The Ontario Securities Commission

OSC Bulletin

June 11, 2010

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

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June 11, 2010

CURRENT PROCEEDINGS

BEFORE

ONTARIO SECURITIES COMMISSION

- -

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

The Harry S. Bray Hearing Room
Ontario Securities Commission
Cadillac Fairview Tower
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Patrick J. LeSage	—	PJL
Carol S. Perry	—	CSP
Charles Wesley Moore (Wes) Scott	—	CWMS

SCHEDULED OSC HEARINGS

June 14, 2010 9:30 a.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: JDC
June 14, 2010 9:30 a.m.	**Global Energy Group, Ltd., New Gold Limited Partnerships, Christina Harper, Vadim Tsatskin, Michael Schaumer, Elliot Feder, Oded Pasternak, Alan Silverstein, Herbert Groberman, Allan Walker, Peter Robinson, Vyacheslav Brikman, Nikola Bajovski, Bruce Cohen and Andrew Shiff** s. 37, 127 and 127.1 H. Craig in attendance for Staff Panel: JDC
June 14, 2010 10:00 a.m.	**Sextant Capital Management Inc., Sextant Capital GP Inc., Otto Spork, Robert Levack and Natalie Spork** s. 127 T. Center in attendance for Staff Panel: JDC/CSP
June 14-15; June 28, 2010 10:00 a.m. June 29, 2010 1:00 p.m.	**Coventree Inc., Geoffrey Cornish and Dean Tai** s. 127 J. Waechter in attendance for Staff Panel: JEAT/MGC/PLK

June 15, 2010 9:15 a.m.	**Paladin Capital Markets Inc., John David Culp and Claudio Fernando Maya** s. 127 C. Price in attendance for Staff Panel: JEAT
June 16, 2010 2:00 p.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: JEAT
June 16, 2010 2:00 p.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: JEAT
June 16, 2010 2:00 p.m.	**Albert Leslie James, Ezra Douse and Dominion Investments Club Inc.** s. 127 and 127.1 H. Daley in attendance for Staff Panel: JEAT
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: PJL
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: MGC
June 30, 2010 2:00 p.m.	**Sunil Tulsiani, Tulsiani Investments Inc., Private Investment Club Inc., and Gulfland Holdings LLC** s. 127 J. Feasby in attendance for Staff Panel: MGC
July 8-9, 2010 10:00 a.m.	**Shane Suman and Monie Rahman** s. 127 and 127(1) C. Price in attendance for Staff Panel: JEAT/PLK
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
August 10-13, 2010 10:00 a.m.	**Robert Joseph Vanier (a.k.a. Carl Joseph Gagnon)** s. 127 S. Horgan in attendance for Staff Panel: JEAT/PLK
August 13, 2010 10:00 a.m.	**Axcess Automation LLC, Axcess Fund Management, LLC, Axcess Fund, L.P., Gordon Alan Driver and David Rutledge, Steven M. Taylor and International Communication Strategies** s. 127 Y. Chisholm in attendance for Staff Panel: CSP
September 7-10, 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), Tulsiani Investments Inc., Sunil Tulsiani and Ravinder Tulsiani** s. 127 M. Vaillancourt/T. Center in attendance for Staff Panel: TBA
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 1 3-24; October 4-8; October 13-19, 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
September 27 – October 1, 2010 10:00 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: TBA

October 13, 2010 10:00 a.m.	**Ameron Oil and Gas Ltd. and MX-IV, Ltd.** s. 127 M. Boswell in attendance for Staff Panel: MGC
October 13, 2010 10:30 a.m.	**QuantFX Asset Management Inc., Vadim Tsatskin, Lucien Shtromvaser and Rostislav Zemlinsky** s. 127 H. Craig in attendance for Staff Panel: MGC
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
October 21, 2010 10:00 a.m.	**Ciccone Group, Medra Corporation, 990509 Ontario Inc., Tadd Financial Inc., Cachet Wealth Management Inc., Vince Ciccone, Darryl Brubacher, Andrew J. Martin., Steve Haney, Klaudiusz Malinowski and Ben Giangrosso** s. 127 P. Foy in attendance for Staff Panel: TBA
October 25-29, 2010 10:00 a.m.	**IBK Capital Corp. and William F. White** s. 127 M. Vaillancourt in attendance for Staff Panel: TBA
November 15-18; November 24 – December 2, 2010 10:00 a.m.	**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
December 2, 2010 9:30 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: TBA
January 17-21, 2011 10:00 a.m.	**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
March 1-7; March 9-11; March 21, March 23-31, 2011 10:00 a.m.	**Paul Donald** s. 127 C. Price 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 **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

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

s. 127

H. Craig in attendance for Staff

Panel: TBA

TBA

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

s. 127

C. Johnson 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

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: TBA

TBA

Anthony Ianno and Saverio Manzo

s. 127 and 127.1

A. Clark 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

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: TBA

TBA	**Tulsiani Investments Inc. and Sunil Tulsiani**	s. 127 M. Vaillancourt/T. Center in attendance for Staff Panel: TBA
TBA	**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: TBA
TBA	**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: TBA
TBA	**Lyndz Pharmaceuticals Inc., James Marketing Ltd., Michael Eatch and Rickey McKenzie**	s. 127(1) and (5) J. Feasby in attendance for Staff Panel: TBA
TBA	**M P Global Financial Ltd., and Joe Feng Deng**	s. 127(1) M. Britton in attendance for Staff Panel: TBA
TBA	**Nelson Financial Group Ltd., Nelson Investment Group Ltd., Marc D. Boutet, Stephanie Lockman Sobol, Paul Manuel Torres, H.W. Peter Knoll**	s. 127 P. Foy in attendance for Staff Panel: TBA
TBA	**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
TBA	**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

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Global Privacy Management Trust and Robert Cranston

S. B. McLaughlin

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

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

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

ADJOURNED SINE DIE

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 CSA Staff Notice 55-312 – Insider Reporting Guidelines for Certain Derivative Transactions (Equity Monetization) (Revised)

CANADIAN SECURITIES ADMINISTRATORS STAFF NOTICE 55-312

INSIDER REPORTING GUIDELINES
FOR CERTAIN DERIVATIVE TRANSACTIONS
(EQUITY MONETIZATION) (REVISED)

[First published February 27, 2004, revised June 11, 2010]

Purpose

The purpose of this notice is to provide guidance to reporting insiders[1] in relation to the reporting of certain derivative-based transactions, including transactions that are commonly referred to as "equity monetization" transactions.

The staff of the Canadian Securities Administrators have prepared this notice to assist reporting insiders who have entered into such transactions and to promote consistency in filings. The notice contains a number of examples of arrangements and transactions involving derivatives together with examples of how to report these arrangements and transactions. The instructions contained in this notice are guidelines only, and do not necessarily represent the only way that such arrangements and transactions may be reported.

If you have questions or comments with respect to the contents of this notice, please feel free to contact a member of staff. Contact information is included at the end of this notice. This notice is dated June 11, 2010. We may from time to time reissue this notice to reflect frequently asked questions or concerns.

Background

1. What are equity monetization transactions?

Equity monetization transactions are derivative-based transactions that allow an investor to receive a cash amount similar to proceeds of disposition, and to transfer part or all of the economic risk and/or return associated with securities of an issuer, without actually transferring ownership of or control over such securities. (The term "monetization" generally refers to the conversion of an asset (such as securities) into cash.)

You can find more information about how to file insider reports, including insider reports about equity monetization transactions and other derivative-based transactions, in the following materials:

- National Instrument 55-102 *System for Electronic Disclosure By Insiders (SEDI)* (NI 55-102)
- Companion Policy 55-102CP *System for Electronic Disclosure By Insiders (SEDI)* (55-102CP)
- National Instrument 55-104 *Insider Reporting Requirements and Exemptions* (NI 55-104)
- Companion Policy 55-104CP *Insider Reporting Requirements and Exemptions* (55-104CP)
- CSA Staff Notice 55-315 *Frequently Asked Questions about National Instrument 55-104 Insider Reporting Requirements and Exemptions*
- CSA Staff Notice 55-316 *Questions and Answers on Insider Reporting and the System for Electronic Disclosure by Insiders (SEDI)* (SN 55-316)
- SEDI online help relating to Third-Party Derivatives (available by clicking "help" at any time once you are in the SEDI website (www.sedi.ca)).

These materials are available at the websites of the securities regulatory authorities indicated below:

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[1] Prior to April 30, 2010, Canadian securities legislation generally required all persons and companies who are "insiders" (as defined in securities legislation) to file insider reports unless they had an exemption from the insider reporting requirement. On April 30, 2010, the Canadian Securities Administrators introduced a new insider reporting regime established by NI 55-104. Under NI 55-104, the insider reporting requirement is generally limited to "reporting insiders" (as defined in NI 55-104) and certain persons who may be designated insiders for certain historical transactions (see s. 3.5 of NI 55-104). For convenience, this notice will refer to insiders subject to a reporting requirement as "reporting insiders".

- www.bcsc.bc.ca
- www.albertasecurities.com
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- www.msc.gov.mb.ca
- www.osc.gov.on.ca
- www.lautorite.qc.ca
- www.nbsc-cvmnb.ca

2. How are these transactions reported in SEDI?

We have set out below a number of examples of arrangements and transactions involving derivatives together with examples of how to report these arrangements and transactions in SEDI.

The first example is considered in detail. The subsequent examples generally refer the reader back to the step-by-step approach taken in the first example, highlighting necessary changes.

The examples discussed in this notice have necessarily been simplified and are for illustrative purposes only. The examples assume the following set of facts:

> ABC Inc. is a reporting issuer. John is a director of ABC Inc. and is therefore a reporting insider (as defined in NI 55-104) of ABC Inc. On March 1, 2010, John acquired 10 shares of ABC Inc. at a fair market value (FMV) price of $10 per share. On March 1, 2011, shares of ABC Inc. have a FMV of $100 per share. John does not wish to sell the shares, but is concerned that the shares might fall in value, and wishes to protect at least $80 of the gain (that is, to "lock in" the share price at at least $90).

The examples also assume that the following necessary preliminary steps have been taken:

- ABC Inc. has completed an issuer profile supplement;
- John has a valid SEDI user ID and password;
- John has created his insider profile in SEDI and has his insider access key; and
- John has previously added ABC Inc. to his insider profile.

For additional information about filing an insider report under SEDI, please refer to 55-102CP, SN 55-316 and the SEDI online help available on the SEDI website (www.sedi.ca).

Example 1

On March 1, 2011, John enters into a ***forward contract*** with InvestBank under which John agrees to sell, and InvestBank agrees to purchase, 10 shares of ABC Inc. at a price of $109.50 per share.[2] The sale will take place on March 1, 2016. The parties may settle their obligations under the forward contract on a cash settlement basis or by physical delivery of 10 ABC Inc. shares. This contract may be settled at an earlier date, subject to an adjustment to the settlement price. InvestBank hedges its risk under the forward contract through a hedging strategy involving short sales into the secondary market.

