSA staff or we) have prepared this report to provide an update on the status of the industry's compliance with the institutional trade matching (ITM) requirements of National Instrument 24-101 – *Institutional Trade Matching and Settlement* (NI 24-101 or the Instrument).

II. Background

NI 24-101 came into force on April 1, 2007 and became fully effective on October 1, 2007. NI 24-101 was developed to encourage more efficient and timely settlement processing of trades in securities, particularly the pre-settlement confirmation and affirmation process – or matching – of an institutional trade.

The Instrument applies to registered dealers and advisers, and establishes certain ITM policies and procedures requirements. This includes the requirement for registered firms[3] to complete and deliver an exception report on Form 24-101 F1 (F1) for any calendar quarter in which less than 90% of their DAP/RAP[4] trades (ITM target) were matched by noon on the business day following the day of the trade (noon on T+1).

In addition, under the Instrument, clearing agencies (CDS Clearing and Depository Inc., CDS) and matching service utilities (MSUs) are required to submit quarterly data on the ITM activity of their participants.

CSA staff used the information required to be reported under the Instrument to assess the industry's ITM rates, including whether registered firms have been meeting the ITM target.

III. Scope of the CSA Report

This report examines:

(i) the overall performance of the securities industry in matching 90% of their DAP/RAP trades by noon on T+1, and

(ii) the challenges faced by the industry in meeting the matching requirements under NI 24-101 and how industry has assessed and resolved or addressed them.

IV. Overall Findings

Our review of the data showed that while the industry has made steady progress in meeting the ITM target since 2007, many market participants have reached a significant ceiling in their ability to meet the ITM target.

CSA staff recognize that market participants have made concerted efforts to address the challenges in meeting the ITM target. Based on the information provided by registered firms, it appears that the most important challenge in meeting the ITM target is the communication of trade details between trade-matching parties. This includes the means used by trade-matching parties to transmit trade orders and notices of execution, how the parties send and receive allocations, and the timing of the exchange of trade details between trade-matching parties.

A number of tools may be used to further improve ITM rates, such as the adoption of order management systems (OMS) or the use of MSUs, together with moving from end-of-day batch processing to more frequent intra-day or real-time processing.

For instance, to capture trade allocations from advisers into internal systems, a dealer could use electronic interfaces. An internal system would enrich the account information and trade details, then send the trade details for overnight processing into back office systems and on to CDS for clearing and settlement processing. Similarly, the nature of the money management business practically requires advisers to consider the full spectrum of connectivity to other trade- matching parties. Their ITM rates depend upon their ability to improve electronic communication among all trade- matching parties so that the exchange of information is accurate, timely and involves minimal human intervention.

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[3] Part 1 of NI 24-101 defines registered firms as a person or company registered under securities legislation as a dealer or adviser.

[4] NI 24-101 defines a DAP/RAP trade as a trade (a) executed for a client trading account that permits settlement on a delivery or receipt against payment basis through the facilities of a clearing agency, and (b) for which settlement is made on behalf of the client by a custodian other than the dealer that executed the trade.

The following are CSA staff's general findings:

1. Challenges remain in achieving the Instrument's current noon on T+1 matching target. In particular, small volume institutional equity dealers and some medium and small value debt dealers are well below the 90% ITM target.

2. For the past 15 months, CDS industry data shows that the average percentage of trades entered (submitted) at noon on T+1 into CDS has remained around 90% and the average percentage of matched trades fluctuated from 80% to 86%. This indicates that market participants have reached a significant ceiling in their ability to meet the current ITM target, or reaching the ITM target has become less of a focus.

3. Dealers have made significant progress in entering their trades at CDS on a timely basis. However, more trades should be reported earlier in the day on T, giving counterparties additional time to match trades before noon on T+1 or to resolve any trade matching issues earlier. CSA staff noted the lack of progress made by small volume equity dealers in both entering their trades into CDS and matching their trades by the ITM target. Among all debt dealers that submitted exception reports, small value debt dealers had the most difficulties in reaching the ITM target.

4. In general, communication of trade details between trade-matching parties seemed to be a major challenge for all registered firms.

5. Many registered firms that submitted exception reports stated that the limitation of internal systems, such as lack of, or insufficient, automation of internal data processing systems, together with poor internal processes were other challenges they had to overcome. Some registered firms mentioned looking at alternatives to acquire new technologies (such as an OMS) or improving connectivity with other trade-matching parties.

6. Our review of the qualitative information provided by registered firms in their F1 exception reports indicates that market participants have made concerted efforts to address the challenges they faced in meeting the ITM rates. Most registered firms reported that they worked with counterparties, improved automation and hired and/or trained existing staff to address many of the challenges.

7. Based on our review of Exhibit B (*Reasons for non-compliance*) and Exhibit C (*Steps to address delays*) of the F1s, most registered firms took meaningful steps toward meeting the ITM target during the first two or three quarters after the implementation of the Instrument. However, responses by registered firms in Exhibits B and C in the last four quarters seemed to be repetitive.

V. Quantitative Analysis

We conducted quantitative analysis to assess:

1) Overall industry performance in achieving the ITM target, and

2) Progress of registered firms in achieving the ITM target.

a. Methodology

CDS data

To assess overall industry progress, CSA staff used data provided by CDS to monitor ITM rates since the implementation of the Instrument in 2007. CDS ITM rates are commonly accepted as the industry's benchmark. While CDS data does provide individual ITM information for registered dealers that are direct participants of CDS, it does not provide any ITM information for registered advisers.

Table A-1 in the Appendix provides overall CDS ITM rates for both equity and debt based on volume from April 2007 to December 2009.

F1 exception reports

We used F1 exception reports to assess the progress of registered firms (that were required to report) in achieving the ITM target. We structured our analysis by the type of registered firm that submitted the F1 exception report (i.e. dealer or adviser) and the type of security that was reported (i.e. equity or debt).

We created the following four categories of registered firms:

1) equity dealer

2) debt dealer

3) equity adviser

4) debt adviser

Each category was divided into three sub-groups, “large”, “medium” and “small”, based on specific criteria. To assign a subgroup to:

- an equity dealer, we used the average number of institutional equity trades entered into CDS for the review period;
- a debt dealer, we used the average value of institutional debt trades entered into CDS for the review period;
- an equity adviser, we used the average number of institutional equity trades matched during the review period; and
- a debt adviser, we used the average value of institutional debt trades matched during the review period.

Table 1. Dealer and adviser categories

Category	Large Volume (Equity)/ Value (Debt)	Medium Volume (Equity)/Value (Debt)	Small Volume (Equity)/Value (Debt)
Equity Dealer	40,000 trades or more	4,000 to less than 40,000 trades	Less than 4,000 trades
Debt Dealer	$10 billion or more	$100 million to less than $10 billion	Less than $100 million
Equity Adviser	5,000 trades or more	1,000 to less than 5,000 trades	Less than 1,000 trades
Debt Adviser	$2 billion or more	$100 million to less than $2 billion	Less than $100 million

For each category, we analyzed exception reports from January 2008 to the end of September 2009 (the period under review)[5]. This analysis is based on the accuracy of the information provided to us through different reporting means.

b. Overall industry performance in achieving the ITM target

Since the implementation of the Instrument in April 2007, CDS quarterly submissions showed that the industry made steady progress toward meeting the ITM target. CDS started measuring the ITM rates at noon on T+1 beginning in June 2007. At that time, the industry’s ITM rate at midnight on T was 23.48% and at noon on T+1 was 61.89%.

Currently, the industry’s ITM rate at midnight on T is 45.24% and at noon on T+1 is 84.65%. (see Table A-1 in the Appendix) The improvement in the ITM rates at midnight on T and at noon on T+1 is notable for both DAP/RAP equity and debt trades.

However, our review of the ITM data indicates that, despite significant progress since 2007, the industry is not achieving the Instrument’s current noon on T+1 matching target of 90%. The data for equity shows that the ITM rate at noon on T+1 fluctuated from 82% to 87% during the past 15 months and the ITM rate for debt remained around 81% to 83% during the same time period. See Tables A-2 and A-3 in the Appendix.

Our review of the MSUs data indicates that the use of MSUs by registered dealers is limited in the existing institutional trading environment. Based on the information we received, MSU subscribers are currently using the services of an MSU for processing equity trades only. Since MSU reports began in October 2007, an average of more than 90% of equity trades processed through the MSU have been matched and sent to CDS by midnight on T. This suggests that using an MSU can significantly improve ITM performance.

[5] Prior to January 1, 2008 the ITM target was 80% of DAP/RAP trades matched by noon on T+1. Consequently, we decided not to include exception reporting data prior to January 1, 2008 into our analysis.

Chart 1. Overall equity and debt ITM rates from CDS data based on volume – entered vs. matched midnight on T

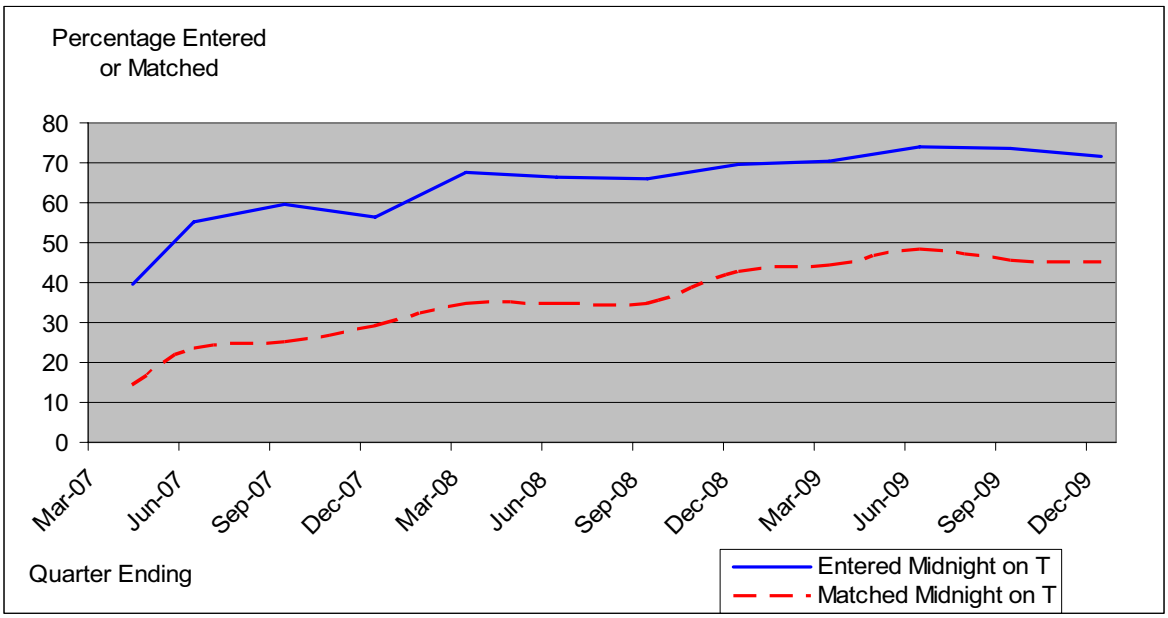
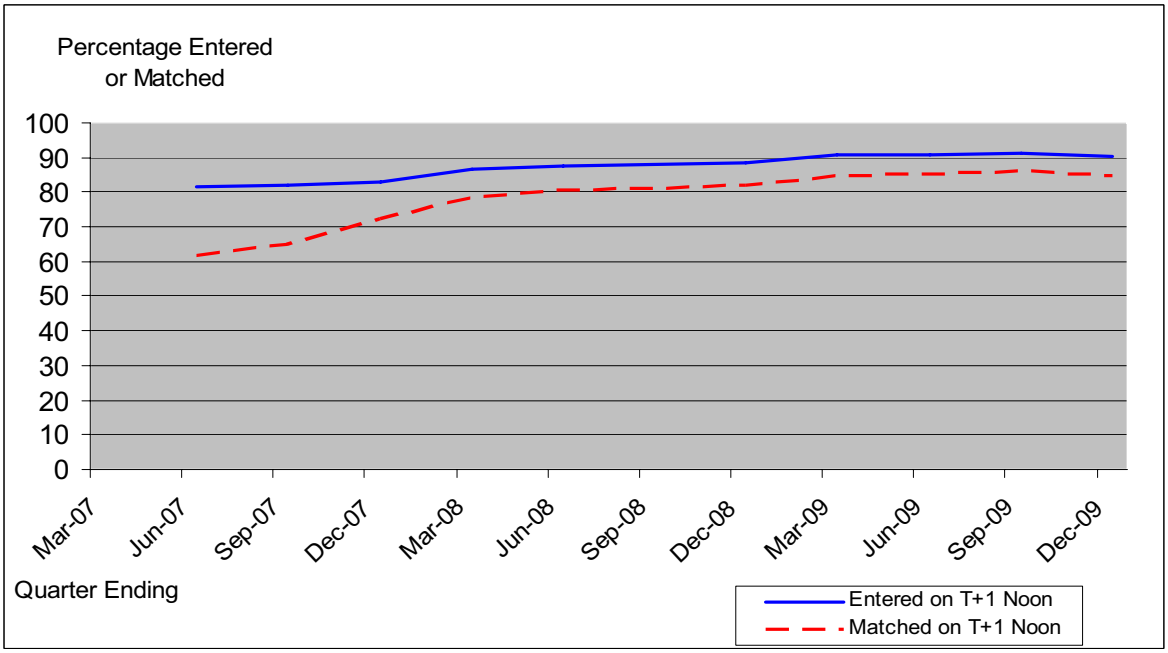


Chart 2. Overall equity and debt ITM rates from CDS data based on volume – entered vs. matched noon on T+1



c. Progress of registered firms in achieving the ITM target

1. Dealers – Equity Trading

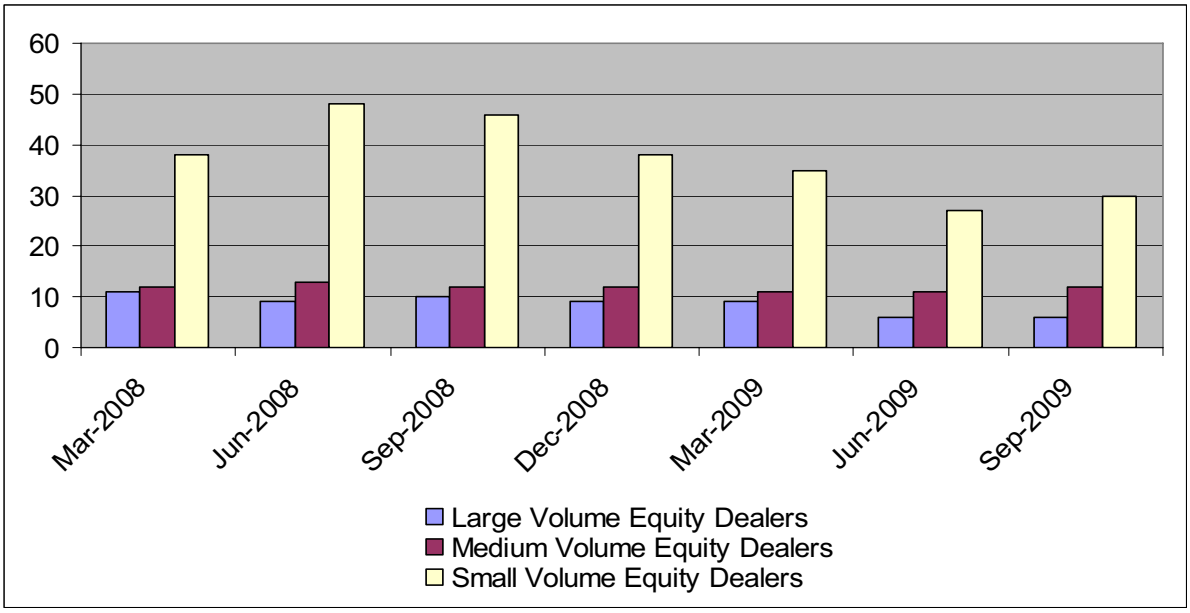
The size of the firm appears to have an impact when trades are processed and matched. However, size appears to have less of an impact on the submission of trades into CDS. CSA staff noted the lack of progress made by small volume equity dealers in both entering their trades into CDS and matching their trades by the ITM target.

Table 2. Equity dealers exception reports

The following table shows the number of F1 exception reports submitted by dealers for equity DAP/RAP trades during the review period.

F1s Submitted	Equity Dealers by Volume Entered			
	Large Volume	Medium Volume	Small Volume	Total
Total F1s Submitted	60	83	262	405
Average F1/Quarter	9	12	37	58

Chart 3 – F1 Exception reports submitted by equity dealers (matched by volume)



The data submitted by dealers that execute equity DAP/RAP trades shows that both large and medium volume equity dealers manage to enter (submit) into CDS a similar percentage of their total equity DAP/RAP trades. However, they do not match at similar levels. The matching levels of medium volume equity dealers are approximately 6 per cent less at noon on T+1 than the large volume dealers. Small volume equity dealers entered (submitted) into CDS approximately 83% of their equity DAP/RAP trades. Their matching levels are behind the first two categories, at approximately 62%.

Table 3. F1 ITM equity rates – equity dealers by volume[6]

	Large Volume Equity Dealers		Medium Volume Equity Dealers		Small Volume Equity Dealers	
	Entered	Matched	Entered	Matched	Entered	Matched
Average Entered by Noon T+1	88.14		88.44		82.70	
Average Matched by Noon T+1		82.17		76.43		62.25

Table B in the Appendix provides more details on the ITM equity rates for dealers, showing how the ITM rates changed from quarter to quarter during the review period.

[6] The Entered and Matched volumes are calculated as simple averages for the respective category.

2. Dealers – debt trading

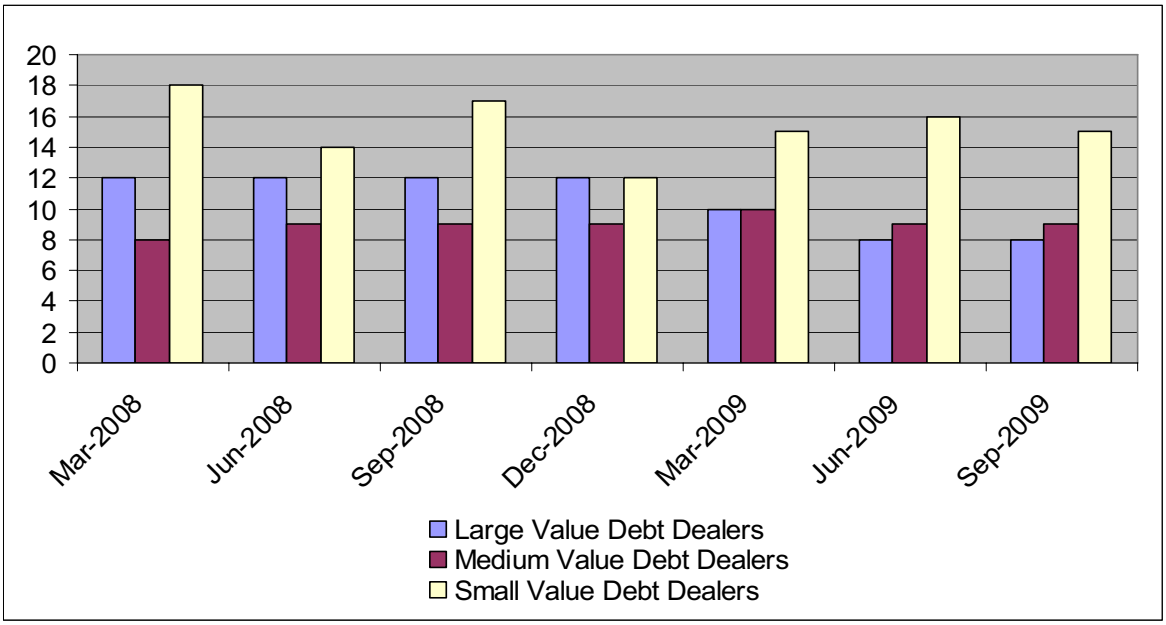
Small and medium value debt dealers have difficulty meeting the noon on T+1 benchmark as their matching rates are well below the 90% ITM target. Among all debt dealers that submitted exception reports, small value debt dealers had the most difficulties in reaching the ITM target.