Insider Reporting Requirement: John is required to file an insider report within five (calendar) days of March 1, 2011. (See Part 3 of NI 55-104.) For an example of how this transaction would be reported, see below. Unless InvestBank is also a reporting insider of ABC Inc., InvestBank is not required to file an insider report.

Instructions for Example 1

Note: John has accessed the SEDI website at www.sedi.ca, selected "English" as his language of preference, selected "login" at the "Welcome to SEDI" screen, and has logged in by entering his SEDI user ID and his password. John will now see the following screen: "Insider home page".

1. Enter your **insider access key** and click **Next.**

SCREEN: Insider activities

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[2] In this example, $90 is assumed to represent the present value of $109.50 on March 1, 2016. Assuming an annual compounding of 4%, John and InvestBank are in the same position (absent any consideration of taxes) whether they proceed by way of a sale today at $90 or a sale five years from today at $109.50. In the case of a sale today, John receives $90, which he may then invest at 4%. Assuming an annual compounding return of 4%, at the end of five years, John will have received cash in the amount of $109.50. In the case of the forward sale at the end of five years, John will have received cash in the amount of $109.50.

2. Click **Insider report** (at the top of the screen).

SCREEN: Introduction to insider report activities (Form 55-102F2)

3. Click **File insider report** (on the navigation bar at the left of the screen)

SCREEN: File insider report (Form 55-102F2) – Select issuer

4. Select and highlight "ABC Inc." in the list of issuers from the insider profile.

5. Click **File insider report**.

SCREEN: File insider report – Select security designation

6. Click on **Add insider-defined security** (at the bottom of the screen).

Note: Since the forward contract is not a class of security defined by the issuer in its issuer profile supplement, it will be necessary for John to create a new insider-defined security designation for the forward contract.

Note: In SEDI, third-party derivative arrangements are considered to be "securities". Such arrangements may or may not be considered "securities" under securities law generally, depending upon the facts and circumstances of the arrangement in question. To the extent derivative instruments do not, as a matter of law, constitute securities, they will generally be related financial instruments. See commentary in subsection 1.4(6) of 55-104CP. For insider reporting purposes, it is not necessary to determine whether a derivative instrument is a security or a related financial instrument since both are subject to insider reporting requirements under Part 3 of NI 55-104.

SCREEN: Pop-up warning

Note: At this point, a warning pop-up box should appear: "Warning: You are about to specify an insider-defined security. You must ensure that the security is not already listed."

7. Click **OK.**

SCREEN: File insider report – Add insider-defined security designation

8. Use the drop-down menu under the heading **Security category**, select and highlight **Third Party Derivatives**.

9. Under the heading **Security designation**, in the drop-down menu under the subheading **Security name**, select and highlight **Forward Sale**.

10. Then, for the **Additional description**, briefly describe. For example, "10 common shares – settlement date March 2016".

Note: This adds the security designation "Forward sale (10 common shares – settlement date March 2016)" to your list of insider-defined securities.

*Note: Not all of this text will currently be visible in the **Additional description** box. (The box will only show a limited number of characters at any one time.) However, the full text in this example will be accepted, and will be visible at later stages of the filing process.*

11. Under the heading **Underlying security designation**, in the drop-down menu under the subheading **Security category**, select and highlight **Equity**.

12. Then, in the drop-down menu under the subheading **Security name**, select and highlight **Common Shares**.

Note: In the context of a forward sale, the underlying security is the security that is the subject of the forward sale.

13. Click **Next**.

SCREEN: File insider report – Select ownership type

14. In the drop-down menu **Ownership type**, select and highlight **Direct Ownership** and click **Next.**

SCREEN: File insider report – opening balance on initial SEDI report

*Note: SEDI requires an opening balance for each type of security. This has to be entered before a report can be filed about a transaction in the security. If the reporting insider has never filed a report about this specific type of security, the reporting insider must enter **0** (zero) as the opening balance. If John has previously entered into another forward contract that has different terms (e.g., a different settlement date or price) from the present forward contract, the present contract would be considered a separate type of security.*

15. In the field **Opening balance of securities or contracts held**, enter **0**.

16. In the field **Opening balance of equivalent number or value of underlying securities**, enter **0.**

*Note: This screen contains additional fields: **General remarks** and **Private remarks to securities regulatory authorities**. In this example, it is not necessary to include any information here.*

17. Click **Next** (at the bottom of the screen).

SCREEN: File insider report – Final review

18. Click **Certify**.

SCREEN: Certification

19. Click **OK** to Accept.

SCREEN: File insider report – Completed

Note: John has now filed his opening balance for the security designated "Forward sale (10 common shares – settlement date March 2016)". It is now necessary to file a report about the transaction involving this security entered into on March 1, 2011.

20. At the prompt "*File another transaction*?" click **Yes**.

SCREEN: File insider report – Select a transaction option

Note: Make sure "Same security & holder" is selected.

SCREEN: File insider report – Enter transaction information

21. In the **Date of transaction** field, select **March 1, 2011**.

Note: Since John entered into the forward contract on March 1, 2011, enter this date. Do not enter the date of the anticipated settlement (i.e., March 1, 2016) here.

22. In the drop-down menu **Nature of transaction**, select and highlight the appropriate code. Since John has acquired rights and obligations under a derivative contract, select "70 – Acquisition or disposition (writing) of third party derivative".

Note: For information about "nature of transaction" codes, see the online help function on SEDI.

23. Enter a number in the **Number or value of securities or contracts acquired** field. Enter **1** here.

*Note: Since John has acquired rights and obligations under a derivative contract, enter **1** after the field **Number or value of securities or contracts acquired**. Leave the **Number or value of securities or contracts disposed of** field blank.*

Note: Since John has specified a derivative as the security, there are additional fields in which to enter the equivalent number or value of the underlying securities to which the derivative relates.

24. Enter a number in the **Equivalent number or value of underlying securities disposed of** field. Enter **10** here.

25. Next to the field **Unit price or exercise price**, click the **Not Applicable** box.

26. In the field **Conversion or exercise price**, enter **109.50**.

*Note: Since John has not paid any consideration (in this example) for the forward contract, he would click the **Not Applicable** box next to the field **Unit price or exercise price**. Since the forward contract obliges John to sell 10 ABC Inc. shares at $109.50 per share on March 1, 2016, John would enter **109.50** in the field **Conversion or exercise price**.*

27. In the **Date of expiry or maturity** field, select **March 1, 2016**.

Note: Since the anticipated date of settlement is March 1, 2016, this will be the date of expiry or maturity.

28. Enter the following information in the **General remarks** field:

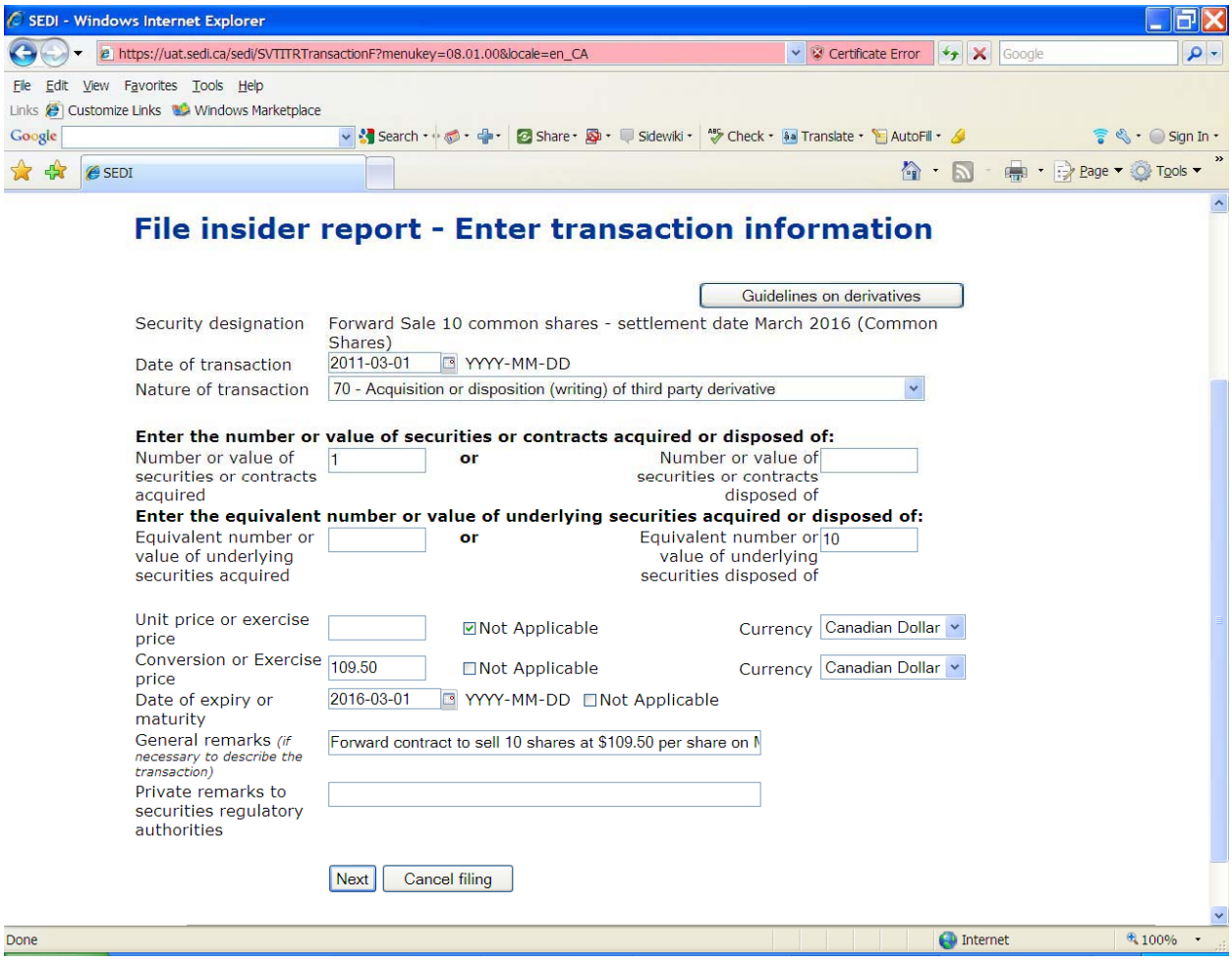
    Forward contract to sell 10 shares at $109.50 per share on March 1, 2016. Contract may be settled by cash or by delivery of 10 shares. Contract may be settled at earlier date, subject to price adjustment.

*Note: If it is not possible to adequately describe a transaction or to include all of the material terms of a transaction in the space provided, consider making reference to a public document (e.g., a news release issued by the issuer) that further describes the transaction. Alternatively, this information may be included in a schedule that may be filed in paper format by facsimile in accordance with the provisions of Part 3 of NI 55-102. Fax the schedule to the facsimile number of the securities commission set out on Form 55-102F6. We recommend that you make reference to this filing by facsimile in the **General remarks** field on SEDI. Staff will make this schedule available to the public on request.*

29. Enter additional information, as necessary, in the **Private remarks to securities regulatory authorities** field.

Note: This is an optional field. These remarks will only be accessible by securities regulatory authorities. Leave this field blank if no remarks are necessary.