Table 4. Debt dealers F1 exception reports

The following table shows the number of F1 exception reports submitted by dealers for debt DAP/RAP trades during the review period.

F1s Submitted	Debt Dealers by Value Entered			
	Large Value	Medium Value	Small Value	Total
Total F1s Submitted	74	63	107	244
Average F1/Quarter	11	9	15	35

Chart 4 – F1 exception reports submitted by debt dealers (matched by value)



The data submitted by dealers that execute debt DAP/RAP trades shows that large value debt dealers entered (submitted) into CDS approximately 90% of their average dollar value traded, and matched approximately 77% of all debt DAP/RAP trades by noon on T+1.

The small and medium value debt dealers reported that approximately 75% of their debt DAP/RAP trades were entered (submitted) into CDS by the deadline. The medium value debt dealers matched approximately 61% of their debt DAP/RAP trades, while the small value debt dealers only matched 41.5%.

Table 5. F1 ITM debt rates – debt dealers by value

	Large Value Debt Dealers		Medium Value Debt Dealers		Small Value Debt Dealers	
	Entered	Matched	Entered	Matched	Entered	Matched
Average Entered by Noon T+1	90.48		75.00		74.19	
Average Matched by Noon T+1		77.03		61.21		41.56

Table C in the Appendix provides more detail on the ITM debt rates for dealers, showing how the ITM rates changed from quarter to quarter during the review period.

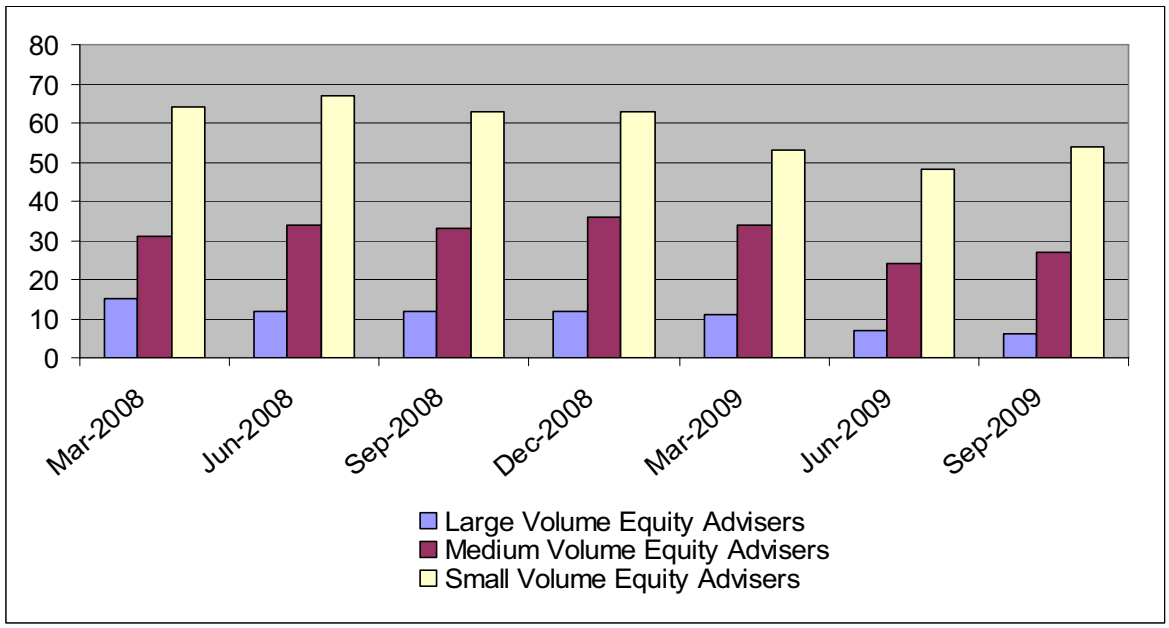
3. Advisers – equity trading

Table 6. Equity advisers F1 exception reports

The following table shows the number of F1 exception reports submitted by advisers for equity DAP/RAP trades during the review period.

	Equity Advisers by Volume Matched			
	Large Volume	**Medium Volume**	**Small Volume**	**Total**
Total F1s Submitted	75	219	412	706
Average F1/Quarter	11	31	59	101

Chart 5 – F1 exception reports submitted by equity advisers (matched by volume)



The data provided by equity advisers shows that the ITM rates of large and medium volume equity advisers are around 80%, while the rates of small volume equity advisers are slightly under 70%.

Table 7. F1 ITM equity rates – equity advisers by volume

	Large Volume Equity Advisers	**Medium Volume Equity Advisers**	**Small Volume Equity Advisers**
Average Matched by Noon on T+1	83.99	80.67	68.11

Table D in the Appendix provides more detail on the ITM equity rates for advisers, showing how the ITM rates changed from quarter to quarter during the review period.

4. Advisers – debt trading

Table 8. Debt advisers F1 exception reports

The following table shows the number of F1 exception reports submitted by advisers for debt DAP/RAP trades during the review period.

	Debt Advisers by Value Matched			
	Large Value	**Medium Value**	**Small Value**	**Total**
Total F1s Submitted	130	179	184	493
Average F1/Quarter	18	26	26	70

Chart 6 – F1 exception reports submitted by debt advisers (matched by value)

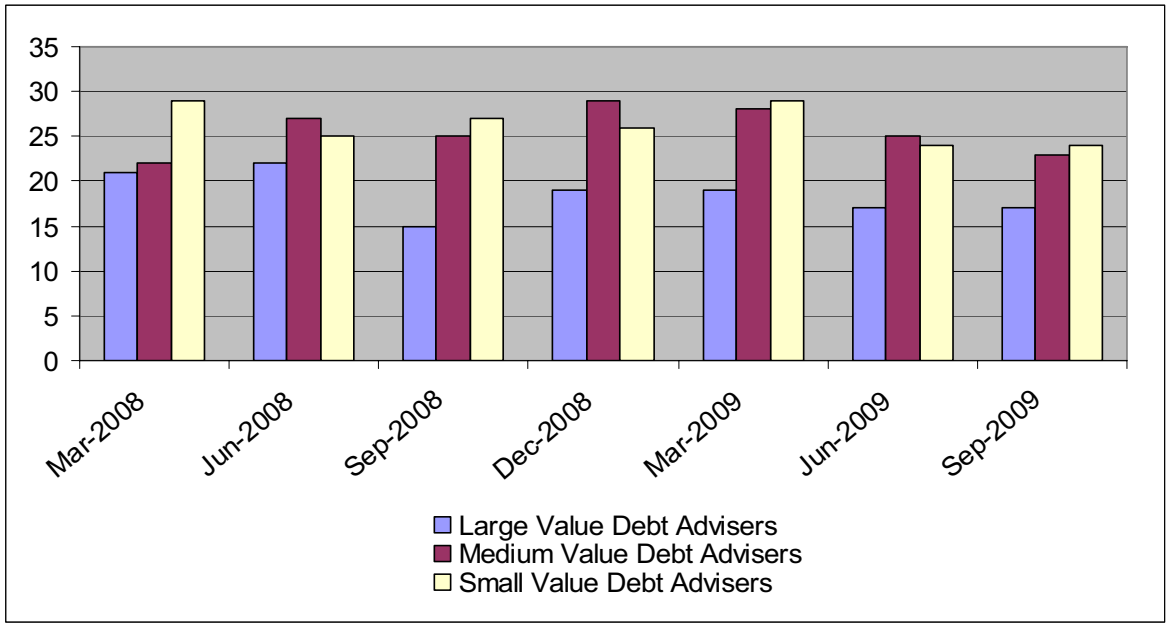


Table 9. F1 ITM debt rates – debt advisers by value

	Large Value Debt Advisers	**Medium Value Debt Advisers**	**Small Value Debt Advisers**
Average Matched by Noon on T+1	76.90	68.05	59.44

The ITM rates reported by large value debt advisers were around 77%, while medium and small value debt advisers were below 70%.

Table E in the Appendix provides more detail on the ITM debt rates for advisers, showing how the ITM rates changed from quarter to quarter during the review period.

VI. Qualitative Analysis

The qualitative analysis consisted of:

1) An analysis of the information registered firms provided in Exhibit B *Reasons for non-compliance* and Exhibit C *Steps to address delays* of their F1 exception reports, and

2) Discussions with stakeholders.

a. Methodology

The CSA used information provided in Exhibit B and Exhibit C of the F1 to conduct an in-depth analysis of the reasons why registered firms did not meet the ITM target and how they addressed any challenges relating to their internal and external processes. This analysis looks at the challenges faced by dealers and advisers, irrespective of the type of security reported. We also had discussions with some stakeholders to obtain additional information.

CSA staff developed criteria for categorizing the information in Exhibits B and C of the Form F1. The criteria categorize:

(i) the reasons why the registered firm was unable to achieve the ITM target for the calendar quarter, and

(ii) the steps the registered firm took during the quarter to address the delays.

In categorizing the reasons why the registered firms were unable to achieve the ITM target, CSA staff considered internal and external processing issues, internal and external information technology issues and other concerns raised by registered firms in Exhibit B of the F1.

In categorizing the steps taken by registered firms to address delays, CSA staff considered internal and external measures and any other additional information provided by registered firms in Exhibit C of the F1.

This information provided to us in Exhibit B and Exhibit C of the F1 is subjective and may be interpreted subjectively by CSA staff.

b. Analysis of registered firms' discussion of "Reasons for non-compliance" and "Steps to address delays" in their exception reports

Dealers

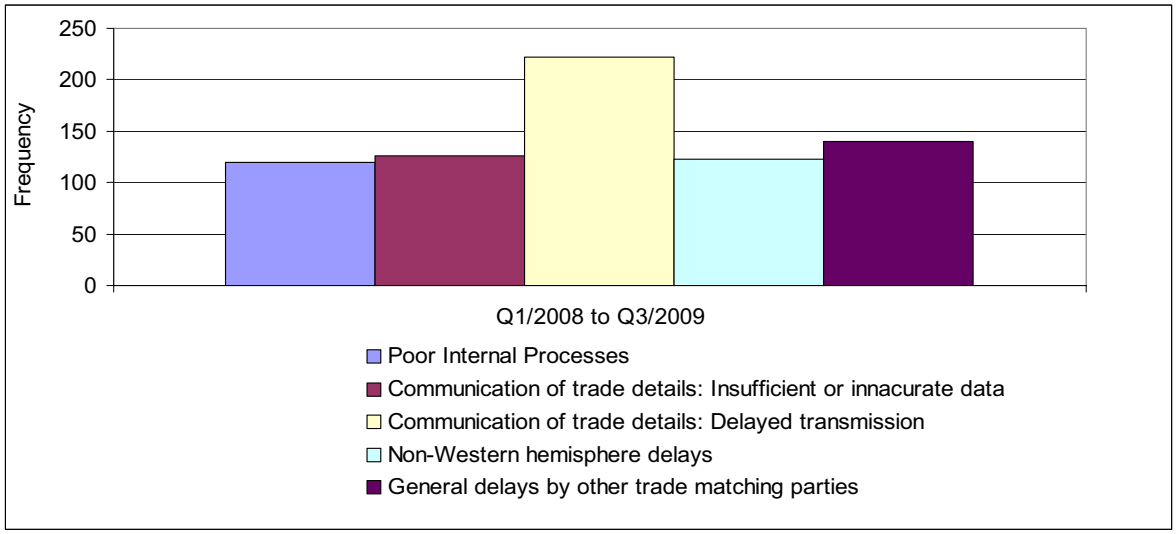
Analysis of the "reasons for non-compliance"[7]

In general, dealers indicated that a key challenge in meeting the ITM target is the communication of trade details between trade-matching parties. Many dealers mentioned that the exchange of trade details between parties often contains insufficient or inaccurate data or is received too late to be processed within established timelines.

Another problem noted by dealers was the limitation of internal systems combined with poor processes and procedures that continue to be used within the firm. In particular, some equity dealers stated that the volume of non-western hemisphere trading they execute was an impediment in meeting the ITM target.

[7] The title of Exhibit B of the F1 is "reasons for non-compliance". As discussed in the CSA Notice of Amendments, the title to Exhibit B is being amended to read instead as "reasons for not meeting exception reporting thresholds".

Chart 7 – Dealers - Exhibit B – main reasons for not meeting ITM target



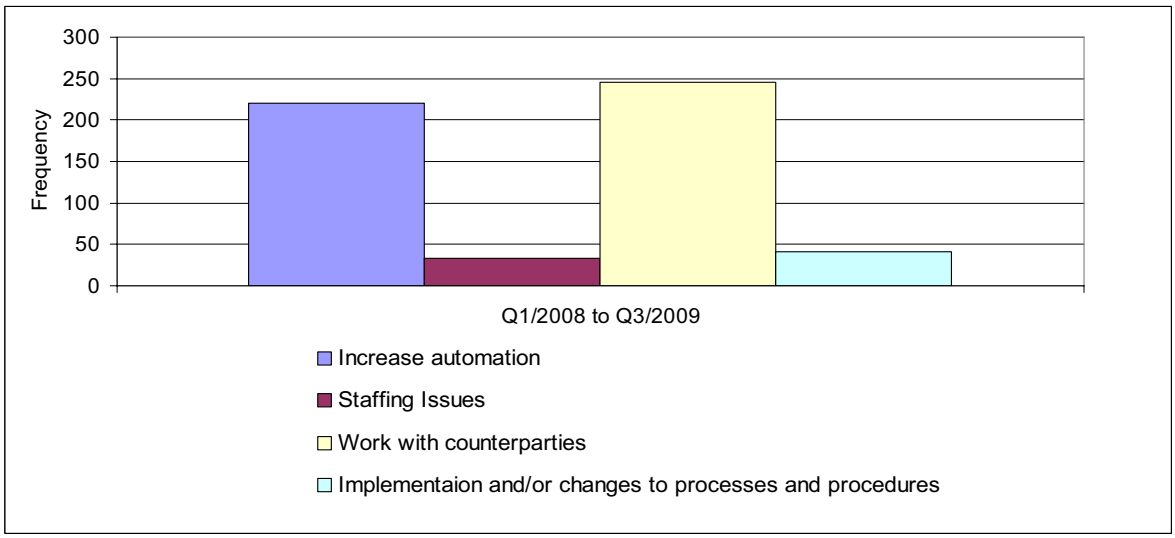
Analysis of the "steps to address delays"

Dealers have taken similar steps to address the delays. Many have worked with counterparties to identify processes that could be improved through either changes in internal systems or in staff behaviour.

Other steps included:

- increasing automation within the firms to eliminate or replace previously manual processes
- training existing staff on NI 24-101 requirements or adding new dedicated staff members
- implementing and/or changing processes and procedures.

Chart 8 – Dealers – Exhibit C – main steps to address delays



Observations

Dealers consistently identified communication of trade details between trade-matching parties as an impediment in meeting the 90% matching on T+1 noon. Information they receive from counterparties is often inaccurate, insufficient or transmitted late when compared to their trade processing schedule. A dealer's counterparty is usually an adviser who needs to provide the

details of the trade and, after the trade is executed, the allocations for the respective trade and the adviser's designated custodian who needs to confirm all trade details. Many advisers still send trade details and allocations by phone, fax or email. As a result, custodians are late in affirming trade details.

Dealers noted that their internal processes need to be automated. For instance, a firm should use electronic interfaces to capture trade allocations from advisers into internal systems. The internal system enriches the account information and trade details then sends the trade details for overnight processing into back office systems and on to CDS for clearing and settlement.

Another factor for some dealers is the amount of non-western hemisphere trading they execute. One of the concerns expressed is the inability to track or segregate DAP/RAP trades originating from non-western hemisphere clients or counterparties because CDS and back office services providers do not facilitate the tracking of this information. Also, many dealers believe that other trade-matching parties are generally responsible for trades not meeting the noon on T+1 matching threshold.

Advisers

Analysis of the "reasons for non-compliance"

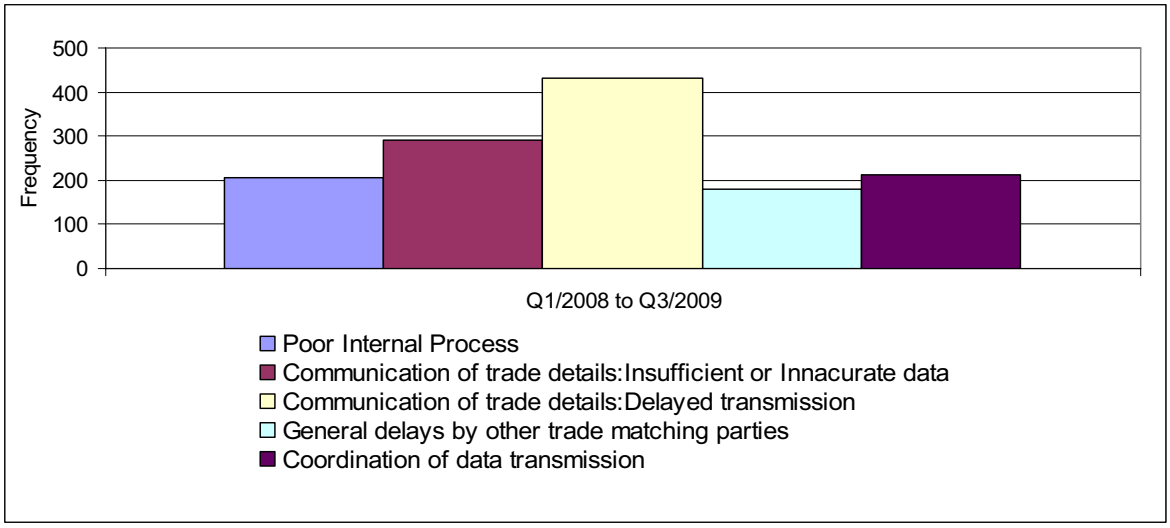
In general, advisers indicated that their main challenge was communication of trade details between trade-matching parties. They also noted that their ability to identify the bottlenecks in the institutional trade process depends on the quality of the information received from the trade-matching parties that provide their ITM performance data.

Many advisers mentioned that without sufficient explanations, they could not investigate delays appropriately. Some stated that insufficient or unclear ITM information provided by counterparties makes it difficult to identify why the trade processing is obstructed.

Another challenge for advisers is the coordination of data transmission between trade-matching parties. They remarked that their ability to meet the ITM rate depends on the timeliness of the exchange of trade details between parties that are, in general, outside their control.

Advisers also mentioned that poor internal processes were an issue.

Chart 9 – Advisers – Exhibit B – main reasons for not meeting the ITM target

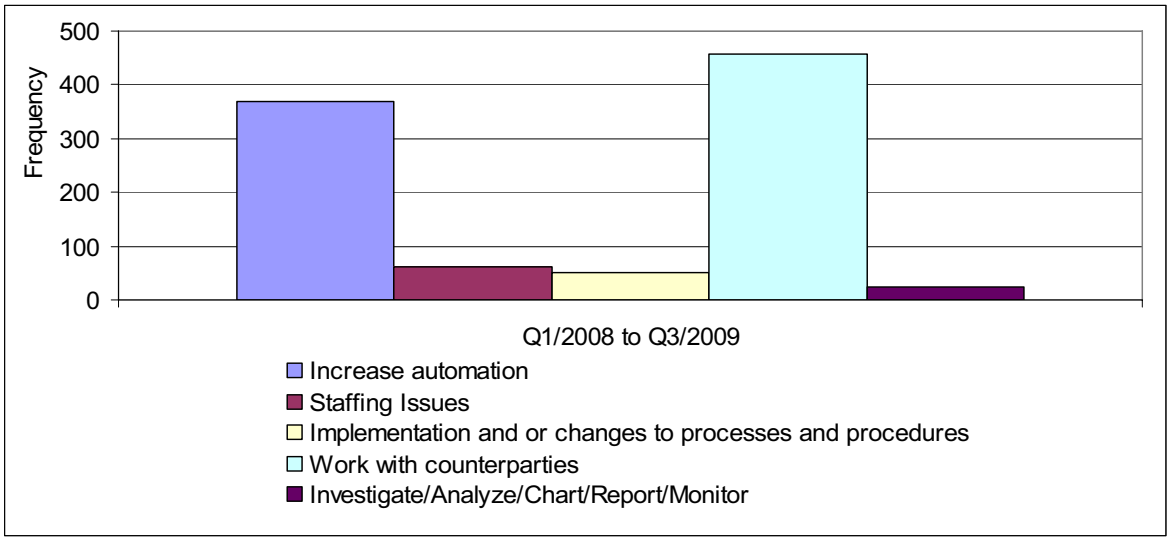


Analysis of the "steps to address delays"

Advisers reported working with counterparties to uncover the causes of the delays in the matching process. Some advisers initiated an investigative process where they would analyze the information provided by counterparties and monitor how the matching process takes place to discover any bottlenecks.

Other advisers encouraged counterparties to communicate and solve any issues related to the timeliness of data transmission. Many advisers noted efforts to improve automation through adoption of OMSs or enhancements in existing internal systems. They also reported the implementation of new policies and procedures or changes to existing ones and training or adding new dedicated staff (see Chart 4).

Chart 10 – Advisers – Exhibit C – main steps to address delays



Observations

Communication of trade details was the most difficult challenge advisers faced. An important step in addressing this challenge was to increase automation of internal processes and improve connectivity with trade-matching parties.

Advisers also noted that identifying existing bottlenecks in data processing was an important item on their agenda. They worked with counterparties to clarify where trades are obstructed and encouraged counterparties or other third-party service providers to communicate and address any issues related to the timeliness of data transmission.

c. Discussions with stakeholders

CSA staff had discussions with market participants, service providers, industry groups and other stakeholders to obtain feedback on the challenges of meeting the ITM target, understand the efforts to improve their ITM performance rates, learn about any ongoing issues/problems with ITM requirements, and generally, to discuss broad issues associated with NI 24-101.

In general, we found that NI 24-101 has encouraged market participants to improve ITM middle and back office internal functions. For example, many market participants re-engineered and automated their processes.

However, less progress appears to have been made with external connectivity. Dealers noted that a recurrent issue is the high volume of trade information received by phone, fax or email. This may be related to the concern expressed by advisers about the cost of adopting an OMS. Another issue consistently raised by dealers was the delay in receiving allocation of trades.

Some advisers expressed concerns at the lack of use of MSUs, especially among dealers. Certain dealers also noted the high cost of using an MSU, which is similar to the concern of advisers about the high cost of acquiring an OMS.

VII. Conclusion

CSA staff recognize that market participants have made concerted efforts to achieve the Instrument's current noon on T+1 matching target. Our review of the data showed that since 2007, the industry has made steady progress in meeting the ITM target. However, despite these efforts many market participants have reached a significant ceiling in their ability to meet the ITM target. CSA staff will continue to monitor the industry's progress in achieving the ITM target.

APPENDIX

Table A-1. Overall ITM rates (equity and debt) from CDS data based on volume – percentage entered into CDS and matched during the quarter

Quarter Ending:	Entered		Matched	
	Midnight T	Noon T+1	Midnight T	Noon T+1
Apr-2007	39.72	-	14.3	-
Jun-2007	55.32	81.7	23.48	61.9
Sep-2007	59.74	81.8	25.18	64.8
Dec-2007	56.34	82.9	29.28	72.3
Mar-2008	67.69	86.7	34.84	78.4
Jun-2008	66.48	87.5	34.62	80.6
Sep-2008	65.97	88.1	34.96	80.9
Dec-2008	69.78	88.3	42.72	82
Mar-2009	70.55	90.8	44.59	84.8
Jun-2009	73.96	90.7	48.24	85.2
Sep-2009	73.45	91.4	45.47	86.3
Dec-2009	71.43	90.2	45.24	84.7

Table A-2. Overall ITM rates (equity only) from CDS data based on volume – percentage entered into CDS and matched during the quarter

Quarter Ending:	Entered		Matched	
	Midnight T	Noon T+1	Midnight T	Noon T+1
Apr-2007	39.5	-	13.1	-
Jun-2007	53.5	81.2	21.7	62.9
Sep-2007	58.2	81.2	22.4	65.1
Dec-2007	54.4	82.9	27.2	73.0
Mar-2008	66.5	86.4	32.3	78.4
Jun-2008	65.5	87.5	32.7	81.1
Sep-2008	64.1	87.8	32.0	80.1
Dec-2008	69.2	88.1	41.3	82.2
Mar-2009	69.6	90.9	42.5	85.4
Jun-2009	73.7	90.9	46.6	85.9
Sep-2009	73.0	91.6	43.5	86.8
Dec-2009	70.6	90.3	43.4	85.2

Table A-3. Overall ITM rates (debt only) from CDS data based on volume – percentage entered into CDS and matched during the quarter

Quarter Ending:	Entered		Matched	
	Midnight T	Noon T+1	Midnight T	Noon T+1
Apr-2007	41.0	-	20.9	-
Jun-2007	63.2	83.5	31.4	57.5
Sep-2007	67.0	84.8	38.6	63.5
Dec-2007	66.0	82.6	39.6	68.8
Mar-2008	74.1	88.4	49.1	78.1
Jun-2008	71.7	87.2	45.6	77.9
Sep-2008	76.5	90.1	51.8	83.0
Dec-2008	73.3	89.3	51.0	80.6
Mar-2009	75.4	90.1	55.4	81.8
Jun-2009	75.5	90.0	55.9	82.1
Sep-2009	78.9	90.8	56.3	83.2
Dec-2009	75.7	89.3	55.5	81.7

Table B. ITM equity rates from F1s – equity dealers by volume[8]

Quarter Ending:	Large Volume Equity Dealers		Medium Volume Equity Dealers		Small Volume Equity Dealers	
	Entered by noon T+1	Matched by noon T+1	Entered by noon T+1	Matched by noon T+1	Entered by noon T+1	Matched by noon T+1
Mar- 2008	87.10	80.49	85.12	69.00	82.20	63.07
Jun- 2008	87.23	80.60	88.88	74.54	87.74	59.55
Sep- 2008	87.15	81.33	87.07	75.63	81.65	61.54
Dec- 2008	81.88	75.73	87.14	75.18	84.49	64.12
Mar- 2009	91.87	86.06	89.76	78.18	82.97	63.21
Jun- 2009	90.14	84.09	90.80	80.56	85.19	65.18
Sep- 2009	91.59	86.90	90.33	81.88	77.64	59.10
Average Entered	88.14		88.44		82.70	
Average Matched		82.17		76.43		62.25

[8] The Entered and Matched volumes are calculated as simple averages for the respective category.

Table C. ITM debt rates from F1s – debt dealers by value

Quarter Ending:	Large Value Debt Dealers		Medium Value Debt Dealers		Small Value Debt Dealers	
	Entered by noon T+1	Matched by noon T+1	Entered by noon T+1	Matched by noon T+1	Entered by noon T+1	Matched by noon T+1
Mar- 2008	89.68	73.27	72.77	59.50	76.96	49.67
Jun- 2008	86.22	72.37	64.38	54.47	76.74	42.65
Sep- 2008	90.74	78.25	83.71	58.40	77.57	53.09
Dec- 2008	88.15	73.08	73.16	62.98	77.83	34.34
Mar- 2009	93.34	78.03	80.09	65.62	80.29	45.74
Jun- 2009	93.23	81.06	76.56	59.71	67.00	33.63
Sep- 2009	92.01	83.16	74.29	67.82	62.98	31.77
Average Entered	90.48		75.00		74.19	
Average Matched		77.03		61.21		41.56

Table D. ITM equity rates from F1s – equity advisers by volume

Quarter Ending:	Large Volume Equity Advisers	Medium Volume Equity Advisers	Small Volume Equity Advisers
	Matched by noon on T+1	Matched by noon on T+1	Matched by noon on T+1
Mar- 2008	81.14	73.96	64.41
Jun- 2008	84.00	77.95	67.35
Sep- 2008	85.61	82.93	69.09
Dec- 2008	86.07	80.11	65.14
Mar- 2009	86.41	84.91	73.65
Jun- 2009	80.69	79.73	66.34
Sep- 2009	84.05	85.13	70.81
Average Matched	83.99	80.67	68.11

Table E. ITM debt rates from F1s – debt advisers by value

Quarter Ending:	Large Value Debt Advisers	Medium Value Debt Advisers	Small Value Debt Advisers
	Matched by noon on T+1	Matched by noon on T+1	Matched by noon on T+1
Mar- 2008	71.43	65.64	54.18
Jun- 2008	72.16	62.73	52.09
Sep- 2008	76.68	71.77	58.12
Dec- 2008	76.21	66.07	61.01
Mar- 2009	78.75	73.87	59.29
Jun- 2009	80.86	64.65	66.87
Sep- 2009	82.20	71.59	64.51
Average Matched	76.90	68.05	59.44

ANNEX D

AMENDMENTS TO
NATIONAL INSTRUMENT 24-101 *INSTITUTIONAL TRADE MATCHING AND SETTLEMENT*

1. ***National Instrument 24-101 Institutional Trade Matching and Settlement is amended by this Instrument.***

2. Section 1.1 is amended by:

a. replacing "authorized***" in the definition of "***clearing agency***" with "***recognized***";***

b. replacing the definition of "institutional investor***" with the following:***

"institutional investor" means a client of a dealer that has been granted DAP/RAP trading privileges by the dealer;

c. adding the definition "North American region" ***as follows:***

"North American region" means Canada, the United States, Mexico, Bermuda and the countries of Central America and the Caribbean;

d. replacing paragraphs (a) and (b) of the definition "trade-matching party***" with the following:***

(a) a registered adviser acting for the institutional investor in processing the trade,

(b) if a registered adviser is not acting for the institutional investor in processing the trade, the institutional investor unless the institutional investor is

(i) an individual, or

(ii) a person or company with total securities under administration or management not exceeding $10 million,

e. replacing the words "the day on which a trade is executed***", wherever they occur in the definitions of "***T+1***", "***T+2***" and "***T+3***", with "***T***".***

3. Paragraph 2.1(f) is amended by adding "in a security of a mutual fund***" after "***trade***".***

4. Section 3.1 is amended by:

a. replacing in subsection (1) "the end of T" ***with*** "12 p.m. (noon) on T+1"**;**

b. replacing subsection (2) with the following:

(2) Despite subsection (1), the dealer may adapt its policies and procedures to permit matching to occur no later than 12 p.m. (noon) on T+2 for a DAP/RAP trade that results from an order to buy or sell securities received from an institutional investor whose investment decisions or settlement instructions are usually made in and communicated from a geographical region outside of the North American region.

5. Section 3.2 is replaced by the following:

3.2 Pre-DAP/RAP trade execution documentation requirement for dealers —

A registered dealer shall not open an account to execute a DAP/RAP trade for an institutional investor or accept an order to execute a DAP/RAP trade for the account of an institutional investor unless its policies and procedures are designed to encourage each trade-matching party to

(a) enter into a trade-matching agreement with the dealer, or

(b) provide a trade-matching statement to the dealer.

6. Section 3.3 is amended by:

a. replacing in subsection (1) "the end of T" ***with*** "12 p.m. (noon) on T+1";

b. replacing subsection (2) with the following:

*(*2) Despite subsection (1), the adviser may adapt its policies and procedures to permit matching to occur no later than 12 p.m. (noon) on T+2 for a DAP/RAP trade that results from an order to buy or sell securities received from an institutional investor whose investment decisions or settlement instructions are usually made in and communicated from a geographical region outside of the North American region.

7. Section 3.4 is replaced by the following:

3.4 Pre- DAP/RAP trade execution documentation requirement for advisers —

A registered adviser shall not open an account to execute a DAP/RAP trade for an institutional investor or give an order to a dealer to execute a DAP/RAP trade for the account of an institutional investor unless its policies and procedures are designed to encourage each trade-matching party to

(a) enter into a trade-matching agreement with the adviser, or

(b) provide a trade-matching statement to the adviser.

8. Part 4 is replaced by the following:

PART 4 REPORTING BY REGISTERED FIRMS

4.1 Exception reporting requirement

A registered firm shall deliver Form 24-101F1 to the securities regulatory authority no later than 45 days after the end of a calendar quarter if

(a) less than 90 per cent of the DAP/RAP trades executed by or for the registered firm during the quarter matched within the time required in Part 3, or

(b) the DAP/RAP trades executed by or for the registered firm during the quarter that matched within the time required in Part 3 represent less than 90 per cent of the aggregate value of the securities purchased and sold in those trades.

9. Form 24-101F1 is amended by:

(a) replacing item 3 under "*REGISTERED FIRM IDENTIFICATION AND CONTACT INFORMATION:*" with the following:

3a. Address of registered firm's principal place of business:

3b. Indicate below the jurisdiction of your principal regulator within the meaning of National Instrument 31-103 *Registration Requirements and Exemptions*:

☐ Alberta
☐ British Columbia
☐ Manitoba
☐ New Brunswick
☐ Newfoundland & Labrador
☐ Northwest Territories
☐ Nova Scotia
☐ Nunavut
☐ Ontario
☐ Prince Edward Island
☐ Québec
☐ Saskatchewan
☐ Yukon

3c. Indicate below all jurisdictions in which you are registered:

☐ Alberta
☐ British Columbia
☐ Manitoba
☐ New Brunswick
☐ Newfoundland & Labrador
☐ Northwest Territories
☐ Nova Scotia
☐ Nunavut
☐ Ontario
☐ Prince Edward Island
☐ Québec
☐ Saskatchewan
☐ Yukon

(b) replacing the portion of the Form after the heading "INSTRUCTIONS:" and before the heading "EXHIBITS" with the following:

Deliver this form for both equity and debt DAP/RAP trades together with Exhibits A, B and C pursuant to section 4.1 of the Instrument, covering the calendar quarter indicated above, within 45 days of the end of the calendar quarter if

(a) less than 90 per cent of the equity and/or debt DAP/RAP trades executed by or for you during the quarter matched within the time required in Part 3 of the Instrument, or

(b) the equity and/or debt DAP/RAP trades executed by or for you during the quarter that matched within the time required in Part 3 of the Instrument represent less than 90 per cent of the aggregate value of the securities purchased and sold in those trades."

(c) replacing the heading "*EXHIBIT B – Reasons for non-compliance*" with the following:

Exhibit B – Reasons for not meeting exception reporting thresholds

10. Form 24-102F2 is amended by:

(a) replacing the portion of the Form after the heading "Table 1 --- Equity trades:***" and before the word "***Legend***" with the following:***

	Entered into clearing agency by dealers				Matched in clearing agency by custodians			
	# of Trades	% Industry	$ Value of Trades	% Industry	# of Trades	% Industry	$ Value of Trades	% Industry
T								
T+1 - noon								
T+1								
T+2								
T+3								
>T+3								
Total								

Table 2 — Debt trades:

	Entered into clearing agency by dealers				Matched in clearing agency by custodians			
	# of Trades	% Industry	$ Value of Trades	% Industry	# of Trades	% Industry	$ Value of Trades	% Industry
T								
T+1 - noon								
T+1								
T+2								
T+3								
>T+3								
Total								

(b) replacing the portion of the Form after the heading "Exhibit B – Individual matched trade statistics***" and before the heading "*CERTIFICATE OF CLEARING AGENCY*" with the following:***

Using the same format as Exhibit A above, provide the relevant information for each participant of the clearing agency in respect of client trades during the quarter that have been entered by the participant and matched within the timelines indicated in Exhibit A.

11. Form 24-101F5 is amended by:

(a) replacing the portion of the Form after the heading "Table 1 --- Equity trades:***" and before the word "***Legend***" with the following:***

	Entered into matching service utility by dealer-users/subscribers				Matched in matching service utility by other users/subscribers			
	# of Trades	% Industry	$ Value of Trades	% Industry	# of Trades	% Industry	$ Value of Trades	% Industry
T								
T+1 - noon								
T+1								
T+2								
T+3								
>T+3								
Total								

Table 2 — Debt trades:

	Entered into matching service utility by dealer-users/subscribers				Matched in matching service utility by other users/subscribers			
	# of Trades	% Industry	$ Value of Trades	% Industry	# of Trades	% Industry	$ Value of Trades	% Industry
T								
T+1 - noon								
T+1								
T+2								
T+3								
>T+3								
Total								

(b) replacing the portion of the Form after the heading "Exhibit D – Individual matched trade statistics***" and before the heading "*CERTIFICATE OF MATCHING SERVICE UTILITY*" with the following:***

Using the same format as Exhibit C above, provide the relevant information for each user or subscriber in respect of trades during the quarter that have been entered by the user or subscriber and matched within the timelines indicated in Exhibit C.

12. This Instrument comes into force on July 1, 2010.

ANNEX E
BLACKLINE VERSION OF
NATIONAL INSTRUMENT 24-101 INSTITUTIONAL TRADE MATCHING AND SETTLEMENT

This is an unofficial consolidation of National Instrument 24-101 *Institutional Trade Matching and Settlement*, with the amendments in Annex D shown by blackline. No part of this document represents an official statement of law. Text boxes in this Annex are provided for convenience and do not form part of the National Instrument.

CANADIAN SECURITIES ADMINISTRATORS

NATIONAL INSTRUMENT 24-101
INSTITUTIONAL TRADE MATCHING AND SETTLEMENT

TABLE OF CONTENTS

NATIONAL INSTRUMENT 24-101
INSTITUTIONAL TRADE MATCHING AND SETTLEMENT

PART 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions —

In this Instrument,

"clearing agency" means,

(a) in Ontario, a clearing agency recognized by the securities regulatory authority under section 21.2 of the *Securities Act* (Ontario),

(b) in Québec, a clearing house for securities ~~authorized~~recognized by the securities regulatory authority, and

(c) in every other jurisdiction, an entity that is carrying on business as a clearing agency in the jurisdiction;

"custodian" means a person or company that holds securities for the benefit of another under a custodial agreement or other custodial arrangement;

"DAP/RAP trade" means a trade

(a) executed for a client trading account that permits settlement on a delivery against payment or receipt against payment basis through the facilities of a clearing agency, and

(b) for which settlement is made on behalf of the client by a custodian other than the dealer that executed the trade;

"institutional investor" means ~~an investor~~a client of a dealer that has been granted DAP/RAP trading privileges by ~~a~~the dealer;

"marketplace" has the same meaning as in National Instrument 21-101 *Marketplace Operation*;

"matching service utility" means a person or company that provides centralized facilities for matching, but does not include a clearing agency;

"North American region" means Canada, the United States, Mexico, Bermuda and the countries of Central America and the Caribbean;

"registered firm" means a person or company registered under securities legislation as a dealer or adviser;

"trade-matching agreement" means, for trades executed with or on behalf of an institutional investor, a written agreement entered into among trade-matching parties setting out the roles and responsibilities of the trade-matching parties in matching those trades and including, without limitation, a term by which the trade-matching parties agree to establish, maintain and enforce policies and procedures designed to achieve matching as soon as practical after a trade is executed;

"trade-matching party" means, for a trade executed with or on behalf of an institutional investor,

(a) a registered adviser acting for the institutional investor in processing the trade,

(b) if a registered adviser is not acting for the institutional investor in processing the trade, the institutional investor~~,~~ unless the institutional investor is

(i) an individual, or

(ii) a person or company with total securities under administration or management not exceeding $10 million,

(c) a registered dealer executing or clearing the trade, or

(d) a custodian of the institutional investor settling the trade;

"trade-matching statement" means, for trades executed with or on behalf of an institutional investor, a signed written statement of a trade-matching party confirming that it has established, maintains and enforces policies and procedures designed to achieve matching as soon as practical after a trade is executed;

"T" means the day on which a trade is executed;

"T+1" means the next business day following ~~the day on which a trade is executed~~T;

"T+2" means the second business day following ~~the day on which a trade is executed~~T;

"T+3" means the third business day following ~~the day on which a trade is executed~~T.

1.2 Interpretation — trade matching and Eastern Time —

(1) In this Instrument, matching is the process by which

(a) the details and settlement instructions of an executed DAP/RAP trade are reported, verified, confirmed and affirmed or otherwise agreed to among the trade-matching parties, and

(b) unless the process is effected through the facilities of a clearing agency, the matched details and settlement instructions are reported to a clearing agency.

(2) Unless the context otherwise requires, a reference in this Instrument to

(a) a time is to Eastern Time, and

(b) a day is to a twenty-four hour day from midnight to midnight Eastern Time.