SUMMARY – The information should appear as follows:



30. Click **Next**.

SCREEN: File insider report – Final review

31. Ensure that the details of your report are complete and accurate.

32. Click **Certify** (at the bottom of the screen).

SCREEN: Certification Pop-Up

33. Review the certification information carefully.

34. Click **OK** to accept.

SCREEN: File insider report – Completed

35. At the prompt "*File another transaction*?" click **No**.

36. Logout

John has now completed the filing of his insider report relating to the forward contract. This report will normally be publicly available on SEDI within five minutes of filing.

Note: Generally, where a reporting insider files an insider report in respect of a third-party derivative such as a forward contract, the reporting insider will be required to file a second report at the time the derivative is settled, matures or otherwise closed out. For example, John in this example will be required to file an insider report within five days of March 1, 2016 (assuming that the contract settles on that date and that John is still a reporting insider on that date). The report will show i) a disposition of the forward contract, and ii) a disposition of the underlying common shares.

Example 2

On March 1, 2011, John purchases a ***put option*** from InvestBank which gives John the right, but not the obligation, to sell to InvestBank, at any time between March 1, 2011 and March 1, 2016, 10 shares of ABC Inc. at a price of $90 per share.[3] The put option is not transferable. John pays $10 to InvestBank in consideration for the put option. InvestBank hedges its risk under the contract through a hedging strategy involving short sales into the secondary market.

Insider Reporting Requirement: John is required to file an insider report within five (calendar) days of March 1, 2011. (See Part 3 of NI 55-104.) For an example of how to report this transaction, see below. Unless InvestBank is also a reporting insider of ABC Inc., InvestBank is not required to file an insider report.

Instructions for Example 2

- Repeat steps 1 to 8, inclusive, under example no. 1.

SCREEN: File insider report – Add insider-defined security designation

9. Under the heading **Security designation**, in the drop-down menu under the subheading **Security name**, select and highlight **OTC Puts (including Private Options to Sell)**.

10. Then, for the **Additional description**, briefly describe. For example, "10 common shares - expires March 2016".

Note: This adds the security designation "OTC Puts (10 common shares - expires March 2016)" to your list of insider-defined securities.

*Note: Not all of this text will currently be visible in the **Additional description** box. (The box will only show a limited number of characters at any one time.) However, the full text in this example will be accepted, and will be visible at later stages of the filing process.*

- Repeat steps 11 to 24, inclusive, under example no. 1 (substituting references to "OTC Put" for references to "Forward sale" in the text of the example).

25. Under the field **Unit price or exercise price**, enter **10**.

26. Under the field **Conversion or exercise price**, enter **90**.

---

[3] This example and the subsequent examples assume a fixed exercise price of $90 per share for the sake of simplicity. If the exercise price is based upon a formula, a note to this effect can be included in the **General remarks** field.

*Note: Under the put option, John has the right, but not the obligation, to sell to InvestBank 10 ABC Inc. shares at $90 per share at any time up to March 1, 2016. Since John paid $10 in consideration (in this example) for the put option, he would enter **10** in the field **Unit price or exercise price**. Since the put option exercise price is $90 per share, John would enter **90** in the field **Conversion or exercise price**.*

27. In the **Date of expiry or maturity** field, select **March 1, 2016**.

Note: Since the anticipated date of settlement is March 1, 2016, this will be the date of expiry or maturity.

28. Enter the following information in the **General remarks** field:

    Private option contract to sell 10 shares of ABC Inc. at a price of $90 per share at any time between March 1, 2011 and March 1, 2016. Consideration paid for option was $10.

*Note: If it is not possible to adequately describe a transaction or to include all of the material terms of a transaction in the space provided, consider making reference to a public document (e.g., a news release issued by the issuer) that further describes the transaction. Alternatively, this information may be included in a schedule that may be filed in paper format by facsimile in accordance with the provisions of Part 3 of NI 55-102. Fax the schedule to the facsimile number of the securities commission set out on Form 55-102F6. We recommend that you refer to this filing by facsimile in the **General remarks** field on SEDI. Staff will make this schedule available to the public on request.*

- Repeat steps 29 to 36, inclusive, under example no. 1, with necessary changes (i.e., substituting references to "OTC Puts" for references to "forward sale" in the text of the example).

Example 3

On March 1, 2011, John purchases a ***put option*** from InvestBank and simultaneously sells a ***call option*** to InvestBank. (The combination of a put option and call option is sometimes referred to as a ***collar***.) The put option gives John the right, but not the obligation, to sell to InvestBank, at any time between March 1, 2011 and March 1, 2016, 10 shares of ABC Inc. at a price of $90 per share. The call option gives InvestBank the right, but not the obligation, to require John to sell to InvestBank at any time between March 1, 2011 and March 1, 2016, 10 shares of ABC Inc. at $115 per share.

The options are not transferable. John finances the purchase of the put option by the simultaneous sale of the call option. InvestBank hedges its risk under the contract through a hedging strategy involving short sales into the secondary market.

Insider Reporting Requirement: John is required to file an insider report within five (calendar) days of March 1, 2011. (See Part 3 of NI 55-104.) For an example of how to report this transaction, see below. Unless InvestBank is also a reporting insider of ABC Inc., InvestBank is not required to file an insider report.

Instructions for Example 3

In the above example, a separate report will be filed for the **put option** component and the **call option** component.

Instructions for filing a report in respect of the **put option** component are contained in example 2. Under the **General remarks** field (step 28), a reference to the call option can be made as follows:

    Private option contract to sell 10 shares of ABC Inc. at a price of $90 per share at any time between March 1, 2011 and March 1, 2016. Acquisition of put option financed by simultaneous sale of call option (see separate report).

The following instructions relate to the **call option** component.

- Repeat steps 1 to 8, inclusive, under example no. 1.

SCREEN: File insider report – Add security designation

9. Under the heading **Security designation**, in the drop-down menu under the subheading **Security name**, select and highlight **OTC Calls (including Private Options to Purchase)**.

10. Then, for the **Additional description**, briefly describe. For example, "10 common shares - expires March 2016".

Note: This adds the security designation "OTC Calls (10 common shares - expires March 2016)" to your list of insider-defined securities.

*Note: Not all of this text will currently be visible in the **Additional description** box. (The box will only show a limited number of characters at any one time.) However, the full text in this example will be accepted, and will be visible at later stages of the filing process.*

- Repeat steps 11 to 22, inclusive, under example no. 1 (substituting references to "OTC Calls" for references to "Forward sale" in the text of the example (step 11)).

23. Enter a number in the **Number or value of securities or contracts disposed of** field. Enter **1** here.

*Note: Since John has entered into a new contract that requires John to sell, if and when called upon, 10 shares of ABC Inc. at a price of $115 per share at any time between March 1, 2011 and March 1, 2016, enter a **1** after the field **Number or value of securities or contracts disposed of**. Since John has sold a call option (i.e., written an option to purchase shares of ABC Inc.), John is considered to have "disposed" of an OTC Call contract for the purposes of this field. Leave the field **Number or value of securities or contracts acquired** blank.*

Note: Since John has specified a derivative as the security, there are additional fields in which to enter the equivalent number or value of the underlying securities to which the derivative relates.

24. Enter a number in the **Equivalent number or value of underlying securities disposed of** field. Enter **10** here.

25. Next to the field **Unit price or exercise price**, click the **Not Applicable** box.

*Note: In example no. 2, John paid $10 as a premium for the acquisition of the put option. Accordingly, in example no. 2, John would enter **10** in the field **Unit price or exercise price**. In the present example, the consideration for the put option component of the collar is the sale of the related call option. Accordingly, John will click the **Not Applicable** box next to the field **Unit price or exercise price**, and make reference to the related put option in the **General remarks** field.*

26. Under the field **Conversion or exercise price**, enter **115**.

*Note: Since the call option exercise price is $115 per share, John would enter **115** in the field **Conversion or exercise price**.*

27. In the **Date of expiry or maturity** field, enter **March 1, 2016**.

Note: Since the anticipated date of settlement is March 1, 2016, this will be the date of expiry or maturity.

28. Enter the following information in the **General remarks** field:

    Private option contract requiring John to sell 10 ABC Inc. shares at $115 per share at any time between March 1, 2011 and March 1, 2016. Proceeds from sale of call option used to finance acquisition of put option (see separate report).

*Note: If it is not possible to adequately describe a transaction or to include all of the material terms of a transaction in the space provided, consider making reference to a public document (e.g., a news release issued by the issuer) that further describes the transaction. Alternatively, this information may be included in a schedule that may be filed in paper format by facsimile in accordance with the provisions of Part 3 of NI 55-102. Fax the schedule to the facsimile number of the securities commission set out on Form 55-102F6. We recommend that you refer to this filing by facsimile in the **General remarks** field on SEDI. Staff will make this schedule available to the public on request.*

- Repeat steps 29 to 36, inclusive, under example no. 1, with necessary changes.

Example 4

On March 1, 2011, John enters into a secured loan arrangement with InvestBank under which John agrees to borrow, and InvestBank agrees to lend, an amount equal to 90% of the FMV of the ABC Inc. shares, or $900. The loan bears interest at 6 per cent per annum. The loan has a term of approximately five years, and matures on March 1, 2016. As security for the loan, John pledges the 10 ABC Inc. shares. Recourse under the loan is limited to the pledged securities (or identical collateral substituted therefor). (In other words, John may settle his obligations under the loan on a cash settlement basis or by physical delivery of 10 ABC Inc. shares.) InvestBank hedges its risk under the contract through a hedging strategy involving short sales into the secondary market.

Insider Reporting Requirement: John is required to file an insider report within five (calendar) days of March 1, 2011. (See Part 3 of NI 55-104.) For an example of how to report this transaction, see below. Unless InvestBank is also a reporting insider of ABC Inc., InvestBank is not required to file an insider report.

Instructions for Example 4

In the above example, the term of the loan agreement limiting recourse to the collateral (or to identical collateral delivered in substitution for the original collateral) effectively operates as a "put" option. John can repay the principal amount of $900 at the term of the loan. Alternatively, John can satisfy his obligation under the loan agreement to repay the principal amount of $900 by releasing his interest in the collateral (or by delivering another 10 ABC Inc. shares in substitution for the pledged shares), regardless of their value at the term of the loan.

John can report this transaction in a number of ways. One approach would be to report this transaction as an acquisition of an OTC Put Option. (See example no. 2 for instructions as to how this may be reported.)

Another approach would be to define the secured loan agreement as an insider-defined derivative, as follows.

- Repeat steps 1 to 8, inclusive, under example no. 1.

SCREEN: File insider report – Add insider-defined security designation

9. Under the heading **Security designation**, in the drop-down menu under the subheading **Security name**, select and highlight **Other**.

10. Then, for the **Additional description**, briefly describe. For example, "Loan secured by pledge (limited recourse) matures March 2016".