PART 2 APPLICATION

2.1 This Instrument does not apply to

(a) a trade in a security of an issuer that has not been previously issued or for which a prospectus is required to be sent or delivered to the purchaser under securities legislation,

(b) a trade in a security to the issuer of the security,

(c) a trade made in connection with a take-over bid, issuer bid, amalgamation, merger, reorganization, arrangement or similar transaction,

(d) a trade made in accordance with the terms of conversion, exchange or exercise of a security previously issued by an issuer,

(e) a trade that is a securities lending, repurchase, reverse repurchase or similar financing transaction,

(f) a trade in a security of a mutual fund to which National Instrument 81-102—*Mutual Funds* applies,

(g) a trade to be settled outside Canada,

(h) a trade in an option, futures contract or similar derivative, or

(i) a trade in a negotiable promissory note, commercial paper or similar short-term debt obligation that, in the normal course, would settle in Canada on T.

PART 3 TRADE MATCHING REQUIREMENTS

3.1 Matching deadlines for registered dealer —

(1) A registered dealer shall not execute a DAP/RAP trade with or on behalf of an institutional investor unless the dealer has established, maintains and enforces policies and procedures designed to achieve matching as soon as practical after such a trade is executed and in any event no later than ~~the end of~~ T12 p.m. (noon) on T+1.

(2) Despite subsection (1), the dealer may adapt its policies and procedures to permit matching to occur no later than ~~the end of T+1~~12 p.m. (noon) on T+2 for a DAP/RAP trade that results from an order to buy or sell securities received from an institutional investor whose investment decisions or settlement instructions are usually made in and communicated from a geographical region outside of the ~~western hemisphere~~North American region.

3.2 Pre-DAP/RAP trade execution documentation requirement for dealers —

A registered dealer shall not open an account to execute a DAP/RAP trade for an institutional investor or accept an order to execute a DAP/RAP trade for the account of an institutional investor unless its policies and procedures are designed to encourage each trade-matching party ~~has~~to ~~either~~

(a) ~~entered~~enter into a trade-matching agreement with the dealer, or

(b) ~~provided~~provide a trade-matching statement to the dealer.

3.3 Matching deadlines for registered adviser —

(1) A registered adviser shall not give an order to a dealer to execute a DAP/RAP trade on behalf of an institutional investor unless the adviser has established, maintains and enforces policies and procedures designed to achieve matching as soon as practical after such a trade is executed and in any event no later than ~~the end of T~~12 p.m. (noon) on T+1.

(2) Despite subsection (1), the adviser may adapt its policies and procedures to permit matching to occur no later than ~~the end of T+1~~12 p.m. (noon) on T+2 for a DAP/RAP trade that results from an order to buy or sell securities received from an institutional investor whose investment decisions or settlement instructions are usually made in and communicated from a geographical region outside of the ~~western hemisphere~~North American region.

3.4 Pre-DAP/RAP trade execution documentation requirement for advisers —

A registered adviser shall not open an account to execute a DAP/RAP trade for an institutional investor or give an order to a dealer to execute a DAP/RAP trade for the account of an institutional investor unless its policies and procedures are designed to encourage each trade-matching party ~~has~~to ~~either~~

(a) ~~entered~~enter into a trade-matching agreement with the adviser, or

(b) ~~provided~~provide a trade-matching statement to the adviser.

PART 4 REPORTING ~~REQUIREMENT FOR~~BY REGISTERED FIRMS

4.1 Exception reporting requirement

A registered firm shall deliver Form 24-101F1 to the securities regulatory authority no later than 45 days after the end of a calendar quarter if

(a) less than ~~95~~90 per cent of the DAP/RAP trades executed by or for the registered firm~~.~~ during the quarter matched within the time required in Part 3, or

(b) the DAP/RAP trades executed by or for the registered firm during the quarter that matched within the time required in Part 3 represent less than ~~95~~90 per cent of the aggregate value of the securities purchased and sold in those trades.

PART 5 REPORTING REQUIREMENTS FOR CLEARING AGENCIES

5.1 A clearing agency through which trades governed by this Instrument are cleared and settled shall deliver Form 24-101F2 to the securities regulatory authority no later than 30 days after the end of a calendar quarter.

PART 6 REQUIREMENTS FOR MATCHING SERVICE UTILITIES

6.1 Initial information reporting —

(1) A person or company shall not carry on business as a matching service utility unless

(a) the person or company has delivered Form 24-101F3 to the securities regulatory authority, and

(b) at least 90 days have passed since the person or company delivered Form 24-101F3.

(2) During the 90 day period referred to in subsection (1), if there is a significant change to the information in the delivered Form 24-101F3, the person or company shall inform the securities regulatory authority in writing immediately of that significant change by delivering an amendment to Form 24-101F3 in the manner set out in Form 24-101F3.

6.2 Anticipated change to operations —

At least 45 days before implementing a significant change to any item set out in Form 24-101F3, a matching service utility shall deliver an amendment to the information in the manner set out in Form 24-101F3.

6.3 Ceasing to carry on business as a matching service utility —

(1) If a matching service utility intends to cease carrying on business as a matching service utility, it shall deliver a report on Form 24-101F4 to the securities regulatory authority at least 30 days before ceasing to carry on that business.

(2) If a matching service utility involuntarily ceases to carry on business as a matching service utility, it shall deliver a report on Form 24-101F4 as soon as practical after it ceases to carry on that business.

6.4 Ongoing information reporting and record keeping —

(1) A matching service utility shall deliver Form 24-101F5 to the securities regulatory authority no later than 30 days after the end of a calendar quarter.

(2) A matching service utility shall keep such books, records and other documents as are reasonably necessary to properly record its business.

6.5 System requirements —

For all of its core systems supporting trade matching, a matching service utility shall

(a) consistent with prudent business practice, on a reasonably frequent basis, and, in any event, at least annually,

(i) make reasonable current and future capacity estimates,

(ii) conduct capacity stress tests of those systems to determine the ability of the systems to process transactions in an accurate, timely and efficient manner,

(iii) implement reasonable procedures to review and keep current the testing methodology of those systems,

(iv) review the vulnerability of those systems and data centre computer operations to internal and external threats, including breaches of security, physical hazards and natural disasters, and

(v) maintain adequate contingency and business continuity plans;

(b) annually cause to be performed an independent review and written report, in accordance with generally accepted auditing standards, of the stated internal control objectives of those systems; and

(c) promptly notify the securities regulatory authority of a material failure of those systems.

PART 7 TRADE SETTLEMENT

7.1 Trade settlement by registered dealer —

(1) A registered dealer shall not execute a trade unless the dealer has established, maintains and enforces policies and procedures designed to facilitate settlement of the trade on a date that is no later than the standard settlement date for the type of security traded prescribed by an SRO or the marketplace on which the trade would be executed.

(2) Subsection (1) does not apply to a trade for which terms of settlement have been expressly agreed to by the counterparties to the trade at or before the trade was executed.

PART 8 REQUIREMENTS OF SELF-REGULATORY ORGANIZATIONS AND OTHERS

8.1 A clearing agency or matching service utility shall have rules or other instruments or procedures that are consistent with the requirements of Parts 3 and 7.

8.2 A requirement of this Instrument does not apply to a member of an SRO if the member complies with a rule or other instrument of the SRO that deals with the same subject matter as the requirement and that has been approved, non-disapproved, or non-objected to by the securities regulatory authority and published by the SRO.

PART 9 EXEMPTION

9.1 Exemption —

(1) The regulator or the securities regulatory authority may grant an exemption from this Instrument, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.

(2) Despite subsection (1), in Ontario, only the regulator may grant such an exemption.

(3) Except in Ontario, an exemption referred to in subsection (1) is granted under the statute referred to in Appendix B of National Instrument 14-101 *Definitions* opposite the name of the local jurisdiction.

PART 10 EFFECTIVE DATES AND TRANSITION

Note: This unofficial consolidation does not include sections 10.1 and 10.2 which contain coming-into-force provisions and transitional provisions which are only of historical interest.

FORM 24-101F1

REGISTERED FIRM
EXCEPTION REPORT OF
DAP/RAP TRADE REPORTING AND MATCHING

CALENDAR QUARTER PERIOD COVERED:

From: _____ to: _____

REGISTERED FIRM IDENTIFICATION AND CONTACT INFORMATION:

1. Full name of registered firm (if sole proprietor, last, first and middle name):

2. Name(s) under which business is conducted, if different from item 1:

~~3.~~3a. Address of registered firm's principal place of business:

3b. Indicate below the jurisdiction of your principal regulator within the meaning of NI 31-103 *Registration Requirements and Exemptions*:

☐ Alberta
☐ British Columbia
☐ Manitoba
☐ New Brunswick
☐ Newfoundland & Labrador
☐ Northwest Territories
☐ Nova Scotia
☐ Nunavut
☐ Ontario
☐ Prince Edward Island
☐ Québec
☐ Saskatchewan
☐ Yukon

3c. Indicate below all jurisdictions in which you are registered:

☐ Alberta
☐ British Columbia
☐ Manitoba
☐ New Brunswick
☐ Newfoundland & Labrador
☐ Northwest Territories
☐ Nova Scotia
☐ Nunavut
☐ Ontario
☐ Prince Edward Island
☐ Québec
☐ Saskatchewan
☐ Yukon

4. Mailing address, if different from business address:

5. Type of business: O Dealer O Adviser

6. Category of registration:

7. (a) Registered Firm NRD number:

(b) If the registered firm is a participant of a clearing agency, the registered firm's CUID number:

8. Contact employee name:

Telephone number:

E-mail address:

INSTRUCTIONS:

Deliver this form for both equity and debt DAP/RAP trades together with Exhibits A, B and C pursuant to section 4.1 of the Instrument, covering the calendar quarter indicated above, within 45 days of the end of the calendar quarter if

(a) less than ~~95~~90 per cent* of the equity and/or debt DAP/RAP trades executed by or for you during the quarter matched within the time** required in Part 3 of the Instrument, or

(b) the equity and/or debt DAP/RAP trades executed by or for you during the quarter that matched within the time** required in Part 3 of the Instrument represent less than ~~95~~90 per cent* of the aggregate value of the securities purchased and sold in those trades.

~~Transition~~

~~* For DAP/RAP trades executed during a transitional period after the Instrument comes into force and before January 1, 2010, this percentage will vary depending on when the trade was executed. See section 10.2(3) of the Instrument.~~

~~** The time set out in Part 3 of the Instrument is 11:59 p.m. on, as the case may be, T or T+1. For DAP/RAP trades executed during a transitional period after the Instrument comes into force and before July 1, 2008, this timeline is being phased in and is 12:00 p.m. (noon) on, as the case may be, "T+1" or "T+2". See subsections 10.2(1) and (2) of the Instrument.~~

EXHIBITS:

Exhibit A – DAP/RAP trade statistics for the quarter

Complete Tables 1 and 2 below for each calendar quarter.

(1) Equity DAP/RAP trades

Entered into CDS by deadline (to be completed by dealers only)				*Matched by deadline*			
# of Trades	**%**	**$ Value of Trades**	**%**	**# of Trades**	**%**	**$ Value of Trades**	**%**

(2) Debt DAP/RAP trades

Entered into CDS by deadline (to be completed by dealers only)				*Matched by deadline*			
# of Trades	**%**	**$ Value of Trades**	**%**	**# of Trades**	**%**	**$ Value of Trades**	**%**

Exhibit B – Reasons for ~~non-compliance~~not meeting exception reporting thresholds

Describe the circumstances or underlying causes that resulted in or contributed to the failure to achieve the percentage target for matched equity and/or debt DAP/RAP trades within the maximum time prescribed by Part 3 of the Instrument. Reasons given could be one or more matters within your control or due to another trade-matching party or service provider. If you have

insufficient information to determine the percentages, the reason for this should be provided. See also Companion Policy 24-101CP to the Instrument.

Exhibit C – Steps to address delays

Describe what specific steps you are taking to resolve delays in the equity and/or debt DAP/RAP trade reporting and matching process in the future. Indicate when each of these steps is expected to be implemented. The steps being taken could be internally focused, such as implementing a new system or procedure, or externally focused, such as meeting with a trade-matching party to determine what action should be taken by that party. If you have insufficient information to determine the percentages, the steps being taken to obtain this information should be provided. See also Companion Policy 24-101CP to the Instrument.

CERTIFICATE OF REGISTERED FIRM

The undersigned certifies that the information given in this report on behalf of the registered firm is true and correct.

DATED at _____ this ____ day of _____ 20___

_____
(Name of registered firm - type or print)

_____
(Name of director, officer or partner - type or print)

_____
(Signature of director, officer or partner)

_____
(Official capacity - type or print)

FORM 24-101F2

CLEARING AGENCY
QUARTERLY OPERATIONS REPORT OF
INSTITUTIONAL TRADE REPORTING AND MATCHING

CALENDAR QUARTER PERIOD COVERED:

From: _____ to: _____

IDENTIFICATION AND CONTACT INFORMATION:

1. Full name of clearing agency:

2. Name(s) under which business is conducted, if different from item 1:

3. Address of clearing agency's principal place of business:

4. Mailing address, if different from business address:

5. Contact employee name:

   Telephone number:

   E-mail address:

INSTRUCTIONS:

Deliver this form together with all exhibits pursuant to section 5.1 of the Instrument, covering the calendar quarter indicated above, within 30 days of the end of the calendar quarter.

Exhibits shall be provided in an electronic file, in the following file format: "CSV" (Comma Separated Variable) (e.g., the format produced by Microsoft Excel).

EXHIBITS:

1. DATA REPORTING

Exhibit A – Aggregate matched trade statistics

For client trades, provide the information to complete Tables 1 and 2 below for each month in the quarter. These two tables can be integrated into one report. Provide separate aggregate information for trades that have been reported or entered into your facilities as matched trades by a matching service utility.

Month/Year: _____ (MMM/YYYY)

Table 1 --- Equity trades:

	Entered into clearing agency by dealers				Matched in clearing agency by custodians			
	# of Trades	% Industry	$ Value of Trades	% Industry	# of Trades	% Industry	$ Value of Trades	% Industry
T								
T+1 - noon								
T+1								
T+2								
T+3								
>T+3								
Total								

Table 2 — Debt trades:

	Entered into clearing agency by dealers				Matched in clearing agency by custodians			
	# of Trades	% Industry	$ Value of Trades	% Industry	# of Trades	% Industry	$ Value of Trades	% Industry
T								
T+1 - noon								
T+1								
T+2								
T+3								
>T+3								
Total								

Legend

"# of Trades" is the total number of transactions in the month;
"$ Value of Trades" is the total value of the transactions (purchases and sales) in the month.

Exhibit B – Individual matched trade statistics

Using the same format ~~below,~~as Exhibit A above, provide the relevant information for each participant of the clearing agency~~, provide the percent~~ in respect of client trades during the quarter that have been entered ~~and matched~~ by the participant and matched within the ~~time required in Part 3 of the Instrument. The percentages given should relate to both the number of client trades that have been matched within the time and the aggregate value of the securities purchased and sold in the client trades that have been matched within the time.~~ timelines indicated in Exhibit A.

	~~**Percentage matched within timelines**~~			
	~~Equity trades~~		~~Debt trades~~	
~~Participant~~	~~By # of transactions~~	~~By Value~~	~~By # of transactions~~	~~By Value~~

CERTIFICATE OF CLEARING AGENCY

The undersigned certifies that the information given in this report on behalf of the clearing agency is true and correct.

DATED at _____ this ____ day of _____ 20___

_____
(Name of clearing agency - type or print)

_____
(Name of director, officer or partner - type or print)

_____
(Signature of director, officer or partner)

_____
(Official capacity - type or print)

FORM 24-101F3

MATCHING SERVICE UTILITY
NOTICE OF OPERATIONS

DATE OF COMMENCEMENT INFORMATION:

Effective date of commencement of operations: _____ (DD/MMM/YYYY)

TYPE OF INFORMATION: O INITIAL SUBMISSION O AMENDMENT

MATCHING SERVICE UTILITY IDENTIFICATION AND CONTACT INFORMATION:

1. Full name of matching service utility:

2. Name(s) under which business is conducted, if different from item 1:

3. Address of matching service utility's principal place of business:

4. Mailing address, if different from business address:

5. Contact employee name:

   Telephone number:

   E-mail address:

6. Legal counsel:

   Firm name:

   Telephone number:

   E-mail address:

GENERAL INFORMATION:

7. Website address:

8. Date of financial year-end: _____ (DD/MMM/YYYY)

9. Indicate the form of your legal status (e.g., corporation, limited or general partnership), the date of formation, and the jurisdiction under which you were formed:

   Legal status: O CORPORATION O PARTNERSHIP
   O OTHER (SPECIFY):

   (a) Date of formation: _____ (DD/MMM/YYYY)

   (b) Jurisdiction and manner of formation:

10. Specify the general types of securities for which information is being or will be received and processed by you for transmission of matched trades to a clearing agency (e.g. exchange-traded domestic equity and debt securities, exchange-traded foreign equity and debt securities, equity and debt securities traded over-the-counter).

INSTRUCTIONS:

Deliver this form together with all exhibits pursuant to section 6.1 or 10.2(4) of the Instrument.

For each exhibit, include your name, the date of delivery of the exhibit and the date as of which the information is accurate (if different from the date of the delivery). If any exhibit required is not applicable, a full statement describing why the exhibit is not applicable shall be furnished in lieu of the exhibit. To the extent information requested for an exhibit is identical to the information

requested in another form that you have filed or delivered under National Instrument 21-101 *Marketplace Operation*, simply attach a copy of that other form and indicate in this form where such information can be found in that other form.

If you are delivering an amendment to Form 24-101F3 pursuant to section 6.1(2) or 6.2 of the Instrument, and the amended information relates to an exhibit that was delivered with such form, provide a description of the change and complete and deliver an updated exhibit. If you are delivering Form 24-101F3 pursuant to section 10.2(4) of the Instrument, simply indicate at the top of this form under "Date of Commencement Information" that you were already carrying on business as a matching service utility in the relevant jurisdiction on the date that Part 6 of the Instrument came into force.

EXHIBITS:

1. CORPORATE GOVERNANCE

Exhibit A – Constating documents

Provide a copy of your constating documents, including corporate by-laws and other similar documents, as amended from time to time.

Exhibit B – Ownership

List any person or company that owns 10 ~~percent~~per cent or more of your voting securities or that, either directly or indirectly, through agreement or otherwise, may control your management. Provide the full name and address of each person or company and attach a copy of the agreement or, if there is no written agreement, briefly describe the agreement or basis through which the person or company exercises or may exercise control or direction.

Exhibit C – Officials

Provide a list of the partners, officers, directors or persons performing similar functions who presently hold or have held their offices or positions during the current and previous calendar year, indicating the following for each:

1. Name.
2. Title.
3. Dates of commencement and expiry of present term of office or position and length of time the office or position held.
4. Type of business in which each is primarily engaged and current employer.
5. Type of business in which each was primarily engaged in the preceding five years, if different from that set out in item 4.
6. Whether the person is considered to be an independent director.

Exhibit D – Organizational structure

Provide a narrative or graphic description of your organizational structure.

Exhibit E – Affiliated entities

For each person or company affiliated to you, provide the following information:

1. Name and address of affiliated entity.
2. Form of organization (e.g., association, corporation, partnership).
3. Name of jurisdiction and statute under which organized.
4. Date of incorporation in present form.
5. Brief description of nature and extent of affiliation or contractual or other agreement with you.
6. Brief description of business services or functions.

7. If a person or company has ceased to be affiliated with you during the previous year or ceased to have a contractual or other agreement relating to your operations during the previous year, provide a brief statement of the reasons for termination of the relationship.

2. FINANCIAL VIABILITY

Exhibit F – Audited financial statements

Provide your audited financial statements for the latest financial year and a report prepared by an independent auditor.

3. FEES

Exhibit G – Fee list, fee structure

Provide a complete list of all fees and other charges imposed, or to be imposed, by you for use of your services as a matching service utility, including the cost of establishing a connection to your systems.

4. ACCESS

Exhibit H – Users

Provide a list of all users or subscribers for which you provide or propose to provide the services of a matching service utility. Identify the type(s) of business of each user or subscriber (e.g., custodian, dealer, adviser or other party).