Note: This adds the security designation "Loan secured by pledge (limited recourse) matures March 2016" to your list of insider-defined securities.

- Repeat steps 11 to 24, inclusive, under example no. 1, with necessary changes.

25. Under the field **Unit price or exercise price**, enter **0**.

26. Under the field **Conversion or exercise price**, enter **900**.

*Note: Under the loan agreement, John can repay the principal amount of $900 at the term of the loan. Alternatively, John can satisfy his obligation under the loan agreement to repay the principal amount of $900 by releasing his interest in the collateral (or by delivering another 10 ABC Inc. shares in substitution for the pledged shares), regardless of their value at the term of the loan. Effectively, John has an option to put 10 shares to InvestBank at a notional price of $900 (or $90 per share). Since the put option exercise price is $900, John would enter **900** in the field **Conversion or exercise price**.*

27. In the **Date of expiry or maturity** field, select **March 1, 2016**.

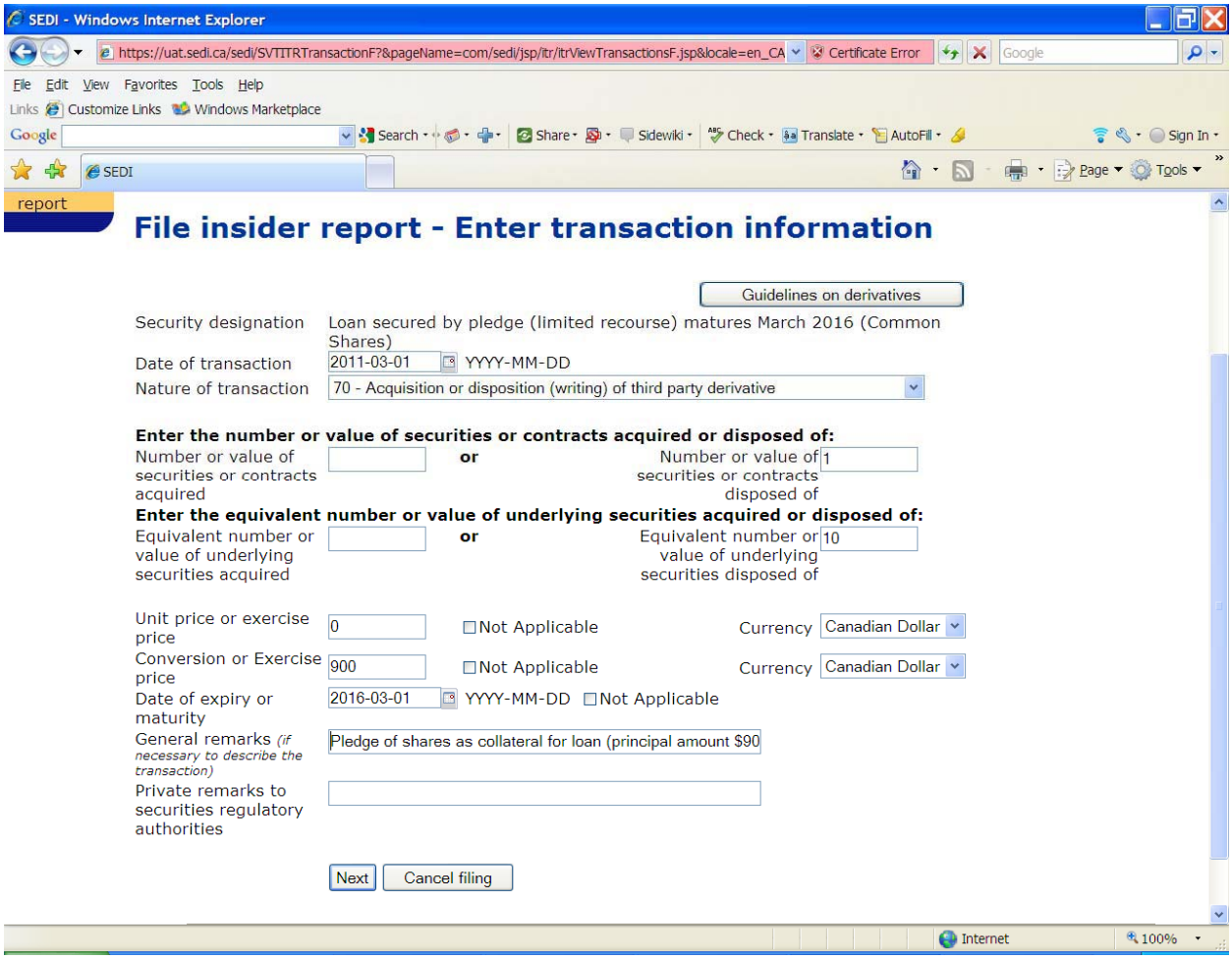
Note: Since the anticipated date of settlement is March 1, 2016, this will be the date of expiry or maturity.

28. Enter the following information in the **General remarks** field:

    Pledge of shares as collateral for loan (principal amount $900; interest at 6 per cent per annum). Loan may be repaid in cash or settled by delivery of 10 shares.

*Note: If it is not possible to adequately describe a transaction or to include all of the material terms of a transaction in the space provided, consider making reference to a public document (e.g., a news release issued by the issuer) that further describes the transaction. Alternatively, this information may be included in a schedule that may be filed in paper format by facsimile in accordance with the provisions of Part 3 of NI 55-102. Fax the schedule to the facsimile number of the securities commission set out on Form 55-102F6. We recommend that you refer to this filing by facsimile in the **General remarks** field on SEDI. Staff will make this schedule available to the public on request.*

SUMMARY – The information should appear as follows:



- Repeat steps 29 to 36, inclusive, under example no. 1, with necessary changes.

Example 5

On March 1, 2011, John enters into a swap agreement with InvestBank whereby he agrees to pay InvestBank, on March 1, 2016, an amount equal to dividends paid on the 10 shares of ABC Inc. plus any appreciation in value over $100 per share. In return, InvestBank agrees to pay John the London interbank offered rate (LIBOR) on a notional principal amount of $1,000 (i.e., the FMV of the 10 ABC Inc. shares) plus any depreciation in the value of the shares below $100 per share. InvestBank hedges its risk under the contract through a hedging strategy involving short sales into the secondary market.

Insider Reporting Requirement: John is required to file an insider report within five (calendar) days of March 1, 2011. (See Part 3 of NI 55-104.) For an example of how to report this transaction, see below. Unless InvestBank is also a reporting insider of ABC Inc., InvestBank is not required to file an insider report.

Instructions for Example 5

- Repeat steps 1 to 8, inclusive, under example no. 1.

SCREEN: File insider report – Add insider-defined security designation

9. Under the heading **Security designation**, in the drop-down menu under the subheading **Security name**, select and highlight **Equity Swap – Short Position**.

10. Then, for the **Additional description**, briefly describe. For example, “10 common shares - expires March 2016”.

Note: John is considered to have the short position on the equity swap since John has swapped the cash flows associated with ownership (i.e., a long position) for cash flows generated by another instrument, a notional investment of $1,000 at the LIBOR rate.

Note: This adds the security designation "Equity Swap – Short Position (10 common shares - expires March 2016)" to your list of insider-defined securities.

*Note: Not all of this text will currently be visible in the **Additional description** box. (The box will only show a limited number of characters at any one time.) However, the full text in this example will be accepted, and will be visible at later stages of the filing process.*

- Repeat steps 11 to 24, inclusive, under example no. 1, with necessary changes.

25. Under the field **Unit price or exercise price**, enter **0**.

26. Under the field **Conversion or exercise price**, enter **0**.

27. In the **Date of expiry or maturity** field, select **March 1, 2016**.

Note: Since the anticipated date of settlement is March 1, 2016, this will be the date of expiry or maturity.

*Note: If the terms of a derivative cannot easily be expressed in the fields noted above, or if a description is necessary to clarify ambiguity, include additional information in the **General remarks** field.*

28. Enter the following information in the **General remarks** field:

    Equity swap involving exchange of payments on March 1, 2016: an amount equal to dividends paid on 10 shares of ABC Inc. plus any appreciation in value over $100 per share, for LIBOR rate on $1,000 notional principal amount plus any depreciation in value below $100 per share.

*Note: If it is not possible to adequately describe a transaction or to include all of the material terms of a transaction in the space provided, consider making reference to a public document (e.g., a news release issued by the issuer) that further describes the transaction. Alternatively, this information may be included in a schedule that may be filed in paper format by facsimile in accordance with the provisions of Part 3 of NI 55-102. Fax the schedule to the facsimile number of the securities commission set out on Form 55-102F6. We recommend that you refer to this filing by facsimile in the **General remarks** field on SEDI. Staff will make this schedule available to the public on request.*

- Repeat steps 29 to 36, inclusive, under example no. 1, with necessary changes.

If you have questions or comments with respect to the contents of this notice, please feel free to contact a member of staff. Questions may be referred to any of:

Questions

Please refer your questions to any of:

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June 11, 2010

1.1.3 CSA Staff Notice 55-316 – Questions and Answers on Insider Reporting and the System for Electronic Disclosure by Insiders (SEDI)

CANADIAN SECURITIES ADMINISTRATORS
STAFF NOTICE 55-316
QUESTIONS AND ANSWERS ON
INSIDER REPORTING AND THE SYSTEM FOR ELECTRONIC DISCLOSURE BY INSIDERS (SEDI)

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CANADIAN SECURITIES ADMINISTRATORS
STAFF NOTICE 55-316
QUESTIONS AND ANSWERS ON
INSIDER REPORTING AND THE SYSTEM FOR ELECTRONIC DISCLOSURE BY INSIDERS (SEDI)

INTRODUCTION

Under Canadian securities legislation, certain insiders (referred to as "reporting insiders") of reporting issuers, other than mutual funds, are required to file insider reports about their transactions in securities and related financial instruments of their public companies using an internet-based reporting system called SEDI.

SEDI, or the System for Electronic Disclosure by Insiders, is the electronic insider reporting system for reporting insiders to file their insider reports. Reporting issuers also use SEDI to file certain required information that is necessary for their reporting insiders to comply with the insider reporting requirements. The SEDI website is located at www.sedi.ca.

SEDI is also available to members of the public to search for and view public information about the trading activities of reporting insiders free of charge.

The SEDI electronic reporting requirements for issuers and reporting insiders (referred to as SEDI users) are found in National Instrument 55-102 *System for Electronic Disclosure by Insiders (SEDI)*. Companion Policy 55-102CP contains commentary and guidance on the electronic reporting requirements in NI 55-102.

The substantive insider reporting requirements and specific insider reporting obligations are found in National Instrument 55-104 *Insider Reporting Requirements and Exemptions*. Companion Policy 55-104CP contains commentary and guidance on the insider reporting requirements in NI 55-104.

The Canadian Securities Administrators (CSA) have prepared the questions and answers in this Staff Notice (the QAs) to help SEDI users file information on SEDI. Accordingly, the QAs focus on the *filing* requirements under NI 55-102. They are intended for general application and should not be relied upon as legal advice. Information about the substantive legal insider reporting requirements is in NI 55-104 and its Companion Policy 55-104CP.

This notice replaces CSA Staff Notice 55-308 *Questions on Insider Reporting* and CSA Staff Notice 55-310 *Questions and Answers on the System for Electronic Disclosure by Insiders (SEDI)*, which have been or will be withdrawn in the various CSA jurisdictions.

In cases of doubt, SEDI users should obtain appropriate legal advice to determine their obligations under securities legislation.

How are the QAs organized?

The QAs are divided into different sections based on the logical or technical steps in the filing process on SEDI and the type of SEDI filer – insider or issuer. There is also a section on public access to filings and profile information on SEDI.

Please refer to Appendix A for information on how to contact the various securities regulatory authorities and the SEDI operator. Appendix A includes the website addresses of the securities regulatory authorities that publish information on SEDI and the website address of the CSA.

You can also refer to the factsheets and online help feature on the SEDI website (www.sedi.ca).

SOME DEFINED TERMS

To help you understand some of the frequently used defined terms referred to in the QAs, here is a list of these terms, along with their meanings.

CSA means the Canadian Securities Administrators

NI 55-102 means National Instrument 55-102 *System for Electronic Disclosure by Insiders (SEDI)*

NI 55-104 means National Instrument 55-104 *Insider Reporting Requirements and Exemptions*

NI 62-103 means National Instrument 62-103 *The Early Warning System and Related Take-over Bid and Insider Reporting Issues*

related financial instrument[1] generally refers to

(i) a derivative, the value, market price or payment obligations of which are derived from, referenced to or based on the value, market price or payment obligations of a security, or

(ii) any other instrument, agreement, or understanding that affects, directly or indirectly, a person or company's economic interest in a security

Important note: SEDI does not use the term "related financial instrument". Instead, for the purposes of SEDI, all instruments – whether securities or related financial instruments – are considered securities.

reporting insider[2] means an insider of a reporting issuer if the insider is

(a) the CEO, CFO or COO of the reporting issuer, of a significant shareholder of the reporting issuer or of a major subsidiary of the reporting issuer;

(b) a director of the reporting issuer, of a significant shareholder of the reporting issuer or of a major subsidiary of the reporting issuer;

(c) a person or company responsible for a principal business unit, division or function of the reporting issuer;

(d) a significant shareholder of the reporting issuer;

(e) a significant shareholder based on post-conversion beneficial ownership of the reporting issuer's securities and the CEO , CFO, COO and every director of the significant shareholder based on post-conversion beneficial ownership;

(f) a management company that provides significant management or administrative services to the reporting issuer or a major subsidiary of the reporting issuer, every director of the management company, every CEO, CFO and COO of the management company, and every significant shareholder of the management company;

(g) an individual performing functions similar to the functions performed by any of the insiders described in paragraphs (a) to (f);

(h) the reporting issuer itself, if it has purchased, redeemed or otherwise acquired a security of its own issue, for so long as it continues to hold that security; or

(i) any other insider that

(i) in the ordinary course receives or has access to information as to material facts or material changes concerning the reporting issuer before the material facts or material changes are generally disclosed; and

(ii) directly or indirectly, exercises, or has the ability to exercise, significant power or influence over the business, operations, capital or development of the reporting issuer

reporting issuer[3] means, generally, a company or other entity that has certain public reporting and other obligations under securities legislation because its securities are publicly traded in the relevant province or territory (please see the definition of 'reporting issuer' under securities legislation)

SEC means the United States Securities and Exchange Commission

SEDAR means the System for Electronic Document Analysis and Retrieval

SEDI means the System for Electronic Disclosure by Insiders

SEDI issuer[4] means a reporting issuer, other than a mutual fund, that is required to comply with National Instrument 13-101 *System for Electronic Document Analysis and Retrieval (SEDAR)*

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1 The term "related financial instrument' is defined in securities legislation. The concept of "related financial instrument" is generally intended to refer to derivatives of securities. Commentary and guidance on this term can be found in Companion Policy 55-104CP.
2 As defined in NI 55-104.
3 The term "reporting issuer" is defined in securities legislation.
4 As defined in NI 55-102

1. GENERAL

Initial steps

SEDI issuers and their reporting insiders must take certain initial steps before they will be able to file information on SEDI.

SEDI Issuers: As a SEDI issuer (or agent of a SEDI issuer), you need to

- ensure your existing SEDAR profile is accurate and complete
- register on SEDI
- file an issuer profile supplement including information about your outstanding securities and related financial instruments that may be held by your reporting insiders

Reporting Insiders: As a reporting insider (or agent of a reporting insider) of a SEDI issuer, or any other person required under securities legislation to file insider reports in relation to a SEDI issuer, you need to

- register on SEDI
- file an insider profile
- file an initial insider report within **10 days** of becoming a reporting insider disclosing the reporting insider's
  - (a) beneficial ownership of, or control or direction over, whether direct or indirect, securities of the reporting issuer, and
  - (b) interest in, or right or obligation associated with, a related financial instrument involving a security of the reporting issuer.

For more information on registering on SEDI, please see section 2.1 General under Part 2 Registration.

Ongoing requirements

After the initial SEDI registration, profile and initial report are filed, SEDI issuers and their reporting insiders have ongoing obligations and must take certain steps on a continuous basis.

SEDI Issuers: As a SEDI issuer (or agent of a SEDI issuer), your ongoing obligation is to

- file issuer event reports (to report stock dividends, stock splits, etc.)
- amend your profile supplement if there is any change in the information disclosed.

SEDI issuers may also choose to file issuer grant reports to report grants of securities and related financial instruments to reporting insiders. For more information on issuer grant reports, see section 3.4 Issuer Grant Report.

Reporting Insiders: As a reporting insider (or agent of a reporting insider) of a SEDI issuer, or any other person required under securities legislation to file insider reports in relation to a SEDI issuer, your ongoing obligation is:

- within **five**[5] **calendar days** of any of the following changes, to file an insider report disclosing a change in the reporting insider's
  - (a) beneficial ownership of, or control or direction over, whether direct or indirect, securities of the reporting issuer, or
  - (b) interest in, or right or obligation associated with, a related financial instrument involving a security of the reporting issuer.
- Amend your insider profile if there is any change in the information disclosed.

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[5] Prior to November 1, 2010, within 10 calendar days.

1.1 Who uses SEDI?

The following persons and companies use SEDI:

- SEDI issuers to file their issuer profile supplement and issuer reports
- Reporting insiders of SEDI issuers to file their insider profile and insider reports
- Any other person required under securities legislation to file insider reports in respect of a SEDI issuer.

SEDI issuers and their reporting insiders (or agents on their behalf) use SEDI to file insider and issuer information as well as to file reports disclosing the insider's beneficial ownership of, or control or direction over, whether direct or indirect, securities and related financial instruments of that company, and any changes in that ownership and certain other issuer events.

The public has free access to public information contained on the SEDI website (www.sedi.ca) and can search for and view insider and issuer information filed on SEDI.

1.2 What computer systems requirements do I need to use SEDI?

Generally, you can use SEDI if you can access the Internet from your computer. Recommended system requirements are on the SEDI website (www.sedi.ca).

1.3 Who do I call for help with SEDI?

Depending on the type of help you need, call your securities regulatory authority or the SEDI Technical Service Desk.

For example, if you have filing or compliance-related questions regarding SEDI or NI 55-102, such as

- how to use SEDI to report your insider transactions
- what information you need to enter on SEDI
- who must register to use SEDI
- when must you report transactions

contact your securities regulatory authority (see Appendix A).

Or, if you are having technical problems using SEDI, such as

- seeing error messages on the screen
- forgetting your password and/or access key
- needing your access key or password reset
- having printing problems

contact the SEDI Technical Service Desk toll-free at 1-800-219-5381 for assistance in English or French.

If you have questions relating to the substantive legal insider reporting requirements in NI 55-104 you should seek legal advice.

1.4 Do I need to pay to use SEDI?

SEDI issuers have to pay an annual service charge related to SEDI. (See question 3.1.9 for more detailed information on fees payable by SEDI issuers.) There are no service charges payable either by insiders for filing on SEDI or by the public for accessing information filed on the SEDI website (www.sedi.ca).

1.5 How do I access SEDI?

Go to the SEDI website at www.sedi.ca. On the introductory page of the website, select the language in which you wish to use the site, either French or English. A 'Welcome to SEDI' page will then appear. If you want to search for information filed on SEDI, click on the 'Access public filings' link.

If you need to file information for the first time, you must register as a SEDI user by clicking on *'Register as a SEDI user'*. For more information on registering, please see section 2.1 General under Part 2 Registration.

1.6 Where must I file my insider report?

Insider reports must be filed on the SEDI website (www.sedi.ca).

1.7 When can I use SEDI?

You can use SEDI 24 hours a day, seven days a week to make filings once your SEDI user account has been activated, subject to service interruptions for system maintenance.

1.8 What if I file my report late, it is inaccurate, or I do not file it at all?

Reporting insiders and all other persons required under securities legislation to file insider reports in respect of a SEDI issuer are responsible for the filing of complete, accurate and timely insider reports. This is the case whether or not an insider is reporting the information directly or through an agent, or in the case of an issuer that is a reporting insider, through an issuer representative.

The information provided by insiders is published as filed on the SEDI website (www.sedi.ca).

Under securities legislation, it is an offence to fail to file an insider report in accordance with the requirements and filing deadlines prescribed by NI 55-104 or to submit information in an insider report that, in a material respect and at the time and in the light of the circumstance in which it is submitted, is misleading or untrue. Failure to file an insider report in a timely manner or the filing of an insider report that contains information that is materially misleading may result in one or more of the following:

- in some jurisdictions, a late filing fee;
- the reporting insider being identified as a late filer on a public database of late filers maintained by certain securities regulators;
- the issuance of a cease trade order that prohibits the reporting insider from directly or indirectly trading in or acquiring securities or related financial instruments of the applicable reporting issuer or any reporting issuer until the failure to file is corrected or a specific period of time has elapsed; or
- in appropriate circumstances, enforcement proceedings.

Securities regulators may also consider information relating to wilful, or repeated, non-compliance by directors and executive officers of a reporting issuer with their insider reporting obligations in the context of a prospectus review or continuous disclosure review. This is because this information may raise questions relating to the integrity of the insiders and the adequacy of the issuer's policies and procedures relating to insider reporting and insider trading.

For details on late filing fees, and other consequences for late filing, please refer to the factsheet on Late Filing available from the SEDI online help or on the website of the securities regulatory authorities that publish information on SEDI. Also, see Part 10 of Companion Policy 55-104CP.

1.9 What if I am required to file an insider report and SEDI is not available?

If you experience unanticipated technical difficulties that make SEDI unavailable, you can meet your obligations to file your insider report by filing your report in paper format with the relevant securities regulatory authority no later than two days after your report is due. As soon as practicable after the technical difficulties have been resolved, you must re-file your report on SEDI.