If applicable, for each instance during the past year in which any user or subscriber of your services has been prohibited or limited in respect of access to such services, indicate the name of each such user or subscriber and the reason for the prohibition or limitation.

Exhibit I – User contract

Provide a copy of each form of agreement governing the terms by which users or subscribers may subscribe to your services of a matching service utility.

5. SYSTEMS AND OPERATIONS

Exhibit J – System description

Describe the manner of operation of your systems for performing your services of a matching service utility (including, without limitation, systems that collect and process trade execution details and settlement instructions for matching of trades). This description should include the following:

1. The hours of operation of the systems, including communication with a clearing agency.

2. Locations of operations and systems (e.g., countries and cities where computers are operated, primary and backup).

3. A brief description in narrative form of each service or function performed by you.

6. SYSTEMS COMPLIANCE

Exhibit K – Security

Provide a brief description of the processes and procedures implemented by you to provide for the security of any system used to perform your services of a matching service utility.

Exhibit L – Capacity planning and measurement

1. Provide a brief description of capacity planning/performance measurement techniques and system and stress testing methodologies.
2. Provide a brief description of testing methodologies with users or subscribers. For example, when are user/subscriber tests employed? How extensive are these tests?

Exhibit M – Business continuity

Provide a brief description of your contingency and business continuity plans in the event of a catastrophe.

Exhibit N – Material systems failures

Provide a brief description of policies and procedures in place for reporting to regulators material systems failures. Material systems failures include serious incidents that result in the interruption of the matching of trades for more than thirty minutes during normal business hours.

Exhibit O – Independent systems audit

1. Briefly describe your plans to provide an annual independent audit of your systems.

2. If applicable, provide a copy of the last external systems operations audit report.

7. INTEROPERABILITY

Exhibit P – Interoperability agreements

List all other matching service utilities for which you have entered into an *interoperability* agreement. Provide a copy of all such agreements.

8. OUTSOURCING

Exhibit Q – Outsourcing firms

For each person or company (outsourcing firm) with whom or which you have an outsourcing agreement or arrangement relating to your services of a matching service utility, provide the following information:

1. Name and address of the outsourcing firm.

2. Brief description of business services or functions of the outsourcing firm.

3. Brief description of the outsourcing firm's contingency and business continuity plans in the event of a catastrophe.

CERTIFICATE OF MATCHING SERVICE UTILITY

The undersigned certifies that the information given in this report on behalf of the matching service utility is true and correct.

DATED at _____ this _____ day of _____ 20____

_____
(Name of matching service utility - type or print)

_____
(Name of director, officer or partner - type or print)

_____
(Signature of director, officer or partner)

_____
(Official capacity - type or print)

FORM 24-101F4

MATCHING SERVICE UTILITY
NOTICE OF CESSATION OF OPERATIONS

DATE OF CESSATION INFORMATION:

Type of information: O VOLUNTARY CESSATION

O INVOLUNTARY CESSATION

Effective date of operations cessation: _____ (DD/MMM/YYYY)

MATCHING SERVICE UTILITY IDENTIFICATION AND CONTACT INFORMATION:

1. Full name of matching service utility:

2. Name(s) under which business is conducted, if different from item 1:

3. Address of matching service utility's principal place of business:

4. Mailing address, if different from business address:

5. Legal counsel:

   Firm name:

   Telephone number:

   E-mail address:

INSTRUCTIONS:

Deliver this form together with all exhibits pursuant to section 6.3 of the Instrument.

For each exhibit, include your name, the date of delivery of the exhibit and the date as of which the information is accurate (if different from the date of the delivery). If any exhibit required is not applicable, a full statement describing why the exhibit is not applicable shall be furnished in lieu of the exhibit.

EXHIBITS:

Exhibit A

Provide the reasons for your cessation of business.

Exhibit B

Provide a list of all the users or subscribers for which you provided services during the last 30 days prior to you ceasing business. Identify the type(s) of business of each user or subscriber (e.g., custodian, dealer, adviser, or other party).

Exhibit C

List all other matching service utilities for which an *interoperability* agreement was in force immediately prior to cessation of business.

CERTIFICATE OF MATCHING SERVICE UTILITY

The undersigned certifies that the information given in this report on behalf of the matching service utility is true and correct.

DATED at _____ this_____ day of _____ 20____

_____
(Name of matching service utility - type or print)

_____
(Name of director, officer or partner - type or print)

_____
(Signature of director, officer or partner)

_____
(Official capacity - type or print)

FORM 24-101F5

MATCHING SERVICE UTILITY
QUARTERLY OPERATIONS REPORT OF
INSTITUTIONAL TRADE REPORTING AND MATCHING

CALENDAR QUARTER PERIOD COVERED:

From: _____ to: _____

MATCHING SERVICE UTILITY IDENTIFICATION AND CONTACT INFORMATION:

1. Full name of matching service utility:

2. Name(s) under which business is conducted, if different from item 1:

3. Address of matching service utility's principal place of business:

4. Mailing address, if different from business address:

5. Contact employee name:

   Telephone number:

   E-mail address:

INSTRUCTIONS:

Deliver this form together with all exhibits pursuant to section 6.4 of the Instrument, covering the calendar quarter indicated above, within 30 days of the end of the calendar quarter.

Exhibits shall be reported in an electronic file, in the following format: "CSV" (Comma Separated Variable) (e.g., the format produced by Microsoft Excel).

If any information specified is not available, a full statement describing why the information is not available shall be separately furnished.

EXHIBITS

1. SYSTEMS REPORTING

Exhibit A – External systems audit

If an external audit report on your core systems was prepared during the quarter, provide a copy of the report.

Exhibit B – Material systems failures reporting

Provide a brief summary of all material systems failures that occurred during the quarter and for which you were required to notify the securities regulatory authority under section 6.5(c) of the Instrument.

2. DATA REPORTING

Exhibit C – Aggregate matched trade statistics

Provide the information to complete Tables 1 and 2 below for each month in the quarter. These two tables can be integrated into one report.

Month/Year: _____ (MMM/YYYY)

Table 1 — Equity trades:

	Entered into matching service utility by dealer-users/subscribers				Matched in matching service utility by other users/subscribers			
	# of Trades	% Industry	$ Value of Trades	% Industry	# of Trades	% Industry	$ Value of Trades	% Industry
T								
T+1 - noon								
T+1								
T+2								
T+3								
>T+3								
Total								

Table 2 — Debt trades:

	Entered into matching service utility by dealer-users/subscribers				Matched in matching service utility by other users/subscribers			
	# of Trades	% Industry	$ Value of Trades	% Industry	# of Trades	% Industry	$ Value of Trades	% Industry
T								
T+1 - noon								
T+1								
T+2								
T+3								
>T+3								
Total								

Legend

"# of Trades" is the total number of transactions in the month;
"$ Value of Trades" is the total value of the transactions (purchases and sales) in the month.

Exhibit D – Individual matched trade statistics

Using the same format ~~below~~as Exhibit C above, provide the ~~percent~~relevant information for each user or subscriber in respect of trades during the quarter ~~for each user or subscriber~~ that have been entered by the user or subscriber and matched within the ~~time required in Part 3 of the Instrument. The percentages given should relate to both the number of trades that have been matched within the time and the aggregate value of the securities purchased and sold in the trades that have been matched within the time.~~timelines indicated in Exhibit C.

	~~**Percentage matched within timelines**~~			
	~~Equity trades~~		~~Debt trades~~	
~~User/ Subscriber~~	~~By # of transactions~~	~~By value~~	~~By # of transactions~~	~~By value~~

CERTIFICATE OF MATCHING SERVICE UTILITY

The undersigned certifies that the information given in this report on behalf of the matching service utility is true and correct.

DATED at _____ this ____ day of _____ 20___

_____
(Name of matching service utility- type or print)

_____
(Name of director, officer or partner - type or print)

_____
(Signature of director, officer or partner)

_____
(Official capacity - type or print)

ANNEX F
AMENDMENTS TO
COMPANION POLICY 24-101CP *INSTITUTIONAL TRADE MATCHING AND SETTLEMENT*

1. Companion Policy 24-101CP is amended by this Instrument.

2. Section 1.2 is amended by:

a. replacing "Investment Dealers Association of Canada (IDA) Regulation***" in footnote 3 with "***Investment Industry Regulatory Organization of Canada (IIROC) Member Rule***",***

b. replacing the text in footnote 4 with the following:

We remind registered advisers of their obligations to ensure fairness in allocating investment opportunities among its clients. An adviser must establish, maintain and apply policies and procedures that provide reasonable assurance that the firm and each individual acting on its behalf fairly allocates investment opportunities among its clients. If the adviser allocates investment opportunities among its clients, the firm's fairness policies should, at a minimum, indicate the method used to allocate the following: (i) price and commission among client orders when trades are bunched or blocked; (ii) block trades and initial public offerings (IPOs) among client accounts, and (iii) block trades and IPOs among client orders that are partially filled, such as on a pro-rata basis. The fairness policies should also address any other situation where investment opportunities must be allocated.

A summary of the fairness policies must be delivered to each client at the time the adviser opens an account for the client, and in a timely manner if there is a significant change to the summary last delivered to the client.

See sections 14.3 and 14.10 of National Instrument 31-103 *Registration Requirements and Exemptions* (NI 31-103) and section 14.10 the Companion Policy to NI 31-103.

c. replacing "IDA Regulation***" in footnote 5 with "***IIROC Member Rule***",***

3. *Section 1.3 is amended by:*

a. replacing subsection (3) with the following:

(3) *Institutional investor* — A client of a dealer that has been granted DAP/RAP trading privileges is an institutional investor. This will likely be the case whenever a client's investment assets are held by or through securities accounts maintained with a custodian instead of the client's dealer that executes its trades. While the expression "institutional trade" is not defined in the Instrument, we use the expression in this Companion Policy to mean broadly any DAP/RAP trade.

b. replacing subsection (5) with the following:

(5) *Trade-matching party* — An institutional investor, whether Canadian or foreign-based, may be a trade-matching party. As such, it, or its adviser that is acting for it in processing a trade, should enter into a trade-matching agreement or provide a trade-matching statement under Part 3 of the Instrument. However, an institutional investor that is an individual or a person or company with total securities under administration or management not exceeding $10 million, is not a trade-matching party. A custodian that settles a trade on behalf of an institutional investor is also a trade-matching party and should enter into a trade-matching agreement or provide a trade-matching statement. However, a foreign global custodian or international central securities depository that holds Canadian portfolio assets through a local Canadian sub-custodian would not normally be considered a trade-matching party if it is not a clearing agency participant or otherwise directly involved in settling the trade in Canada.

4. Section 2.2 is replaced with the following:

2.2 Trade matching deadlines for registered firms — The obligation of a registered dealer or registered adviser to establish, maintain and enforce policies and procedures, pursuant to sections 3.1 and 3.3 of the Instrument, will require the dealer or adviser to take reasonable steps to achieve matching as soon as practical after the DAP/RAP trade is executed and in any event no later than 12 p.m. (noon) on T+1. If the trade results from an order to buy or sell securities received from an institutional investor whose investment decisions or settlement instructions are usually made in and communicated from a geographical region outside of the North American region, the deadline for matching is 12 p.m. (noon) on T+2 (subsections 3.1(2) and 3.3(2)). As defined, the

North American region comprises Canada, the United States, Mexico, Bermuda and the countries of Central America and the Caribbean.

5. Section 2.3 is amended by:

a. replacing subsection (1) with the following:

(1) Establishing, maintaining and enforcing policies and procedures --

(a) Under sections 3.2 and 3.4, a registered dealer's or registered adviser's policies and procedures must be designed to encourage trade-matching parties to either (i) enter into a trade-matching agreement with the dealer or adviser or (ii) provide or make available a trade-matching statement to the dealer or adviser. The purpose of the trade-matching agreement or trade-matching statement is to ensure that all trade-matching parties have established, maintain, and enforce appropriate policies and procedures designed to achieve matching of a DAP/RAP trade as soon as practical after the trade is executed. If the dealer or adviser is unable to obtain a trade-matching agreement or statement from a trade-matching party, it should document its efforts in accordance with its policies and procedures.

(b) The parties described in paragraphs (a), (b), (c) and (d) of the definition "trade-matching party" in section 1.1 of the Instrument need not necessarily all be involved in a trade for the requirements of sections 3.2 and 3.4 of the Instrument to apply. There is no need for an adviser to be involved in the matching process of an institutional investor's trades for the requirement to apply. In this case, the trade-matching parties that should have appropriate policies and procedures in place would be the institutional investor, the dealer and the custodian.

(c) The Instrument does not provide the form of a trade-matching agreement or trade-matching statement other than it be in writing. Subsections (2) and (3) below provide some guidance on these documents. A trade-matching agreement or trade-matching statement should be signed by a senior executive officer of the entity to ensure its policies and procedures are given sufficient attention and priority within the entity's senior management. A senior executive officer would include any individual who is (a) the chair of the entity, if that individual performs the functions of the office on a full time basis, (b) a vice-chair of the entity, if that individual performs the functions of the office on a full time basis, (c) the president, chief executive officer or chief operating officer of the entity, and (d) a senior vice-president of the entity in charge of the entity's operations and back-office functions.

b. adding in paragraph (2)(b) "the***" after "***account allocations to***" in the third bullet under the heading "****For the institutional investor or its adviser:****",***

c. adding in subsection (4) "in accordance with their policies and procedures***" at the end of the first sentence,***

d. deleting the second and third sentences in subsection (4),

e. replacing in subsection (4) "Dealers***" with "***Registered dealers***" at the beginning of the fourth sentence.***

6. Section 2.4 is amended by:

a. deleting footnote 8,

b. renumbering footnote 9 as footnote 8 and replacing "IDA By-Law No.***" in that footnote with "***IIROC Member Rule***",***

c. renumbering footnote 10 as footnote 9.

7. Section 3.4 is replaced with the following:

3.4 Forms delivered in electronic form

Registered firms may complete their Form 24-101F1 online on the CSA's website at the following URL addresses:

In English: http://www.securities-administrators.ca/industry_resources.aspx?id=52

In French: http://www.autorites-valeurs-mobilieres.ca/ressources_professionnelles.aspx?id=52.

8. ***Subsection 4.4(1) is amended by deleting "***(e.g., number of trades matched on T)***".***

9. ***Part 5 is amended by renumbering footnote 11 as footnote 10 and replacing "***IDA Regulation***" in that footnote with "***IIROC Member Rule***".***

10. ***Part 7 is deleted.***

11. ***This Instrument becomes effective on July 1, 2010.***

ANNEX G
BLACKLINE VERSION OF THE CHANGES TO
COMPANION POLICY 24-101CP INSTITUTIONAL TRADE MATCHING AND SETTLEMENT

This is an unofficial consolidation of Companion Policy 24-101CP *Institutional Trade Matching and Settlement*, with the proposed changes in Annex F shown by blackline.

CANADIAN SECURITIES ADMINISTRATORS

COMPANION POLICY 24-101CP
TO NATIONAL INSTRUMENT 24-101—
INSTITUTIONAL TRADE MATCHING AND SETTLEMENT

TABLE OF CONTENTS

COMPANION POLICY 24-101CP
TO NATIONAL INSTRUMENT 24-101—
INSTITUTIONAL TRADE MATCHING AND SETTLEMENT

PART 1 INTRODUCTION, PURPOSE AND DEFINITIONS[1]

1.1 Purpose of Instrument — National Instrument 24-101—*Institutional Trade Matching and Settlement* (Instrument) provides a framework in provincial securities regulation for more efficient and timely trade settlement processing, particularly institutional trades. The increasing volumes and dollar values of securities traded in Canada and globally by institutional investors mean existing back-office systems and procedures of market participants are challenged to meet post-execution processing demands. New requirements are needed to address the increasing risks. The Instrument is part of a broader initiative in the Canadian securities markets to implement straight-through processing (STP).[2]

1.2 General explanation of matching, clearing and settlement —

(1) *Parties to institutional trade* — A typical trade with or on behalf of an institutional investor might involve at least three parties:

- a registered adviser or other *buy-side* manager acting for an institutional investor in the trade—and often acting on behalf of more than one institutional investor in the trade (i.e., multiple underlying institutional client accounts)—who decides what securities to buy or sell and how the assets should be allocated among the client accounts;
- a registered dealer (including an Alternative Trading System registered as a dealer) responsible for executing or clearing the trade; and
- any financial institution or registered dealer (including under a *prime brokerage* arrangement) appointed to hold the institutional investor's assets and settle trades.

(2) *Matching* — A first step in settling a securities trade is to ensure that the buyer and the seller agree on the details of the transaction, a process referred to as trade confirmation and affirmation or trade *matching*.[3] A registered dealer who executes trades with or on behalf of others is required to report and confirm trade details, not only with the counterparty to the trade, but also with the client for whom it acted or the client with whom it traded (in which case, the client would be the counterparty). Similarly, a registered adviser or other buy-side manager is required to report trade details and provide settlement instructions to its custodian. The parties must agree on trade details—sometimes referred to as *trade data elements*— as soon as possible so that errors and discrepancies in the trades can be discovered early in the clearing and settlement process.

(3) *Matching process* — Verifying the trade data elements is necessary to *match* a trade executed on behalf of or with an institutional investor. Matching occurs when the relevant parties to the trade have, after verifying the trade data elements, reconciled or agreed to the details of the trade. Matching also requires that any custodian holding the institutional investor's assets be in a position to affirm the trade so that the trade can be ready for the clearing and

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1 In this Companion Policy, the terms "CSA", "we", "our" or "us" are used interchangeably and generally mean the same thing as *Canadian securities regulatory authorities* defined in National Instrument 14-101 — *Definitions*.

2 For a discussion of Canadian STP initiatives, see Canadian Securities Administrators' (CSA) Discussion Paper 24-401 on *Straight-through Processing* and Request for Comments, April 16, 2004 (2004) 27 OSCB 3971 to 4031 (Discussion Paper 24-401); and CSA Notice 24-301—*Responses to Comments Received on Discussion Paper 24-401 on Straight-through Processing, Proposed National Instrument 24-101 Post-trade Matching and Settlement, and Proposed Companion Policy 24-101CP to National Instrument 24-101 Post-trade Matching and Settlement*, February 11, 2005 (2005) 28 OSCB 1509 to 1526.

3 The processes and systems for matching of "non-institutional trades" in Canada have evolved over time and become automated, such as retail trades on an exchange, which are matched or *locked-in* automatically at the exchange, or direct non-exchange trades between two participants of a clearing agency, which are generally matched through the facilities of the clearing agency. Dealer to dealer trades are subject to Investment ~~Dealers Association~~Industry Regulatory Organization of Canada (~~IDA) Regulation~~IIROC) Member Rule 800.49, which provides that trades in non-exchange traded securities (including government debt securities) among dealers must be entered or accepted or rejected through the facilities of an "Acceptable Trade Matching Utility" within one hour of the execution of the trade.

~~4. We remind investment counsel/portfolio managers (ICPMs) of their obligations to ensure fairness in the allocation of investment opportunities among the ICPM's clients. An ICPM's written fairness policies should include the following disclosures, where applicable to its investment processes: (i) method used to allocate price and commission among clients when trades are bunched or blocked; (ii) method used to allocate block trades and IPOs among client accounts, and (iii) method used to allocate among clients block trades and IPOs that are partially filled (e.g., pro-rata). Securities legislation requires ICPMs to file a copy of their current fairness policies with securities regulatory authorities. See, for example, Regulation 115 under the *Securities Act* (Ontario) and OSC Staff Notice 33-723—*Fair Allocation of Investment Opportunities—Compliance Team Desk Review*.~~

settlement process through the facilities of the clearing agency. To illustrate, trade matching usually includes these following activities:

(a) The registered dealer notifies the buy-side manager that the trade was executed.

(b) The buy-side manager advises the dealer and any custodian(s) how the securities traded are to be allocated among the underlying institutional client accounts managed by the buy-side manager.[4] For so-called *block settlement trades*, the dealer sometimes receives allocation information from the buy-side manager based only on the number of custodians holding institutional investors' assets instead of on the actual underlying institutional client accounts managed by the buy-side manager.