Prepare your report using Form 55-102F6 and write the words "IN ACCORDANCE WITH SECTION 4.1 OF NATIONAL INSTRUMENT 55-102 SYSTEM FOR ELECTRONIC DISCLOSURE BY INSIDERS, THIS INSIDER REPORT IS BEING FILED IN PAPER FORMAT UNDER A TEMPORARY HARDSHIP EXEMPTION." in capital letters at the top of the front page.

For more information on the temporary hardship exemption, please refer to Part 4 of NI 55-102 which sets out the temporary hardship exemption.

1.10 Where can I find the legal requirements for SEDI?

You can find the legal requirements for SEDI, including the requirement to create an Insider Profile and file insider reports on the SEDI website (www.sedi.ca), in NI 55-102 and related materials.

You can find both the legal requirements and exemptions for reporting by insiders in NI 55-104. In Ontario, the principal insider reporting requirements are in Part XXI of the *Securities Act* (Ontario), but are substantially harmonized with the insider reporting requirements set out in NI 55-104. See Appendix A for a list of the securities regulatory authorities with their contact information and website addresses.

1.11 When should I seek legal advice?

The consequences of non-compliance can be serious. If you are uncertain about your legal obligations, you should seek advice from legal counsel that practises securities law.

1.12 Where can I get information about how to use SEDI?

You can get information from the SEDI website itself at www.sedi.ca. It has an online help function which contains a list of frequently asked questions (FAQs), factsheets containing helpful hints, detailed guidance and additional information.

You can also get additional information on SEDI through the

- Securities regulatory authorities' websites and contact numbers (see Appendix A), or
- SEDI Technical Service Desk – 1-800-219-5381 (Toll Free) for technical assistance.

Please see question 1.3 for when to contact the SEDI operator and for when to contact a securities regulatory authority.

1.13 Will the information I enter on SEDI be publicly available?

Yes. Insider reports filed on SEDI with the securities regulatory authorities are publicly available. However, the reporting insider's personal information given on the form and some remarks are confidential.

1.14 What are some of the technical features I should keep in mind when using SEDI?

Browser Back Button – Try not to use your browser 'Back' button to navigate on SEDI. Where it affects system operability, SEDI will disable the use of your browser's 'Back' button. In these instances, clicking the browser 'Back' button will not return you to a prior screen – you will remain on the current screen. Alternatively, SEDI will bring you to a screen indicating that you have performed an unauthorized sequence of actions. You can try to exit from this screen by clicking any of the primary or secondary navigation buttons available on the screen (i.e., insider report, insider profile, file insider report, amend or delete insider report, etc.). Depending on the navigation button selected, SEDI will take you out of the "unauthorized sequence of actions" screen to the applicable SEDI screen.

- **Browser Stop Button** – If for any reason you click the browser 'Stop' button, you must click the browser 'Refresh' button in order to proceed.
- **Cancel Button** – The 'Cancel' button will delete all information previously entered and will cancel the current option. For example, if you selected 'Create insider profile' and decide in mid-process that you prefer another option, you would click the 'Cancel' button. SEDI would display the previous option you had selected.
- **Certify Button** – The 'Certify' button is used to confirm that the information filed electronically is true and complete in every respect. In the case of a filing agent, the certification is based on the agent's best knowledge, information and belief.
- **Language** – The SEDI site is fully bilingual (French and English). You can change to the other language within the site by returning to the '*Welcome'* page and clicking the appropriate language button available from the main navigation bar (top right portion of the screen).
- **Next Button** – The 'Next' button appears when SEDI prompts you to proceed to the next screen.
- **No Draft Capability** – SEDI has no draft capability. Make sure you have all the necessary information with you before you begin to file. For security reasons, if you stop entering information on SEDI for more than 20 minutes you will lose

all the information you just entered. If you close the browser without properly logging-out, you will be temporarily locked out of SEDI for 30 minutes. You will have to log in and enter the information again.

- **'Not Applicable' Checkbox** – All SEDI fields are mandatory, except for certain search criterion fields in the public reports. If the fields do not apply in your case, place a check mark in the 'Not Applicable' checkbox.

- **Printer Friendly Version Button** – Use the 'Printer friendly version' button to display a separate browser window with pre-formatted data that was previously entered. SEDI will trigger a print window offering you print options.

2. REGISTRATION

Before filing any information on SEDI, a reporting insider, issuer representative or agent must register as a user on SEDI. To do so, you need to

- ***go to the SEDI website (www.sedi.ca) and click on 'Register as a SEDI User'***

- ***follow the screen instructions and complete Form 55-102F5 – Register as a SEDI user***

- ***print the completed form that is dated and time stamped, and sign it in the space provided***

- ***fax or send it to the SEDI operator at the address provided on Form 55-102F5 (fax: 1-866-729-8011 within North America or 416-365-9194 outside of North America)***

The SEDI operator will then process your registration and activate your SEDI user account.

In order to make filings, you must complete this registration process and have your SEDI user account activated.

2.1 General

2.1.1 Do I need to register to use SEDI?

You need to register on SEDI as a SEDI user only if you need to file something on SEDI. You do not need to register if you simply want to search for information on the SEDI website.

You must be an individual to register on SEDI as a SEDI user. An issuer that has information to file either as a reporting insider or as an issuer must do so through an individual who is registered as the issuer's representative or agent.

2.1.2 When do I need to register as a SEDI user?

You need to register as a SEDI user in order to file information on SEDI.

An individual who is a reporting insider must either register as a SEDI user or have an agent who is a registered SEDI user before an insider profile or initial insider report can be filed on SEDI.

An issuer that has information to file either as a reporting insider or an issuer must do so through an individual who is registered as the issuer's representative or agent.

2.1.3 What information do I need to provide to register as a SEDI user?

You need to provide the following information:

- your name

- name of your employer and your position (if you are registering as an agent)

- your address (your principal residence if you are a reporting insider or your business address if you are an agent or issuer representative)

- your daytime telephone number

- your fax number if available

- your e-mail address if available

- the capacity in which you will be using the system, i.e., as a reporting insider, as an agent for reporting insider(s) and/or issuer(s), or as an issuer representative. (You can select more than one SEDI user classification by holding the "CTRL" key.)

- confidential question and answer (see question 2.1.9)

Note: You should register as a SEDI user only once, even though you may be an agent for many reporting insiders.

2.1.4 In what category should I register on SEDI?

There are different categories of SEDI user depending on whether you are using SEDI as a reporting insider, as an issuer representative, or as an agent.

Each category of SEDI user has access to different functions on SEDI. Depending on the category chosen, you will be able to log on to the relevant SEDI user home page and access the various functions available. Please see questions 2.1.5 to 2.1.7.

2.1.5 When should I register as an insider?

If you are a reporting insider, you should register as an insider if you will be filing an insider profile and insider reports only for yourself and no one else.

If you are filing insider profiles and insider reports for one or more reporting insiders (other than yourself), or information for several issuers you should register as an agent (see question 2.1.7), and not as an insider.

2.1.6 When should I register as an issuer representative?

You should register as an issuer representative if you will only be filing an issuer profile supplement for one issuer and any subsequent issuer reports for that one issuer. If you are filing for more than one issuer, you should register as an agent (see question 2.1.7), not as an issuer representative.

2.1.7 When should I register as an agent?

You should register as an agent when you will be filing:

- insider information for one or several reporting insiders other than yourself

- issuer information for more than one issuer

- insider and issuer information for yourself, several reporting insiders and an issuer.

Please see section 2.2 Agents.

2.1.8 How do I register on SEDI?

Go to the SEDI website (www.sedi.ca). After you have selected the appropriate language, click on 'Register as a SEDI user', and follow the instructions to enter the required information. When you are finished, click 'Next' (See the following question for the next steps.)

2.1.9 What is the confidential question and answer I need to give?

If you forget your password, the SEDI operator will ask you this question to verify that you are who you say you are. You should provide a question for which only you would know the answer. For example, "What is your favourite movie?", rather than "Which country won the most gold medals at the 2010 Winter Olympics?" You must also provide an answer to the question.

2.1.10 Once I enter all the information on the registration form (Form 55-102F5), how do I have it validated?

- After entering all the information, including your confidential question and answer, you click 'Next'.

- SEDI will then display the *Register as a SEDI user – Accept terms of use – SEDI user* page.

- Read the *Terms of Use – SEDI user* and the *Collection and use of personal information* notice and click 'Accept'.

- SEDI will then display the *Register as a SEDI user – Certify and submit registration information – Form 55-102F5* page. Click 'Certify'. SEDI will then display the *Certification* page. Click 'OK'.

- SEDI will then display the *Register as a SEDI user – Conditional registration completed* page, which will list your SEDI user ID and password. While on this screen, you can either write your SEDI user ID and password down or click on the 'Print' button on your browser bar at the top of the page to get a screen print with your SEDI user ID and password. (Note that passwords are case-sensitive. It is recommended that you keep them in a confidential secure place.) You will need them to log on to SEDI in the future.

- To complete your SEDI registration, click 'Printer friendly version' to get a copy of your registration form. You will not get your password on this printout.

- Sign your registration form and then either fax, deliver or courier it to the SEDI operator using the appropriate address or fax number listed on the form. The SEDI operator will then validate it.

2.1.11 How long will it take for the SEDI operator to validate my registration?

The SEDI operator anticipates a turnaround time of 24 hours on business days, assuming your form is properly completed and signed. However, you are encouraged to register well before you need to file an insider report or an issuer profile supplement or issuer report.

2.1.12 Can I file information on SEDI before my registration is validated?

No. You cannot make filings while your registration form is being validated. Once your registration as a SEDI user (whether as an insider, issuer representative or agent) is validated, you will be able to make valid filings that will be made public on the SEDI website (www.sedi.ca).

2.1.13 How do I find out if my account has been validated?

When your account has been activated, you will be taken to the proper homepage for your SEDI user type (e.g., insider, agent or issuer representative), and be granted access to the functions associated with your SEDI user type. A SEDI user can also log on to SEDI, and click 'Your user information' and verify the Registration status field on the *View your user information* page. If your SEDI user account has been validated, your registration status should display the word 'Activated'.

If your account has not been validated, when you log on to SEDI you will be taken to a homepage that advises you to complete the registration process and will only allow you to access your SEDI user information.

2.1.14 What if my information changes after I have submitted the form?

You can make changes electronically to your SEDI registration form by amending, certifying and submitting the changes to the form online on SEDI. See the SEDI online help available on the SEDI website for instructions. However, we also recommend that you then print the form and fax it to the SEDI operator (fax: 1-866-729-8011).

When registering as a SEDI user, you may elect to receive an e-mail notification of your account activation. If you would like an e-mail notification to be sent when your account is activated, then you must enter an e-mail address in your user registration (Form 55-102F5). If you choose not to enter an e-mail address, then no notification will be sent that your account has been activated (see question 2.1.3)

2.1.15 Can I still submit my SEDI user registration without entering a postal/zip code because I reside outside North America?

Yes. You do not need to enter a postal code or zip code if you live outside North America. Complete the field by entering 'not applicable'.

2.2 Agents

2.2.1 Can an issuer or a reporting insider have several agents?

Yes. For example, if an individual is a reporting insider of several SEDI issuers, and each of these issuers has arrangements to file insider reports on behalf of that individual, then it is possible that this individual will have a different agent for each issuer.

2.2.2 Can a law firm register as an agent?

No. Only individuals can register as agents.

2.2.3 Can law clerks register as agents?

Yes, any individual can register as an agent. Therefore, any number of law clerks at a particular law firm can register. Each SEDI user should register individually so that he or she has his or her own SEDI user ID and password.

2.2.4 Can I register as an insider, an issuer representative and an agent?

Generally, yes. However, you must select the category that best suits your activity. For example, if you are a reporting insider and you will only be filing insider reports for yourself, you should register as an "insider".

If you fulfill multiple roles, you must register as an agent. For example, you would register as an agent if you will be filing:

- insider information for one or more reporting insiders other than yourself
- issuer information for more than one issuer
- insider and issuer information for yourself, several insiders and an issuer

Please see questions 2.1.4 to 2.1.7.

2.2.5 Do insiders who will only file through an agent need to register on SEDI?

No.

2.2.6 Do issuers who will only file through an agent need an issuer representative?

No.

2.2.7 As an agent, how do I access each of my client's filings?

You will need to have each client's access key.

An access key is a unique case-sensitive alpha-numeric code issued by SEDI or the SEDI operator to an insider or SEDI issuer that has filed an insider profile or issuer profile supplement on SEDI. If you set up a client's insider profile or issuer profile supplement, SEDI will give you their access key. If someone else sets up the client's profile information, you will need to request the access key from your client.

2.2.8 Do I, as the agent for a reporting insider, have to file a power of attorney for insider reports filed on SEDI?

No. However, if you, as an agent, are filing an insider report in paper format in certain circumstances (see question 4.3.7), you still need to file with the relevant securities regulatory authority a power of attorney. However, an agent does not need to file a power of attorney for an insider report of an individual that is filed in paper format under the temporary hardship exemption.

2.2.9 Can I, as an agent, register someone else as a SEDI user?

No. You, as an agent, cannot register someone else as a SEDI user. The paper format copy of the SEDI user registration form that is sent to the SEDI operator for validation purposes must contain the manual or facsimile signature of the individual being registered.

2.3 Passwords

2.3.1 How many passwords and access keys will I have as an agent?

You will have one password as an agent. You will be issued a SEDI user ID and a password for yourself that you will need to log on to SEDI. In addition, if you are filing for a reporting insider, you will be given an insider number and a distinct access key for each insider whose insider profile you create. If you are filing for an issuer, you will be given a distinct access key for each issuer whose issuer profile supplement you create.

2.3.2 What do I do if I cannot remember my password?

Call the SEDI Technical Service Desk at 1-800-219-5381. You will be asked a number of questions, including the confidential question you provided when you registered. If your answer is correct, a SEDI operator will give you a single use password. You will need to use this single use password the next time you log on to SEDI. After logging on, SEDI will require you to generate your own permanent password.

2.3.3 When will I be issued my password and ID, as opposed to my access key? How are they different?

You will be issued a password and a SEDI user ID after you complete, certify and submit your SEDI user registration on the system. The password is tied to the SEDI user ID and allows you, as that SEDI user, to log on to SEDI.

Each time you create an insider profile or an issuer profile supplement, SEDI will display an insider number (if you are an insider) and an access key online to you as creator of the profile. In addition, SEDI will also send an e-mail (if an e-mail address is provided) or letter containing the access key to the insider or issuer representative or agent.

An access key is a case-sensitive alpha-numeric code that is connected either to an insider or issuer profile supplement and issued once an insider profile or issuer profile supplement is created. It allows you, as an agent, insider, or issuer representative, to make a filing once the insider profile or issuer profile supplement is created. The system gives one access key per profile. Call the SEDI Technical Service Desk at 1-800-219-5381 if you forget your password or your access key.

3. ISSUER INFORMATION

SEDI issuers need to file certain information on SEDI. SEDI issuers must create their issuer profile supplement before insiders can file their insider reports.

As a SEDI issuer, you need to

- ***ensure your SEDAR profile is accurate and up to date***
- ***register on SEDI through a registered issuer representative or agent (see Part 2 Registration)***
- ***file your issuer profile supplement (including a list of your issued and outstanding securities and related financial instruments) on SEDI through a registered issuer representative or agent***

And then, on a continuous basis:

- ***file any change in the information disclosed***
- ***file on SEDI an issuer report when required***

3.1 General

3.1.1 Which issuers must use SEDI?

All reporting issuers, except mutual funds, that file disclosure documents on SEDAR must file information on SEDI unless exempted. These issuers are referred to as SEDI issuers.

3.1.2 Do I have to file a report if I am a reporting insider of (a) an income trust, (b) a labour sponsored investment fund corporations (LSIFs) or a labour sponsored venture capital fund corporation (LSVCF), (c) a mutual fund or (d) a limited partnership?

(a) an income trust?

Yes

(b) a labour-sponsored investment fund (LSIF) or labour-sponsored venture capital fund corporation (LSVCF)?

The answer depends on the province(s) where the LSIF or LSVCF is a reporting issuer (or equivalent). In certain jurisdictions, such as Alberta, LSIFs and their insiders do not have to file on SEDI because LSIFs are considered mutual funds. In other jurisdictions, such as Ontario and Manitoba, LSIFs and their reporting insiders must file on SEDI because LSIFs are not considered to be mutual funds for insider reporting purposes.

(c) a mutual fund?

No. The insider reporting requirement does not apply to an insider of an issuer that is a mutual fund (see section 9.1 of NI 55-104).

(d) a limited partnership?

Yes. You need to file insider reports if you are a reporting insider of a limited partnership that is a reporting issuer and hold securities or related financial instruments of that limited partnership.

3.1.3 If the reporting insiders of a SEDI issuer are exempt from insider reporting requirements, does the SEDI issuer have to file issuer information on SEDI?

Generally, the SEDI issuer will still be required to file information on SEDI.

3.1.4 Why do I need to file on SEDI as an issuer?

As a SEDI issuer, you are required to file certain information on SEDI. You need to file this information so that your insiders who are required by securities legislation to report can meet their legal obligation to file insider reports on SEDI. This information also helps your insiders to file accurate insider reports.

3.1.5 Who can file for an issuer?

An agent or issuer representative registered as a SEDI user can file information on SEDI for an issuer.

3.1.6 Can an issuer have several issuer representatives?

Yes, but each issuer can only have one insider affairs contact.

3.1.7 What do I need to file on SEDI?

As a SEDI issuer, you need to file, through a registered issuer representative or agent:

- an issuer profile supplement (see 'Issuer Profile Supplement' section)
- issuer event reports if an issuer event has occurred (see 'Issuer Event Report' section)
- any change in the information disclosed.

The issuer profile supplement contains information about the issuer, including the designations of its outstanding securities and related financial instruments that its insiders hold, and contact information for the person responsible for insider affairs. The legal form is Form 55-102F3.

The issuer event report contains information about an issuer event. An issuer event is a stock dividend, stock split, consolidation, amalgamation, reorganization, merger or other similar event that affects all holdings of a class of the issuer's securities in the same manner. The legal form is Form 55-102F4.

An issuer may choose to file issuer grant reports. Issuer grant reports disclose specific information relating to the grant or issue of an issuer's securities and related financial instruments made to insiders of the issuer pursuant to compensation arrangements.

3.1.8 How do I file issuer information on SEDI?

You must be a registered SEDI user and have an active SEDI user account (see Part 2 Registration). Once registered and validated, log onto the system. At your home page, select 'Create issuer profile supplement' in order to create the issuer profile supplement for the issuer. Simply follow the on-screen instructions to complete the process. Once this process is completed, you will obtain the issuer access key.

To file an issuer event report you must log on to SEDI and enter the issuer access key for that issuer. From the *Issuer activities* page, click 'Issuer event report' and follow the on-screen instructions to complete the process.

To file an issuer grant report when an issuer grants or issues securities or related financial instruments pursuant to a compensation arrangement, you must log on to SEDI and enter the issuer access key for that issuer. From the *Issuer activities* page, click 'Issuer grant report' and follow the on-screen instructions to complete the process.

3.1.9 Do issuers pay fees to file on SEDI? What are they, how are they paid and when?

SEDI issuers pay fees through the SEDAR system as SEDAR annual filing service charges related to SEDI. The fees are implemented by the SEDAR operator in SEDAR in code updates. The annual filing service charges effective as of January 1, 2005 are set out in CSA Staff Notice 13-314 *2005 Changes to SEDAR Annual Filing Service Charges*.

Insiders and the public are not charged any fees to use the system.

3.1.10 What do I do if I cannot access SEDI to file issuer information?

If SEDI is unavailable due to technical difficulties for more than a short period, the CSA would consider, depending on the jurisdiction and the circumstances, providing blanket relief from the filing requirements, or otherwise varying the time periods for filing during the period of service interruption.

If unanticipated technical difficulties prevent a SEDI issuer from filing issuer information on SEDI, then that issuer must file that information as soon as practicable after these difficulties have been resolved.

3.2 Issuer Profile Supplement

3.2.1 What is an issuer profile supplement?

The issuer profile supplement provides certain information about the issuer, particularly relating to its outstanding securities and related financial instruments that may be held by insiders, that is additional to the information the issuer files on SEDAR. The issuer profile supplement must contain the information required under Form 55-102F3.

As a SEDI issuer, you need to designate on your issuer profile supplement all types of securities and related financial instruments that may be held by your insiders. However, we recommend that you designate all your issued and outstanding securities and related financial instruments.

3.2.2 When do I need to file an issuer profile supplement?

You need to file an issuer profile supplement within three business days after the issuer becomes a SEDI issuer.

3.2.3 What if I do not file an issuer profile supplement on SEDI?

If you do not file an issuer profile supplement, you will be in breach of securities legislation. The securities regulatory authorities can take certain actions against issuers not complying with the law, including placing the issuer on a public default list.

Also, by not filing your issuer profile supplement, your insiders will not be able to file their reports on SEDI. You will cause unnecessary inconvenience to them. Your insiders will have to file paper reports relying on the temporary hardship exemption. After you do complete your issuer profile supplement, your insiders will have to file on SEDI every report previously filed in paper format under the temporary hardship exemption.

3.2.4 How do I designate the issuer's outstanding securities and related financial instruments?

Important note: SEDI does not use the term "related financial instrument". Instead, for the purposes of SEDI, all instruments – whether securities or related financial instruments – are considered securities.

To create a security designation for an outstanding security or related financial instrument, you need to do the following for each:

- select the security category (Debt, Equity or Issuer derivative)
- select the security name (from a drop down list)
- if you need to, you can type in a brief description of a particular security so there is no confusion with a security that may be similar
- if you selected 'Issuer derivative' in the first step, you need to select the underlying security. To do this,

- select the securities category of the underlying security (Debt, Equity or Issuer derivative)
- select the underlying security name
- if applicable, enter any additional words to describe the specific underlying security

A list of the security names under each security category on SEDI is set out in Appendix 1 of the SEDI User Guide available on the SEDI website (www.sedi.ca).