(c) The dealer reports and confirms the trade details to the buy-side manager and clearing agency. The trade details required to be confirmed for matching, clearing and settlement purposes are generally similar to the information required in the customer trade confirmation delivered pursuant to securities legislation or self-regulatory organization (SRO) rules.[5]

(d) The custodian or custodians of the assets of the institutional investor verify the trade details and settlement instructions against available securities or funds held for the institutional investor. After trade details are agreed, the buy-side manager instructs the custodian(s) to release funds and/or securities to the dealer through the facilities of the clearing agency.

(4) Clearing and settlement — The *clearing* of a trade begins after the execution of the trade. After matching is completed, clearing will involve the calculation of the mutual obligations of participants for the exchange of securities and money—a process which generally occurs within the facilities of a clearing agency. The *settlement* of a trade is the moment when the securities are transferred finally and irrevocably from one participant to another in exchange for a corresponding transfer of money. In the context of settlement of a trade through the facilities of a clearing agency, often acting as central counterparty, settlement will be the discharge of obligations in respect of funds or securities, computed on a net basis, between and among the clearing agency and its participants. Through the operation of novation and set-off in law or by contract, the clearing agency becomes a counterparty to each trade so that the mutual obligation to settle the trade is between the clearing agency and each participant.

1.3 Section 1.1 - Definitions and scope —

(1) Clearing agency — Today, the definition of *clearing agency* applies only to The Canadian Depository for Securities Limited (CDS). The definition takes into account the fact that securities regulatory authorities in Ontario and Québec currently recognize or otherwise regulate clearing agencies in Canada under provincial securities legislation.[6] The functional meaning of *clearing agency* can be found in the securities legislation of certain jurisdictions.[7]

(2) Custodian — While investment assets are sometimes held directly by investors, most are held on behalf of the investor by or through securities accounts maintained with a financial institution or dealer. The definition of *custodian* includes both a financial institution (non-dealer custodian) and a dealer acting as custodian (dealer custodian). Most institutional investors, such as pension and mutual funds, hold their assets through custodians that are prudentially-regulated financial institutions. However, others (like hedge funds) often maintain their investment assets with dealers under so-called *prime-brokerage* arrangements. A financial institution or dealer in Canada need not necessarily have a direct contractual relationship with an institutional investor to be considered a custodian of portfolio assets of the institutional investor for the purposes of the Instrument if it is acting as sub-custodian to a global custodian or international central securities depository.

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4 We remind registered advisers of their obligations to ensure fairness in allocating investment opportunities among their clients. An adviser must establish, maintain and apply policies and procedures that provide reasonable assurance that the firm and each individual acting on its behalf fairly allocates investment opportunities among its clients. If the adviser allocates investment opportunities among its clients, the firm's fairness policies should, at a minimum, indicate the method used to allocate the following: (i) price and commission among client orders when trades are bunched or blocked; (ii) block trades and initial public offerings (IPOs) among client accounts, and (iii) block trades and IPOs among client orders that are partially filled, such as on a pro-rata basis. The fairness policies should also address any other situation where investment opportunities must be allocated.

A summary of the fairness policies must be delivered to each client at the time the adviser opens an account for the client, and in a timely manner if there is a significant change to the summary last delivered to the client.

See sections 14.3 and 14.10 of National Instrument 31-103 *Registration Requirements and Exemptions* (NI 31-103) and section 14.10 of the Companion Policy to NI 31-103.

5 See, for example, section 36 of the *Securities Act* (Ontario), The Toronto Stock Exchange (TSX) Rule 2-405 and ~~IDA Regulation~~IIROC Member Rule 200.1(h).

6 CDS is also regulated by the Bank of Canada pursuant to the *Payment Clearing and Settlement Act* (Canada).

7 See, for example, s. 1(1) of the *Securities Act* (Ontario).

(3) *Institutional investor* — ~~An individual can be an "institutional investor" if the individual~~A client of a dealer that has been granted DAP/RAP trading privileges ~~(i.e., he or she has a DAP/RAP account with a dealer)~~is an institutional investor. This will likely be the case whenever ~~an individual~~a client's investment assets are held by or through securities accounts maintained with a custodian instead of the ~~individual~~client's dealer that executes ~~his or her~~its trades. While the expression "institutional trade" is not defined in the Instrument, we use the expression in this Companion Policy to mean broadly any DAP/RAP trade.

(4) *DAP/RAP trade* — The concepts *delivery against payment* and *receipt against payment* are generally understood by the industry. They are also defined terms in the Notes and Instructions (Schedule 4) to the *Joint Regulatory Financial Questionnaire and Report* of the Canadian SROs. All DAP/RAP trades, whether settled by a non-dealer custodian or a dealer custodian, are subject to the requirements of Part 3 of the Instrument. The definition of DAP/RAP trade excludes a trade for which settlement is made on behalf of a client by a custodian that is also the dealer that executed the trade.

(5) *Trade-matching party* — An institutional investor, whether Canadian or foreign-based, ~~is~~may be a trade-matching party. As such, it, or its adviser ~~would be required to~~that is acting for it in processing a trade, should enter into a trade-matching agreement or provide a trade-matching statement under Part 3 of the Instrument. However, an institutional investor that is an individual or a person or company with total securities under administration or management not exceeding $10 million, is not a trade-matching party. A custodian that settles a trade on behalf of an institutional investor is also a trade-matching party and ~~must~~should enter into a trade-matching agreement or provide a trade-matching statement. However, a foreign global custodian or international central securities depository that holds Canadian portfolio assets through a local Canadian sub-custodian would not normally be considered a trade-matching party if it is not a clearing agency participant or otherwise directly involved in settling the trade in Canada.

(6) *Application of Instrument* — Part 2 of the Instrument enumerates certain types of trades that are not subject to the Instrument.

PART 2 TRADE MATCHING REQUIREMENTS

2.1 Trade data elements — Trade data elements that must be verified and agreed to are those identified by the SROs or the best practices and standards for institutional trade processing established and generally adopted by the industry. See section 2.4 of this Companion Policy. To illustrate, trade data elements that should be transmitted, compared and agreed to may include the following:

(a) *Security identification*: standard numeric identifier, currency, issuer, type/class/series, market ID; and

(b) *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.

2.2 Trade matching deadlines for registered firms — The obligation of a registered dealer or registered adviser to establish, maintain and enforce policies and procedures, pursuant to sections 3.1 and 3.3 of the Instrument, will require the dealer or adviser to take reasonable steps to achieve matching as soon as practical after the DAP/RAP trade is executed and in any event no later than ~~the end of T~~12 p.m. (noon) on T+1. If the trade results from an order to buy or sell securities received from an institutional investor whose investment decisions or settlement instructions are usually made in and communicated from a geographical region outside of the ~~western hemisphere~~North American region, the deadline for matching is ~~the end of T+1~~12 p.m. (noon) on T+2 (subsections 3.1(2) and 3.3(2)). As defined, the North American region comprises Canada, the United States, Mexico, Bermuda and the countries of Central America and the Caribbean.

2.3 Choice of trade-matching agreement or trade-matching statement —

(1) *Establishing, maintaining and enforcing policies and procedures* —

(a) ~~A registered dealer or registered adviser can open an account for an institutional investor, or accept or give, as the case may be, an order for an existing account of an institutional investor, only if each of the trade-matching parties has~~Under sections 3.2 and 3.4, a registered dealer's or registered adviser's policies and procedures must be designed to encourage trade-matching parties to ~~either~~(i) ~~entered~~enter into a trade-matching agreement with the dealer or adviser or (ii) ~~provided~~provide or ~~made~~make available a trade-matching statement to the dealer or adviser ~~(sections 3.2 and 3.4)~~. The purpose of the trade-matching agreement or trade-matching statement is to ensure that all trade-matching parties have established, maintain, and enforce appropriate policies and procedures designed to achieve matching of a DAP/RAP trade

as soon as practical after the trade is executed. If the dealer or adviser is unable to obtain a trade-matching agreement or statement from a trade-matching party, it should document its efforts in accordance with its policies and procedures.

(b) The parties described in paragraphs (a), (b), (c), and (d) of the definition "trade-matching party" in section 1.1 of the Instrument need not necessarily all be involved in a trade for the requirements of sections 3.2 and 3.4 of the Instrument to apply. ~~For example, the requirement to enter into a trade-matching agreement or provide a trade-matching statement will apply in a simple case where an individual has a DAP/RAP trading account with a dealer and investment assets held separately by a custodian (sections 3.2 and 3.4).~~ There is no need for an adviser to be involved in the ~~individual's investment decisions~~matching process of an institutional investor's trades for the requirement to apply ~~to the dealer, the custodian and the institutional investor~~. In this case, the trade-matching parties that ~~must~~should have appropriate policies and procedures in place would be the ~~individual (as i~~nstitutional investor~~)~~, the dealer and the custodian.

(c) ~~Where a trade-matching party is an entity, we are of the view that a~~The Instrument does not provide the form of a trade-matching agreement or trade-matching statement other than it be in writing. Subsections (2) and (3) below provide some guidance on these documents. A trade-matching agreement or trade-matching statement should be signed by a senior executive officer of the entity to ensure its policies and procedures are given sufficient attention and priority within the entity's senior management. A senior executive officer would ~~be~~include any individual who is (a) the chair of the entity, if that individual performs the functions of the office on a full time basis, (b) a vice-chair of the entity, if that individual performs the functions of the office on a full time basis, (c) the president, chief executive officer or chief operating officer of the entity, and (d) a senior vice-president of the entity in charge of the entity's operations and back-office functions.

(2) *Trade-matching agreement* —

(a) A registered dealer or registered adviser need only enter into one trade-matching agreement with the other trade-matching parties for new or existing DAP/RAP trading accounts of an institutional investor for all future trades in relation to such account. The trade-matching agreement may be a single multi-party agreement among the trade-matching parties, or a network of bilateral agreements. A single trade-matching agreement is also sufficient for the general and all sub-accounts of the registered adviser or buy-side manager. If the dealer or adviser uses a trade-matching agreement, the form of such agreement may be incorporated into the institutional account opening documentation and may be modified from time to time with the consent of the parties.

(b) The agreement must specify the roles and responsibilities of each of the trade-matching parties and should describe the minimum standards and best practices to be incorporated into the policies and procedures that each party has in place. This should include the timelines for accomplishing the various steps and tasks of each trade-matching party for timely matching. For example, the agreement may include, as applicable, provisions dealing with:

For the dealer executing and/or clearing the trade:

- how and when the notice of trade execution (NOE) is to be given to the institutional investor or its adviser, including the format and content of the NOE (e.g., electronic);
- how and when trade details are to be entered into the dealer's internal systems and the clearing agency's systems;
- how and when the dealer is to correct or adjust trade details entered into its internal systems or the clearing agency's systems as may be required to agree to trade details with the institutional investor or its adviser;
- general duties of the dealer to cooperate with other trade-matching parties in the investigation, adjustment, expedition and communication of trade details to ensure trades can be matched within prescribed timelines.

For the institutional investor or its adviser:

- how and when to review the NOE's trade details, including identifying any differences from its own records;
- how and when to notify the dealer of trade differences, if any, and resolve such differences;
- how and when to determine and communicate settlement details and account allocations to the dealer and/or custodian(s);
- general duties of the institutional investor or its adviser to cooperate with other trade-matching parties in the investigation, adjustment, expedition and communication of trade details to ensure trades can be matched within prescribed timelines.

For the custodian settling the trade at the clearing agency:

- how and when to receive trade details and settlement instructions from institutional investors or their advisers;
- how and when to review and monitor trade details submitted to the clearing agency on an ongoing basis for items entered and awaiting affirmation or challenge;
- how and when to report to institutional investors or their advisers on an ongoing basis changes to the status of a trade and the matching of a trade;
- general duties of the custodian to cooperate with other trade-matching parties in the investigation, adjustment, expedition and communication of trade details to ensure trades can be matched within prescribed timelines.

(3) *Trade-matching statement* — A single trade-matching statement is sufficient for the general and all sub-accounts of the registered adviser or buy-side manager. A registered dealer or registered adviser may accept a trade-matching statement signed by a senior executive officer of a trade-matching party without further investigation and may continue to rely upon the statement for all future trades in an account, unless the dealer or adviser has knowledge that any statements or facts set out in the statement are incorrect. Mass mailings or emails of a trade-matching statement, or the posting of a single uniform trade-matching statement on a Website, would be acceptable ways of providing the statement to other trade-matching parties. A registered firm may rely on a trade-matching party's representations that the trade-matching statement was provided to the other trade-matching parties without further investigation.

(4) *Monitoring and enforcement of undertakings in trade-matching documentation* — Registered dealers and advisers should use reasonable efforts to monitor compliance with the terms or undertakings set out in the trade-matching agreements or trade-matching statements~~. Dealers and advisers should report details of non-compliance in their Form 24-101F1 exception reports. This could include identifying to the regulators those trade-matching parties that are consistently non-compliant either because they do not have adequate policies and procedures in place or because they are not consistently complying with them~~ in accordance with their policies and procedures.

~~Dealers~~Registered dealers and advisers should also take active steps to address problems if the policies and procedures of other trade-matching parties appear to be inadequate and are causing delays in the matching process. Such steps might include imposing monetary incentives (e.g. penalty fees) or requesting a third party review or assessment of the party's policies and procedures. This approach could enhance cooperation among the trade-matching parties leading to the identification of the root causes of failures to match trades on time.

2.4 Determination of appropriate policies and procedures —

(1) *Best practices* — We are of the view that, when establishing appropriate policies and procedures, a party should consider the industry's generally adopted best practices and standards for institutional trade processing.[8] It should also include those policies and procedures into its regulatory compliance and risk management programs.

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8 ~~The Canadian Capital Markets Association (CCMA) released in December 2003 the final version of a document entitled *Canadian Securities Marketplace Best Practices and Standards: Institutional Trade Processing, Entitlements and Securities Lending* ("CCMA Best Practices and Standards White Paper") that sets out best practices and standards for the processing for settlement of institutional trades, the processing of entitlements (corporate actions), and the processing of securities lending transactions. The CCMA Best Practices and Standards White Paper can be found on the CCMA website at www.ccma-acmc.ca.~~

(2) *Different policies and procedures* — We recognize that appropriate policies and procedures may not be the same for all registered dealers, registered advisers and other market participants because of the varying nature, scale and complexity of a market participant's business and risks in the trading process. For example, policies and procedures designed to achieve matching may differ among a registered dealer that acts as an "introducing broker" and one that acts as a "carrying broker".[98] In addition, if a dealer is not a clearing agency participant, the dealer's policies and procedures to expeditiously achieve matching should be integrated with the clearing arrangements that it has with any other dealer acting as carrying or clearing broker for the dealer. Establishing appropriate policies and procedures may require registered dealers, registered advisers and other market participants to upgrade their systems and enhance their interoperability with others.[109]

2.5 Use of matching service utility — The Instrument does not require the trade-matching parties to use the facilities or services of a matching service utility to accomplish matching of trades within the prescribed timelines. However, if such facilities or services are made available in Canada, the use of such facilities or services may help a trade-matching party's compliance with the Instrument's requirements.

PART 3 INFORMATION REPORTING REQUIREMENTS

3.1 Exception reporting for registered firms —

(a) Part 4 of the Instrument requires a registered firm to complete and deliver to the securities regulatory authority Form 24-101F1 and related exhibits. Form 24-101F1 need only be delivered if less than a percentage target of the DAP/RAP trades executed by or for the registered firm in any given calendar quarter have matched within the time required by the Instrument. Tracking of a registered firm's trade matching statistics may be outsourced to a third party service provider, including a clearing agency or custodian. However, despite the outsourcing arrangement, the registered firm retains full legal and regulatory liability and accountability to the Canadian securities regulatory authorities for its exception reporting requirements. If a registered firm has insufficient information to determine whether it has achieved the percentage target of matched DAP/RAP trades in any given calendar quarter, it must explain in Form 24-101F1 the reasons for this and the steps it is taking to obtain this information in the future.

(b) Form 24-101F1 requires registered firms to provide aggregate quantitative information on their equity and debt DAP/RAP trades. They must also provide qualitative information on the circumstances or underlying causes that resulted in or contributed to the failure to achieve the percentage target for matched equity and/or debt DAP/RAP trades within the maximum time prescribed by Part 3 of the Instrument and the specific steps they are taking to resolve delays in the trade reporting and matching process in the future. Registered firms should provide information that is relevant to their circumstances. For example, dealers should provide information demonstrating problems with NOEs or reporting of trade details to the clearing agency. Reasons given for the failure could be one or more matters within the registered firm's control or due to another trade-matching party or service provider.

(c) The steps being taken by a registered firm to resolve delays in the matching process could be internally focused, such as implementing a new system or procedure, or externally focused, such as meeting with a trade-matching party to determine what action should be taken by that party. Dealers should confirm what steps they have taken to inform and encourage their clients to comply with the requirements or undertakings of the trade-matching agreement and/or trade-matching statement. They should confirm what problems, if any, they have encountered with their clients, other trade-matching parties or service providers. They should identify the trade-matching party or service provider that appears to be consistently not meeting matching deadlines or to have no reasonable policies and procedures in place. Advisers should provide similar information, including information demonstrating problems with communicating allocations or with service providers or custodians.

3.2 Regulatory reviews of registered firm exception reports —

(a) We will review the completed Forms 24-101F1 on an ongoing basis to monitor and assess compliance by registered firms with the Instrument's matching requirements. We will identify problem areas in matching, including identifying trade-matching parties that have no or weak policies and procedures in place to ensure matching of trades is accomplished within the time prescribed by Part 3 of the Instrument. Monitoring and assessment of registered firm matching activities may be undertaken by the SROs in addition to, or in lieu of, reviews undertaken by us.

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[98] See ~~IDA By-Law No.~~IIROC Member Rule 35 — *Introducing Broker / Carrying Broker Arrangements*.

[109] See Discussion Paper 24-401, at p. 3984, for a discussion of *interoperability*.

(b) Consistent inability to meet the matching percentage target will be considered as evidence by the Canadian securities regulatory authorities that either the policies and procedures of one or more of the trade matching parties have not been properly designed or, if properly designed, have been inadequately complied with. Consistently poor qualitative reporting will also be considered as evidence of poorly designed or implemented policies and procedures. See also section 2.3(4) of this Companion Policy for a further discussion of our approach to compliance and enforcement of the trade-matching requirements of the Instrument.

3.3 Other information reporting requirements — Clearing agencies and matching service utilities are required to include in Forms 24-101F2 and 24-101F5 certain trade-matching information in respect of their participants or users/subscribers. The purpose of this information is to facilitate monitoring and enforcement by the Canadian securities regulatory authorities or SROs of the Instrument's matching requirements.

3.4 Forms delivered in electronic form — Registered firms may complete their Form 24-101F1 on-line on the CSA's website at the following URL addresses:

In English: http://www.securities-administrators.ca/industry_resources.aspx?id=52

~~**3.4 Forms delivered in electronic form —** We prefer that all forms and exhibits required to be delivered to the securities regulatory authority under the Instrument be delivered in electronic format by e-mail. Each securities regulatory authority will publish a local notice setting out the e-mail address or addresses to which the forms are to be sent.~~

In French: http://www.autorites-valeurs-mobilieres.ca/ressources_professionnelles.aspx?id=52

3.5 Confidentiality of information — The forms delivered to the securities regulatory authority by a registered firm, clearing agency and matching service utility under the Instrument will be treated as confidential by us, subject to the applicable provisions of the freedom of information and protection of privacy legislation adopted by each province and territory. We are of the view that the forms contain intimate financial, commercial and technical information and that the interests of the providers of the information in non-disclosure outweigh the desirability of making such information publicly available. However, we may share the information with SROs and may publicly release aggregate industry-wide matching statistics on equity and debt DAP/RAP trading in the Canadian markets.

PART 4 REQUIREMENTS FOR MATCHING SERVICE UTILITIES

4.1 Matching service utility —

(1) Part 6 of the Instrument sets out reporting, systems capacity, and other requirements of a matching service utility. The term *matching service utility* expressly excludes a clearing agency. A matching service utility would be any entity that provides the services of a post-execution centralized matching facility for trade-matching parties. It may use technology to match in real-time trade data elements throughout a trade's processing lifecycle. A matching service utility would not include a registered dealer who offers "local" matching services to its institutional investor-clients.

(2) A matching service utility would be viewed by us as an important infrastructure system involved in the clearing and settlement of securities transactions. We believe that, while a matching service utility operating in Canada would largely enhance operational efficiency in the capital markets, it would raise certain regulatory concerns. Comparing and matching trade data are complex processes that are inextricably linked to the clearance and settlement process. A matching service utility concentrates processing risk in the entity that performs matching instead of dispersing that risk more to the dealers and their institutional investor-clients. Accordingly, we believe that the breakdown of a matching service utility's ability to accurately verify and match trade information from multiple market participants involving large numbers of securities transactions and sums of money could have adverse consequences for the efficiency of the Canadian securities clearing and settlement system. The requirements of the Instrument applicable to a matching service utility are intended to address these risks.

4.2 Initial information reporting requirements for a matching service utility — Sections 6.1(1) and 10.2(4) of the Instrument require any person or company that carries on or intends to carry on business as a matching service utility to deliver Form 24-101F3 to the securities regulatory authority. We will review Form 24-101F3 to determine whether the person or company that delivered the form is an appropriate person or company to act as a matching service utility for the Canadian capital markets. We will consider a number of factors when reviewing the form, including:

(a) the performance capability, standards and procedures for the transmission, processing and distribution of details of trades executed on behalf of institutional investors;

(b) whether market participants generally may obtain access to the facilities and services of the matching service utility on fair and reasonable terms;

(c) personnel qualifications;

(d) whether the matching service utility has sufficient financial resources for the proper performance of its functions;

(e) the existence of, and interoperability arrangements with, another entity performing a similar function for the same type of security; and

(f) the systems report referred to in section 6.5(b) of the Instrument.

4.3 Change to significant information — Under section 6.2 of the Instrument, a matching service utility is required to deliver to the securities regulatory authority an amendment to the information provided in Form 24-101F3 at least 45 days before implementing a significant change involving a matter set out in Form 24-101F3. In our view, a significant change includes a change to the information contained in the General Information items 1-10 and Exhibits A, B, E, G, I, J, O, P and Q of Form 24-101F3.

4.4 Ongoing information reporting and other requirements applicable to a matching service utility —

(1) Ongoing quarterly information reporting requirements will allow us to monitor a matching service utility's operational performance and management of risk, the progress of interoperability in the market, and any negative impact on access to the markets. A matching service utility will also provide trade matching data ~~(e.g., number of trades matched on T)~~and other information to us so that we can monitor industry compliance.

(2) Completed forms delivered by a matching service utility will provide useful information on whether it is:

(a) developing fair and reasonable linkages between its systems and the systems of any other matching service utility in Canada that, at a minimum, allow parties to executed trades that are processed through the systems of both matching service utilities to communicate through appropriate, effective interfaces;

(b) negotiating with other matching service utilities in Canada fair and reasonable charges and terms of payment for the use of interface services with respect to the sharing of trade and account information; and

(c) not unreasonably charging more for use of its facilities and services when one or more counterparties to trades are customers of other matching service utilities than the matching service utility would normally charge its customers for use of its facilities and services.

4.5 Capacity, integrity and security system requirements —

(1) The activities in section 6.5(a) of the Instrument must be carried out at least once a year. We would expect these activities to be carried out even more frequently if there is a significant change in trading volumes that necessitates that these functions be carried out more frequently in order to ensure that the matching service utility can appropriately service its clients.

(2) The independent review contemplated by section 6.5(b) of the Instrument should be performed by competent and independent audit personnel, in accordance with generally accepted auditing standards. Depending on the circumstances, we would consider accepting a review performed and written report delivered pursuant to similar requirements of a foreign regulator to satisfy the requirements of this section. A matching service utility that wants to advocate for that result must submit a request for discretionary relief.

(3) The notification of a material systems failure under section 6.5(c) of the Instrument should be provided promptly from the time the incident was identified as being material and should include the date, cause and duration of the interruption and its general impact on users or subscribers. We consider promptly to mean within one hour from the time the incident was identified as being material. Material systems failures include serious incidents that result in the interruption of the matching of trades for more than thirty minutes during normal business hours.

PART 5 TRADE SETTLEMENT

5.1 Trade settlement by dealer — Section 7.1 of the Instrument is intended to support and strengthen the general settlement cycle rules of the SROs and marketplaces. Current SRO and marketplace rules mandate a standard T+3 settlement cycle period for most transactions in equity and long term debt securities.[~~11~~10] If a dealer is not a participant

[~~11~~10] See, for example, ~~IDA Regulation~~IIROC Member Rule 800.27 and TSX Rule 5-103(1).

of a clearing agency, the dealer's policies and procedures to facilitate the settlement of a trade should be combined with the clearing arrangements that it has with any other dealer acting as carrying or clearing broker for the dealer.

PART 6 REQUIREMENTS OF SELF-REGULATORY ORGANIZATIONS AND OTHERS

6.1 Standardized documentation — Without limiting the generality of section 8.2 of the Instrument, an SRO may require its members to use, or recommend that they use, a standardized form of trade-matching agreement or trade-matching statement prepared or approved by the SRO, and may negotiate on behalf of its members with other trade-matching parties and industry associations to agree on the standardized form of trade-matching agreement or trade-matching statement to be used by all relevant sectors in the industry (dealers, buy-side managers and custodians).

~~PART 7 TRANSITION~~

~~**7.1 Transitional dates and percentages —** The following table summarizes the coming-into-force and transitional provisions of Part 10 of the Instrument for most DAP/RAP trades governed by the Instrument. For DAP/RAP trades that result from an order to buy or sell securities received from an institutional investor whose investment decisions are usually made in and communicated from a geographical region outside of the western hemisphere, the same table can be read to apply to such trades except that references in the second column (matching deadline) to "T+1" and "T" should be read as references to "T+2" and "T+1" respectively.~~

~~For DAP/RAP trades executed:~~	~~Matching deadline for trades executed anytime on T (Part 3 of Instrument)~~	~~Percentage trigger of DAP/RAP trades for registered firm exception reporting (Part 4 of Instrument)~~	~~Periods in which: - exception reporting must be made (Part 4 of Instrument) - documentation must be in place (Sections 3.2 and 3.4 of Instrument)~~
~~after March 31, 2007 but before October 1, 2007~~	~~12:00 p.m. (noon) on T+1~~	~~N/A[9]~~	~~Not required~~
~~after September 30, 2007 but before January 1, 2008~~	~~12:00 p.m. (noon) on T+1~~	~~Less than 80% matched by deadline~~	~~Required~~
~~after December 31, 2007 but before July 1, 2008~~	~~12:00 p.m. (noon) on T+1~~	~~Less than 90% matched by deadline~~	~~Required~~
~~after June 30, 2008 but before January 1, 2009~~	~~11:59 p.m. on T~~	~~Less than 70% matched by deadline~~	~~Required~~
~~after December 31, 2008 but before July 1, 2009~~	~~11:59 p.m. on T~~	~~Less than 80% matched by deadline~~	~~Required~~
~~after June 30, 2009, but before January 1, 2010~~	~~11:59 p.m. on T~~	~~Less than 90% matched by deadline~~	~~Required~~
~~after December 31, 2009~~	~~11:59 p.m. on T~~	~~Less than 95% matched by deadline~~	~~Required~~

~~[9] Although exception reporting is not required during this period (see next column), we recommend that registered firms consider applying a 70% threshold for internal measurement purposes in anticipation of reporting commencing on October 1, 2007.~~

ANNEX H
ONTARIO SECURITIES COMMISSION
NOTICE

1. Introduction

The CSA have made amendments to NI 24-101 and the Companion Policy. The amendments are described in the related CSA notice preceding this notice. Expressions used in this notice share the meanings provided in the related CSA notice.

The Ontario Securities Commission (Commission) has, consequential to the amendments described in the CSA notice, revoked Ontario Securities Commission Rule 24-502 *Exemption from Transitional Rule: Extension of Transitional Phase-In Period in National Instrument 24-101 – Institutional Trade Matching and Settlement* (OSC Rule 24-502).

In this notice, the amendments described in the CSA notice and the revocation of OSC Rule 24-502 are referred to as the Amendments.

The purpose of this notice is to supplement the CSA notice.

2. Substance and purpose of the Amendments

The substance and purpose of the Amendments is make adjustments to measures in NI 24-101 and its CP relating to the matching of institutional trades.

3. Summary of the Amendments

The Amendments are described in the CSA notice. The Commission has also revoked OSC Rule 24-502 because it is no longer needed.

4. Authority for the Proposed Amendments

The Amendments were made under the following provisions of the *Securities Act* (Ontario) (Act):

- Paragraph 11 of subsection 143(1) of the Act, which authorizes the Commission to make rules regulating the listing or trading of publicly traded securities, including requiring reporting of trades and quotations.
- Subparagraph 2(i) of subsection 143(1) of the Act, which authorizes the Commission to make rules in respect of standards of practice and business conduct of registrants in dealing with their customers and clients and prospective customers and clients.
- Paragraph 12 of subsection 143(1) of the Act, which authorizes the Commission to make rules regulating recognized stock exchanges, recognized self-regulatory organizations, recognized quotation and trade reporting systems, and recognized clearing agencies.

5. Text of revocation instrument

The revocation instrument for OSC Rule 24-502 is as follows:

1. Ontario Securities Commission Rule 24-502 Exemption from Transitional Rule: Extension of Transitional Phase-In Period in National Instrument 24-101 – Institutional Trade Matching and Settlement is revoked by this Instrument.

2. This Instrument comes into force on July 1, 2010.

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Chapter 7

Insider Reporting

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

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

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

Chapter 8

Notice of Exempt Financings

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

Transaction Date	# of Purchasers	Issuer/Security	Total Purchase Price ($)	# of Securities Distributed
01/26/2010	1	01 Communiqué Laboratory Inc. - Debentures	100,000.00	N/A
03/24/2010	1	African Barrick Gold plc - Common Shares	2,641,320.00	101,082,317.00
03/15/2010	33	Agcapita Farmland Appreciation Fund II - Trust Units	86,700.00	8,670.00
02/01/2010 to 02/17/2010	8	APO Energy Inc. - Common Shares	1,350,120.00	5,120,000.00
03/24/2010	235	Arcan Resources Ltd. - Receipts	65,000,000.00	26,000,000.00
01/20/2010	232	Atikwa Resources Inc. - Common Shares	4,144,599.84	69,076,664.00
03/05/2010	60	Award Ventures Ltd. - Common Shares	1,139,650.00	11,396,501.00
03/17/2010	1	Ball Corporation - Notes	3,033,900.00	3,000.00
03/03/2010	1	Bank of America Corporation - Warrants	18,430,260.13	2,145,637.00
12/09/2009	125	BIOX Corporation - Receipts	46,924,000.00	N/A
03/11/2010	2	BNP Paribas Arbitrage Issuance B.V. - Certificate	118,091.24	3,847.00
03/26/2010	7	Calix Inc. - Common Shares	1,731,479.75	129,500.00
01/01/2009 to 12/31/2009	2	Canadian Dollar Liquidity Fund - Units	1,106,553,990.00	1,106,553,990.00
03/08/2010 to 03/09/2010	15	Canadian Horizons Blended Mortgage Investment Corporation - Preferred Shares	149,037.00	149,037.00
03/09/2010	102	Candente Copper Corp. - Special Warrants	6,227,968.60	17,794,196.00
03/08/2010 to 03/09/2010	47	CareVest Blended Mortgage Investment Corporation - Preferred Shares	1,319,311.00	1,319,311.00
03/08/2010 to 03/09/2010	62	CareVest Capital Blended Mortgage Investment Corp. - Preferred Shares	2,587,874.00	2,587,874.00
03/08/2010	8	CareVest Capital First Mortgage Investment Corporation - Preferred Shares	203,459.00	203,459.00
03/08/2010 to 03/09/2010	36	CareVest First Mortgage Investment Corporation - Preferred Shares	1,359,631.00	1,359,631.00
03/22/2010	5	Centric Energy Corp. - Units	200,000.00	2,500,000.00
03/15/2010	2	Chalice Diamond Corp. - Common Shares	12,250.00	350,000.00
03/25/2010	3	CONSOL Energy Inc. - Common Shares	8,659,800.00	200,000.00
03/25/2010	4	CONSOL Energy Inc. - Notes	36,675,800.00	36,000.00

Transaction Date	# of Purchasers	Issuer/Security	Total Purchase Price ($)	# of Securities Distributed
03/16/2010	4	Copper Canyon Resources Ltd. - Common Shares	440,000.00	1,050,000.00
02/02/2010	1	Covington Fund II Inc. - Debentures	5,000,000.00	N/A
01/01/2009 to 12/31/2009	71	Crystal Enhanced Mortgage Fund - Units	9,068,306.70	899,027.00
03/09/2010	1	Ctrip.com International Ltd. - Common Shares	369,000.00	10,000.00
03/22/2010	3	Digicel Group Limited - Notes	8,517,000.00	2.00
01/28/2010 to 02/03/2010	2	Duluth Metals Limited - Common Shares	16,014,718.00	8,007,359.00
03/08/2010 to 03/16/2010	10	Eagle Landing Capital Inc. - Common Shares	227,682.00	10,942.00
03/24/2010	61	Eaglewood Energy Inc. - Warrants	23,625,000.00	N/A
03/16/2010	2	Edgeworth Mortgage Investment Corporation - Preferred Shares	177,280.00	17,728.00
03/23/2010	2	First Interstate BancSystem, Inc. - Common Shares	1,033,067.00	70,000.00
03/24/2010	1	First Leaside Expansion Limited Partnership - Units	300,000.00	300,000.00
03/24/2010	1	First Leaside Fund - Units	26,818.00	26,818.00
03/24/2010	1	First Leaside Ultimate Limited Partnership - Units	25,164.42	24,510.00
03/29/2010	1	First Leaside Universal Limited Partnership - Units	25,000.00	25,000.00
03/29/2010	1	First Leaside Universal Limited Partnership - Units	25,000.00	25,000.00
03/16/2010 to 03/22/2010	23	Floratine BioSciences, Inc. - Preferred Shares	9,635,222.00	2,500.00
01/15/2010	18	Forest Gate Energy Inc. - Units	1,141,000.00	5,160,000.00
01/28/2010	16	Franconia Minerals Corporation - Warrants	2,900,100.15	6,466,667.00
07/01/2009 to 12/01/2009	2	FrontPoint Offshore Healthcare Fund 2x, L.P. - Limited Partnership Interest	4,002,680.09	N/A
06/01/2009	1	FrontPoint Offshore Healthcare Fund Ltd. - Common Shares	108,719.29	100.00
06/01/2009	1	FrontPoint Offshore Multi-Strategy Fund Series A, Ltd. - Common Shares	108,719.29	100.00
01/29/2010	1	Gold Summit Corporation - Common Shares	8,000.00	40,000.00
03/11/2010	49	Goldrush Resources Ltd. - Common Shares	1,000,000.00	N/A
03/22/2010	1	Group 1 Automotive, Inc. - Notes	8,154,400.00	1.00
03/24/2010	1	Hersha Hospitality Trust - Common Shares	436,347.50	100,000.00

Transaction Date	# of Purchasers	Issuer/Security	Total Purchase Price ($)	# of Securities Distributed
01/01/2009 to 12/31/2009	55	Hexavest World Fund - Units	492,655,553.00	896,060.00
03/22/2010	14	Hudson River Minerals Ltd. - Units	325,000.00	N/A
03/08/2010	2	IBERIABANK Corporation - Common Shares	2,079,000.00	35,000.00
03/03/2010 to 03/12/2010	9	IGW Real Estate Investment Trust - Trust Units	295,014.00	295,755.00
03/16/2010 to 03/22/2010	18	IGW Real Estate Investment Trust - Trust Units	276,276.91	274,809.16
03/03/2010	2	IGW Residential Capital Limited Partnership - Limited Partnership Units	147,562.49	147,562.49
01/01/2009 to 12/31/2009	14	Insignia Fund - Units	2,141,744.62	219,274.00
03/17/2010	2	International Lease Finance Corporation - Notes	78,196,102.67	79,000.00
03/29/2010	3	Kaiser Aluminum Corporation - Notes	2,091,615.00	2.00
03/12/2010	2	Kirrin Resources Inc. - Units	200,000.00	1,666,667.00
03/19/2010	2	Knight Capital Group, Inc. - Notes	3,554,250.00	1.00
03/05/2010	49	Lornex Capital Inc. - Units	1,028,000.00	3,426,667.00
03/17/2010	42	Magor Communications Corp. - Debentures	1,587,814.38	N/A
11/27/2009	1	Manning & Napier Advisors Inc. - Units	118,602,341.07	11,860,234.11
01/01/2009 to 12/31/2009	1	Manulife Canadian Core Class - Units	437,823.45	40,959.21
01/01/2009 to 12/31/2009	1	Manulife Canadian Large Cap Value Class - Units	912,109.33	77,084.06
01/01/2009 to 12/31/2009	1	Manulife China Opportunities Class - Units	153,341.08	10,084.93
01/01/2009 to 12/31/2009	1	Manulife Global Core Class - Units	16,142,917.48	2,070,824.87
01/01/2009 to 12/31/2009	1	Manulife Global Leaders Class - Units	9,393,761.58	1,162,483.35
01/01/2009 to 12/31/2009	1	Manulife Global Opportunities Class - Units	9,384,008.69	1,129,416.09
01/01/2009 to 12/31/2009	1	Manulife Global Value Class - Units	1,070,046.73	134,739.60
01/01/2009 to 12/31/2009	1	Manulife International Value Class - Units	16,463,197.42	1,684,531.34
01/01/2009 to 12/31/2009	1	Manulife Japan Opportunities Class - Units	243,025.67	27,732.99
01/01/2009 to 12/31/2009	1	Manulife Mawer Canadian Equity Class - Units	7,063,059.11	873,451.06
01/01/2009 to 12/31/2009	1	Manulife Mawer Global Equity Class - Units	200.00	20.00

Transaction Date	# of Purchasers	Issuer/Security	Total Purchase Price ($)	# of Securities Distributed
01/01/2009 to 12/31/2009	1	Manulife Mawer World Investment Class - Units	19,788,534.61	2,590,488.24
01/01/2009 to 12/31/2009	1	Manulife SEAMARK Total Global Equity Class - Units	302,162.57	34,707.87
01/01/2009 to 12/31/2009	1	Manulife U.S. Large Cap Value Class - Units	15,609,169.43	2,160,643.08
01/01/2009 to 12/31/2009	1	Manulife U.S. Mid-Cap Value Class - Units	7,721,850.84	1,155,137.76
01/28/2010	2	Mega Precious Metals Inc. - Common Shares	4,160.00	8,000.00
03/02/2010	1	Merrill Lynch International & Co. C.V. - Warrants	10,000,000.00	1,200.00
03/31/2010	7	NetLogic Mircosystems, Inc. - Common Shares	4,707,200.00	160,000.00
03/09/2010	1	Oesterrichische Kontrollbank Aktiengesellschaft - Notes	20,493,594.18	20,000,000.00
03/29/2010	1	Orckit Communications Ltd. - Units	1,542,693.60	400,000.00
01/01/2009 to 12/31/2009	1	Pershing Square International Ltd. - Common Shares	110,310,000.00	100,000.00
03/26/2010	1	Philip Morris International Inc. - Notes	2,030,608.69	N/A
12/23/2009	3	Platinum Mezzanine Fund Limited Partnership - Limited Partnership Units	320,000.00	64.00
01/22/2010	58	Pro Minerals Inc. - Units	847,262.43	9,414,027.00
02/02/2010	1	Probe Mines Limited - Units	250,000.00	N/A
01/25/2010	1	Radiant Energy Corporation - Common Shares	0.00	1,107,756.00
09/22/2009 to 12/31/2009	18	RCM Partners Inc. - Units	6,450,000.00	N/A
03/18/2010	101	Rockridge Capital Corp. - Units	2,299,999.80	7,666,666.00
03/17/2010	1	Rovi Corporation - Notes	3,033,900.00	1.00
03/10/2010	2	Sensata Technologies Holding N.V. - Common Shares	1,106,244.00	60,000.00
03/30/2010 to 03/31/2010	5	Sinchao Metals Corp. - Common Shares	1,032,000.00	5,160,000.00
03/15/2010	136	Skyline Apartment Real Estate Investment Trust - Units	8,508,841.77	773,531.07
03/23/2010	3	Solid Gold Resources Corp. - Units	60,000.00	300,000.00
03/09/2010	2	Sonic Automotive, Inc. - Notes	3,053,742.15	3,000.00
01/27/2010	3	Stable 26 Inc. - Common Shares	300,000.00	2,000,000.00
03/10/2010	2	Suburban Propane Partners, L.P. / Suburban Energy Finance Corp. - Notes	3,048,350.14	1.00
03/16/2010	50	Taku Gold Corp. - Units	497,500.00	4,975,000.00

Transaction Date	# of Purchasers	Issuer/Security	Total Purchase Price ($)	# of Securities Distributed
01/25/2010	9	Tethys Petroleum Limited - Common Shares	10,344,300.00	12,615,000.00
03/08/2010	2	The Goldman Sachs Group Inc. - Notes	2,038,664.63	2,000,000.00
02/01/2010	9	The Investment Partners Fund - Trust Units	684,946.11	44,505.63
01/29/2010	2	TopHat Monocle Corp. - Common Shares	200,000.00	443,882.00
03/19/2010	441	Tourmaline Oil Corp. - Common Shares	223,920,000.00	9,500,000.00
01/22/2010	15	Troymet Exploration Corp. - Units	500,000.00	10,000,000.00
03/17/2010	2	tw telecom holdings inc. - Notes	4,011,073.60	1.00
03/08/2010	14	UBS AG, Jersey Branch - Special Shares	4,551,995.80	4,439.00
03/17/2010	50	VentriPoint Diagnostics Ltd. - Common Shares	758,356.00	9,383,560.00
03/25/2010	19	Wimberly Fund - Units	265,998.00	265,998.00
03/25/2010	6	Wimberly Fund - Units	145,060.00	145,060.00
01/26/2010	10	xRM Global Inc. - Units	723,999.25	1,113,845.00

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
Alliance Grain Traders Inc.
Principal Regulator - Saskatchewan
Type and Date:
Preliminary Short Form Prospectus dated April 13, 2010
NP 11-202 Receipt dated April 13, 2010
Offering Price and Description:
$71,600,000.00 - 2,237,500 Common Shares PRICE: $32.00 PER COMMON SHARE
Underwriter(s) or Distributor(s):
Genuity Capital Markets
Canaccord Finacial Ltd.
GMP Securities L.P.
Cormark Securities Inc.
Macquarie Capital Markets Canada Ltd.
Wellington West Capital Markets Inc.
Promoter(s):
-
Project #1563333

Issuer Name:
Artis Real Estate Investment Trust
Principal Regulator - Manitoba
Type and Date:
Preliminary Short Form Prospectus dated April 7, 2010
NP 11-202 Receipt dated April 7, 2010
Offering Price and Description:
$75,000,000.00 - 6.00% Series F Convertible Redeemable Unsecured Subordinated Debentures due June 30, 2020 Price: $1,000.00 per Debenture
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
Canaccord Financial Ltd.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
RBC Dominion Securities Inc.
Macquarie Capital Markets Canada Ltd.
Brookfield Financial Corp.
Promoter(s):
-
Project #1561123

Issuer Name:
Canwel Holdings Corporation
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated April 7, 2010
NP 11-202 Receipt dated April 7, 2010
Offering Price and Description:
$45,000,000.00 - 5.85% Convertible Unsecured Subordinated Debentures due April 30, 2017 Price: $1,000.00 per Debenture
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
Canaccord Financial Ltd.
CIBC World Markets Inc.
GMP Securities L.P.
Raymond James Ltd.
Paradigm Capital Inc.
Promoter(s):
-
Project #1561433

Issuer Name:
Claymore Canadian Balanced Income CorePortfolio ETF
Claymore Conservative CorePortfolio ETF
Claymore Inverse 10 Yr Government Bond ETF (Formerly Claymore Inverse Government Bond ETF)
Principal Regulator - Ontario
Type and Date:
Amended and Restated Preliminary Long Form Prospectus dated April 7, 2010
NP 11-202 Receipt dated April 8, 2010
Offering Price and Description:
Common Units and Advisor Class Units
Underwriter(s) or Distributor(s):
Claymore Investments, Inc.
Promoter(s):
Claymore Investments Inc.
Project #1552991

Issuer Name:
Colabor Group Inc.
Principal Regulator - Quebec
Type and Date:
Preliminary Short Form Prospectus dated April 13, 2010
NP 11-202 Receipt dated
Offering Price and Description:
$50,000,000.00 - 5.70% Convertible Unsecured Subordinated Debentures Price: $1,000.00 per Debenture
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
Laurentian Bank Securities Inc.
Promoter(s):
-
Project #1563243

Issuer Name:
Copper Mountain Mining Corporation
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated April 9, 2010
NP 11-202 Receipt dated April 9, 2010
Offering Price and Description:
$30,042,500.00 - 9,850,000 Common Shares Price: $3.05 per Common Share
Underwriter(s) or Distributor(s):
Wellington West Capital Markets Inc.
BMO Nesbitt Burns Inc.
Raymond James Ltd.
Canaccord Financial Ltd.
Jennings Capital Inc.
Promoter(s):
-
Project #1562219

Issuer Name:
Homburg Canada Real Estate Investment Trust
Principal Regulator - Quebec
Type and Date:
Preliminary Long Form Prospectus dated April 8, 2010
NP 11-202 Receipt dated April 9, 2010
Offering Price and Description:
$ * - * Units
Price: $10.00 per Unit
Underwriter(s) or Distributor(s):
TD Securities Inc.
National Bank Financial Inc.
Desjardins Securities Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
Canaccord Financial Ltd.
HSBC Securities (Canada) Inc.
Dundee Securities Corporation
Beacon Securities Ltd.
Promoter(s):
Homburg Invest Inc.
Homberg Canada Inc.
Project #1562039

Issuer Name:
NEXX Systems, Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated April 6, 2010
NP 11-202 Receipt dated April 8, 2010
Offering Price and Description:
$* - * SHARES OF COMMON STOCK PRICE: $ * PER SHARE
Underwriter(s) or Distributor(s):
Canaccord Financial Ltd.
CIBC World Markets Inc.
Macquarie Capital Markets Canada Ltd.
TD Securities Inc.
Promoter(s):
-
Project #1561419

Issuer Name:
Norrep Performance 2010 Flow-Through Limited Partnership
Principal Regulator - Alberta
Type and Date:
Preliminary Long Form Prospectus dated April 7, 2010
NP 11-202 Receipt dated April 7, 2010
Offering Price and Description:
$50,000,000.00 (Maximum Offering); $5,000,000.00 (Minimum Offering) - A minimum of 500,000 Limited Partnership Units and a maximum of 5,000,000 Limited Partnership Units Purchase Price: $10.00 per Unit
Minimum Purchase: 500 Units ($5,000.00)
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
GMP Securities L.P.
Macquarie Capital Markets Canada Ltd.
Raymond James Ltd.
Promoter(s):
Hesperian Capital Management Ltd.
Project #1561365

Issuer Name:
Norrep Performance 2010 Flow-Through Limited Partnership
Principal Regulator - Alberta
Type and Date:
Amended and Restated Preliminary Long Form Prospectus dated April 12, 2010
NP 11-202 Receipt dated April 12, 2010
Offering Price and Description:
$50,000,000.00 (Maximum Offering); $5,000,000.00 (Minimum Offering) - A minimum of 500,000 Limited Partnership Units and a maximum of 5,000,000 Limited Partnership Units Purchase Price: $10.00 per Unit
Minimum Purchase: 500 Units ($5,000.00)
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
GMP Securities L.P.
Macquarie Capital Markets Canada Ltd.
Raymond James Ltd.
Promoter(s):
Hesperian Capital Management Ltd.
Project #1561365

Issuer Name:
PEYTO Energy Trust
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated April 9, 2010
NP 11-202 Receipt dated April 9, 2010
Offering Price and Description:
$65,098,000.00 - 4,840,000 Trust Units Price: $13.45 per Trust Unit
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Peters & Co. Limited
RBC Dominion Securities Inc.
FirstEnergy Capital Corp.
Haywood Securities Inc.
HSBC Securities (Canada) Inc.
Thomas Weisel Partners Canada Inc.
Promoter(s):
-
Project #1562296

Issuer Name:
Rodinia Oil Corp.
Principal Regulator - Alberta
Type and Date:
Preliminary Long Form Prospectus dated April 12, 2010
NP 11-202 Receipt dated April 13, 2010
Offering Price and Description:
$* or * Units - Each Unit is comprised of one Common Share and one-half of one Warrant Price: $ * per Unit
Underwriter(s) or Distributor(s):
Macquarie Capital Markets Canada Ltd.
RBC Dominion Securities Inc.
FirstEnergy Capital Corp.
Haywood Securities Inc.
Promoter(s):
Matthew P. Philipchuk
Peter A. Philipchuk
Project #1563071

Issuer Name:
Sandspring Resources Ltd.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated April 12, 2010
NP 11-202 Receipt dated April 13, 2010
Offering Price and Description:
$12,000,000.00 - 7,500,000 Common Shares Issuable on Exercise of 7,500,000 Special Warrants Price: $1.60 per Special Warrant
Underwriter(s) or Distributor(s):
Mackie Research Capital Corporation
Cormark Securities Inc.
Byron Securities Limited
Fraser Mackenzie Limited
Macquarie Capital Markets Canada Ltd.
PI Financial Corp.
Promoter(s):
Richard Munson
Crescent Global Gold Ltd.
Project #1562982

Issuer Name:
Skyberry Capital Corp.
Principal Regulator - Ontario
Type and Date:
Preliminary CPC Prospectus dated April 7, 2010
NP 11-202 Receipt dated April 8, 2010
Offering Price and Description:
$200,000.00 - 2,000,000 Common Shares Price: $0.10 per Common Share
Underwriter(s) or Distributor(s):
Macquarie Private Wealth Inc.
Promoter(s):
Sandra Cowan
Steven Mintz
Keith Stein
Project #1561567

Issuer Name:
The Data Group Income Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated April 9, 2010
NP 11-202 Receipt dated April 9, 2010
Offering Price and Description:
$45,000,000.00 - 6.00% Convertible Unsecured Subordinated Debentures Price: $1,000 per Debenture
Underwriter(s) or Distributor(s):
TD Securities Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Canaccord Financial Ltd.
Industrial Alliance Securities Inc.
National Bank Financial Inc.
Promoter(s):
-
Project #1562271

Issuer Name:
TransGlobe Apartment Real Estate Investment Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated April 8, 2010
NP 11-202 Receipt dated April 8, 2010
Offering Price and Description:
$ * - * Units; Price: $10.00 per Unit
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
Promoter(s):
TransGlobal Investment Management Ltd.
Project #1561659

Issuer Name:
Tri Origin Minerals Ltd.
Type and Date:
Preliminary Short Form Prospectus dated April 12, 2010
Receipted on April 13, 2010
Offering Price and Description:
$1,628,715.00 -14,806,500 Ordinary Shares Issuable on Exercise of 14,806,500 Special Warrants
Underwriter(s) or Distributor(s):
Paraigm Capital Inc.
Promoter(s):
-
Project #1562878

Issuer Name:
Bellatrix Exploration Ltd.
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated April 12, 2010
NP 11-202 Receipt dated April 12, 2010
Offering Price and Description:
$55,000,000.00 - 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:
Blandings Capital Limited
Principal Regulator - Alberta
Type and Date:
Final Long Form Prospectus dated April 12, 2010
NP 11-202 Receipt dated April 12, 2010
Offering Price and Description:
25,000,000 Transaction Shares; 5,985,555 Convertible Debenture Shares; 2,061,000 Debt Conversion Shares Total number of Common Shares Qualified under this Prospectus: 33,046,555 Common Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
Lee Shoong Lim
Luo Zhong Jian
AMG Capital Holdings Ltd.
Project #1478100

Issuer Name:
BMO High Yield US Corporate Bond Hedged to CAD ETF
BMO China Equity Hedged to CAD ETF
BMO India Equity Hedged to CAD ETF
BMO Canadian Government Bond Index ETF
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated April 1, 2010 to the Long Form Prospectus dated January 15, 2010
NP 11-202 Receipt dated April 8, 2010
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
Jones Heward Investment Counsel Inc.
Project #1517049

Issuer Name:
BMO U.S. Special Equity Fund
(BMO Guardian U.S. Special Equity Fund Advisor Series)
Principal Regulator - Ontario
Type and Date:
Amendment #4 dated April 1, 2010 to the Simplified Prospectus and Annual Information Form dated November 3, 2009
NP 11-202 Receipt dated April 12, 2010
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
BMO Investments Inc.
Promoter(s):
BMO Investments Inc.
Project #1480290

Issuer Name:
BMO U.S. Special Equity Fund
(Series A and Series I)
Principal Regulator - Ontario
Type and Date:
Amendment #8 dated April 1, 2010 to the Simplified Prospectus and Annual Information Form dated May 8, 2009
NP 11-202 Receipt dated April 12, 2010
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
BMO Investments Inc.
Promoter(s):
BMO Investments Inc.
Project #1402935

Issuer Name:
Capital Power Corporation
Principal Regulator - Alberta
Type and Date:
Final Shelf Prospectus dated April 13, 2010
NP 11-202 Receipt dated April 13, 2010
Offering Price and Description:
$1,000,000,000.00 - Common Shares Subscription Receipts
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1552764

Issuer Name:
Connor, Clark & Lunn Natural Resources Fund Inc.
(Class A Shares and Class B Shares, Series 1)
Principal Regulator - Ontario
Type and Date:
Amended and Restated Simplified Prospectus and Annual Information Form dated March 26, 2010 (the amended prospectus) amending and restating the Simplified Prospectus and Annual Information Form dated September 30, 2009NP 11-202 Receipt dated April 9, 2010
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
Connor, Clark & Lunn Capital Markets Inc.
Project #1475132

Issuer Name:
Dividend Growth Split Corp.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated April 9, 2010
NP 11-202 Receipt dated April 12, 2010
Offering Price and Description:
$22,021,250.00 (Maximum) - Up to 1,115,000 Preferred Shares and 1,115,000 Class A Shares
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:
Foxpoint Capital Corp.
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated April 12, 2010
NP 11-202 Receipt dated April 13, 2010
Offering Price and Description:
$250,000.00 - 1,250,000 Common Shares PRICE: $0.20 per Common Share
Underwriter(s) or Distributor(s):
Haywood Securities Inc.
Promoter(s):
Fraser Buchan
Project #1546590

Issuer Name:
Himalayan Capital Corp.
Principal Regulator - British Columbia
Type and Date:
Final CPC Prospectus dated April 5, 2010
NP 11-202 Receipt dated April 8, 2010
Offering Price and Description:
$240,000.00 - (1,200,000 COMMON SHARES) Price: $0.20 per Common Share
Underwriter(s) or Distributor(s):
Haywood Securities Inc.
Promoter(s):
Ionic Capital Corp.
Project #1547352

Issuer Name:
John Deere Credit Inc.
Principal Regulator - Ontario
Type and Date:
Final Base Shelf Prospectus dated April 13, 2010
NP 11-202 Receipt dated April 13, 2010
Offering Price and Description:
$2,000,000,000.00 - Medium Term Notes (Unsecured) Unconditionally guaranteed as to payment of principal, premium
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
TD Securities Inc.
Merrill Lynch Canada Inc.
Promoter(s):
-
Project #1550176

Issuer Name:
Meritas Money Market Fund
Meritas Canadian Bond Fund
Meritas Balanced Portfolio Fund
Meritas Balanced Growth Portfolio Fund
Meritas Monthly Dividend and Income Fund
Meritas Jantzi Social Index Fund
Meritas U.S. Equity Fund
Meritas International Equity Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated April 8, 2010
NP 11-202 Receipt dated April 12, 2010
Offering Price and Description:
Mutual Fund Units @ Net Asset Value
Underwriter(s) or Distributor(s):
Meritas Financial Inc.
Promoter(s):
Qtrade Fund Management Inc.
Project #1545100

Issuer Name:
Orsu Metals Corporation
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated April 9, 2010
NP 11-202 Receipt dated April 9, 2010
Offering Price and Description:
Maximum Offering C$28,000,000.00 - (112,000,000 Units) Minimum Offering C$5,500,000 (22,000,000 Units) Price: C$0.25 per Unit
Underwriter(s) or Distributor(s):
Canaccord Financial Ltd.
Promoter(s):
-
Project #1554596

Issuer Name:
Sea Dragon Energy Inc.
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated April 12, 2010
NP 11-202 Receipt dated April 13, 2010
Offering Price and Description:
23,866,500 Common Shares issuable upon exercise of 22,730,000 outstanding Special Warrants
Underwriter(s) or Distributor(s):
THOMAS WEISEL PARTNERS CANADA INC.
MAISON PLACEMENTS CANADA INC.
Promoter(s):
-
Project #1550553

Issuer Name:
Sentry Select Lazard Global Infrastructure Fund
Sentry Select Small Cap Income Fund
(Series A, Series F and Series I securities)
Principal Regulator - Ontario
Type and Date:
Amendment #2 dated April 8, 2010 to the Simplified Prospectuses and Annual Information Form dated June 15, 2009
NP 11-202 Receipt dated April 12, 2010
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Sentry Select Capital Inc.
Promoter(s):
Sentry Select Capital Inc.
Project #1416042

Issuer Name:
Social Housing Canadian Bond Fund
Social Housing Canadian Equity Fund
Social Housing Canadian Short-Term Bond Fund
Type and Date:
Amendment #2 dated April 1, 2010 to the Simplified Prospectus and Annual Information Form dated July 8, 2009
Receipted on April 8, 2010
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Philips, Hager & North Investment Funds Ltd.
Promoter(s):
-
Project #1426906

Issuer Name:
Stone 2010 Flow-Through Limited Partnership
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated April 8, 2010
NP 11-202 Receipt dated April 12, 2010
Offering Price and Description:
$50,000,000.00 (Maximum Offering); $5,000,000.00 (Minimum Offering) Maximum of 2,000,000 and Minimum of 200,000 Units Subscription Price: $25 per Unit Minimum Subscription: 100 Units
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
Canaccord Financial Ltd.
Manulife Securities Incorporated
Raymond James Ltd.
Wellington West Capital Markets Inc.
HSBC Securities (Canada) Inc.
Macquarie Capital Markets Canada Ltd.
Burgeonvest Bick Securities Limited
Mackie Research Capital Corporation
Promoter(s):
Stone 2010 Flow-Through GP Inc.
Stone & Co. Limited
Project #1541105

Issuer Name:
Terrane Metals Corp.
Principal Regulator - British Columbia
Type and Date:
Final Short Form Prospectus dated April 9, 2010
NP 11-202 Receipt dated April 9, 2010
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
Scotia Capital Inc.
Sandfire Securities Inc.
Promoter(s):
-
Project #1557353

Issuer Name:
Dia Bras Exploration Inc.
Type and Date:
Rights Officering Circular dated April 1, 2010
Accepted on April 5, 2010
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1522490

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Change of Category	Sun Life Financial Investment Services (Canada) Inc./Placements Financiere Sun Life (Canada) Inc.	From: Mutual Fund Dealer & Exempt Market Dealer To: Mutual Fund Dealer	March 16, 2010
Consent to Suspension	Prieve Capital Inc.	Exempt Market Dealer	April 8, 2010
Consent to Suspension	Engineered Risk Management Inc.	Exempt Market Dealer	April 9, 2010
Change of Category	JDM Investment Partners Ltd.	From: Portfolio Manager To: Portfolio Manager, Exempt Market Dealer, and Investment Fund Manager	April 9, 2010
Change of Category	AMI Partners Inc.	From: Exempt Market Dealer, Portfolio Manager To: Portfolio Manager	April 9, 2010
Change of Category	Brockhouse Cooper Asset Management Inc.	From: Exempt Market Dealer and Portfolio Manager To: Exempt Market Dealer, Portfolio Manager, Commodity Trading Manager and Commodity Trading Counsel	April 13, 2010

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