See question 3.2.7 for examples on how to designate specific securities.

3.2.5 What securities can I designate under the 'Equity' category?

You can designate, for example, common shares, preferred shares, non-voting shares and multiple voting shares under the 'Equity' category.

3.2.6 What securities can I designate under the 'Debt' category?

You can designate, for example, bonds, debentures, convertible debentures and notes under the 'Debt' category.

3.2.7 How do I designate the following types of securities?

1.	Asset-backed securities	a) Select	'Equity' or 'Debt' category
		b) Select	'Other' as security name
		c) Describe	type 'Asset-backed Securities' in the additional description field
2.	Options* (exercisable into common shares under plan)		
	for the options	a) Select	'Issuer derivative' category
		b) Select	'Options' as security name
		c) Describe	(if needed, add description)
	for the underlying security	d) Select	'Equity' category
	(common shares)	e) Select	'Common shares' as security name
		f) Describe	(if needed, add description)
3.	Convertible debentures	a) Select	'Debt' category
		b) Select	'Convertible debentures' as security name
		c) Describe	(if needed, add description)

* See also the questions and answers under section 4.4. Reporting for Related Financial Instruments for an explanation of "issuer derivatives" and "underlying security".

Suggestion: Together, the security name and description will appear as one of the designated securities on this issuer's list of securities. Its insiders will see and select from this list in order to report transactions and holdings in securities or related financial instruments of that issuer. Make sure to enter any additional words used to describe the specific security or class of security that will distinguish this security or class of security from another that will allow your reporting insiders to choose the appropriate security or related financial instrument. SEDI will compute the total balances of securities and related financial instruments that have the same designation, ownership type and registered holder name combination.

3.2.8 Do I need to file an issuer profile supplement if the issuer is only offering limited partnership units?

Yes.

3.2.9 Are shares and options the same thing?

No. An option is the *right* to buy or sell a specific security, such as a common share, at a predetermined price within a specified time. A share is a security that represents a residual ownership interest in a company and generally carries voting privileges.

The two are often linked. For example, in the case of an option to acquire shares in a reporting issuer, you must file separate insider reports for each of the following if they occur while you are reporting insider:

- the acquisition (i.e., grant) of an option;
- the exercise of an option;
- the acquisition of the underlying shares;
- any subsequent sale or transfer of the shares.

3.2.10 What derivatives can I select as a category of securities?

A derivative is generally an instrument that derives its value, directly or indirectly, from an underlying interest, such as a security.

For SEDI, derivatives that are subject to insider reporting requirements may be classified as either "issuer derivatives" or "third party derivatives". Issuer derivatives are derivatives such as options, warrants and rights issued by a company or other entity directly to its insiders. Share-based compensation instruments, including phantom stock units, deferred share units (DSUs), restricted share awards (RSAs), performance share units (PSUs), stock appreciation rights (SARs) and similar instruments are also generally issuer derivatives.

You can select 'Issuer derivative' as a category of security if you, as the issuer, have issued the derivatives. You would then select the appropriate name of the security: 'options', 'rights', 'warrants' or 'other'. If necessary, you could also add a brief description to the name of the security.

A SEDI issuer cannot designate a third party derivative. Third party derivatives are designated by the insider when the insider files an insider report for those derivatives. Futures, forwards and exchange-traded call or put options are examples of third party derivatives.

For further guidance on how derivatives are reported, please refer to CSA Staff Notice 55-312 *Insider Reporting Guidelines for Certain Derivative Transactions (Equity Monetization)* (REVISED).

3.2.11 What if a class of securities on the drop-down list box of security designations is no longer issued or outstanding?

You should amend your issuer profile supplement and indicate that this security is now to be listed as an 'Archived security'. Insiders will still be able to report transactions in these securities, using the 'Archived security' list.

3.2.12 What if I entered the wrong type of security or related financial instrument? Can I remove it?

No. You must contact your securities regulatory authority (see Appendix A) and request that the SEDI operator remove that security from your list of designated securities and related financial instruments. The SEDI operator can only remove the security or related financial instrument after receiving written authorization from the issuer's representative to remove it.

3.2.13 Who is an insider affairs contact?

An insider affairs contact is the contact person for an issuer whom any of the securities regulatory authorities will contact regarding the issuer and the issuer profile supplement, if there is an issue that a securities regulatory authority needs to discuss with that issuer. You need to include this individual's full name, business address, business telephone number and business e-mail address on the issuer profile supplement.

3.2.14 Why do I need to give insider affairs contact information?

When an insider creates an insider profile and therefore specifies that insider's relationship with at least one SEDI issuer, SEDI will send an e-mail notification to the insider affairs contact for that issuer. If at any point the issuer has any concerns about the individual identified as the insider, the issuer should contact their local securities regulatory authority.

3.2.15 How does a SEDI issuer change its information on SEDI?

Your issuer information on SEDI is composed of the information you filed on SEDAR (SEDAR profile) and the information you filed on SEDI under the issuer profile supplement. Your SEDAR profile information is automatically transferred over to SEDI.

Your issuer profile supplement includes your

- issuer name
- insider affairs contact information
- security designations
- confidential question and answer.

You amend SEDI information, such as your insider affairs contact information and security designations, on SEDI as an amended issuer profile supplement. You need to amend SEDAR information, such as your head office or mailing address, on SEDAR.

If you need to change information filed on SEDI, log on, go to the *Issuer Profile Supplement* page, and follow the on-screen instructions. If you need to change the information that comes from SEDAR, you need to contact your SEDAR filing agent and have the agent amend this information.

3.2.16 Do I designate in the issuer profile supplement all types of issued securities and related financial instruments, not just the ones issued currently to insiders?

We recommend that you designate all your issued and outstanding securities and related financial instruments.

Remember: SEDI does not use the term "related financial instrument". Instead, for the purposes of SEDI, all instruments – whether securities or related financial instruments – are considered securities.

3.2.17 If I issue common shares through both an employee share ownership plan (ESOP) and a dividend reinvestment plan (DRIP), do I have to create two separate security designations for common shares of the ESOP and common shares of the DRIP?

No. Issuers should not create separate security designations for common shares acquired through different plans.

3.3 Issuer Event Report

3.3.1 What is an issuer event?

An issuer event is a stock dividend, stock split, consolidation, amalgamation, reorganization, merger or other similar event that affects the entire class of securities of a SEDI issuer in the same manner. A cash dividend, for example, would not be an issuer event reportable on SEDI.

3.3.2 What is an issuer event report?

It is a report filed by a SEDI issuer on SEDI. This report provides notice to insiders and members of the public that an issuer event has occurred. It helps insiders to report more accurately any changes in their securities or related financial instrument holdings that may result from the issuer event. The information that you need to complete this report is set out in Form 55-102F4.

3.3.3 Who must file an issuer event report?

A SEDI issuer whose securities or related financial instruments are affected by an issuer event must file an issuer event report.

3.3.4 When do I need to file an issuer event report?

You need to file an issuer event report no later than one business day following the occurrence of an issuer event. For example, for a stock split, you report the event within one business day after the issuer issues the securities resulting from the stock split. As a preferred practice, you should report the event following the close of markets on the day of the event or before the opening of the markets on the day after the event occurred. See question 3.3.12.

3.3.5 What information do I need to file?

The information is set out in Form 55-102F4. This information includes the:

- issuer event type (e.g., stock dividend, stock split, reorganization)
- date the issuer event occurred
- brief description of the issuer event (e.g., 3 for 1 Stock Split – Class A and Class B Shares)
- summary of the issuer report details.

The online help guide (available on the SEDI website by clicking 'Help') gives additional instructions on how to complete the report and provides examples.

3.3.6 Why do I need to file this report?

The report notifies your insiders that an issuer event has occurred that may affect their holdings. It helps them to report accurately changes in their holdings in the securities or related financial instruments affected by the event. Whenever you file an issuer event report, an alert will appear on the screen the next time an affected insider logs on to SEDI. The alert notifies the insider an issuer event report was filed and identifies the particulars of that event.

3.3.7 What if I do not file this report?

You are in breach of your obligations under securities legislation as a SEDI issuer. In addition, your insiders may not be able to file accurate reports reflecting changes in their securities or related financial instrument holdings arising as a result of the issuer event.

3.3.8 Do I file one report or several reports if a number of transactions comprise the issuer event?

One report can be used to report several 'sub-events' in connection with the same event, all happening on the same day. However, you should fully describe all pertinent 'sub-events' in the issuer event title and issuer report details fields.

For example, an issuer event can be an amalgamation that is composed of a share exchange and also a consolidation (of the resulting company's) share capital. You would report the event as follows:

- Issuer event: Amalgamation, merger or reorganization
- Issuer event title: Amalgamation of ABC Ltd. and DEF Corp. into XYZ Ltd. and consolidation of DEF Corp. shares
- Issuer report details: describe the relevant information for both the amalgamation and consolidation aspects of the event and the impact on insider holdings.

3.3.9 What information do I need to provide in the 'Issuer report details' field?

You need to include a description of the issuer event by providing the following information:

- a description of the affected securities and related financial instruments along with their respective numbers or amounts, as disclosed in the issuer profile supplement, for that issuer
- the name of the resulting issuer, if applicable
- designation of all resulting securities and related financial instruments along with their respective numbers or amounts, if applicable
- the exchange or conversion rates, if applicable
- a description of the resulting securities and related financial instruments as created in the issuer profile supplement in SEDI, if applicable
- the number of resulting securities and related financial instruments rounded up or down to the nearest share.

Include a description of the issuer event in either English or French, or both where appropriate.

3.3.10 What if there is not enough space in the 'Issuer report details' field to adequately describe the event?

You should provide a summary of the event. However, to the extent that you need more space, consider cross-referencing a public document that adequately discloses the necessary information about the event.

3.3.11 Can I provide some information just to the securities regulators that is not viewable by the public?

Yes, you can provide additional information concerning the issuer event to staff of the securities regulatory authorities in the 'Private remarks to securities regulatory authority' field. The public, including the issuer's insiders, will not have access to this information.

3.3.12 When do I file an issuer event report versus a material change report?

You need to file an issuer event report when an event affects the entire class of securities or related financial instruments in the same manner. This may also be a material change.[6] If so, you will also need to file a material change report. However, not all material changes are issuer events. For example, while a company buy-back of shares might be considered a material change, it would not be an issuer event. Please see question 4.5.1 for how to report transactions under a normal course issuer bid.

3.3.13 What is the "Effective date" on an issuer event report form?

The "Effective date" is the date on which the change to the number of securities and related financial instruments happens as a result of the issuer event. It is the date of the occurrence of the event.

3.4 Issuer Grant Report

3.4.1 What is an issuer grant report?

An issuer grant report is a report filed by an issuer on SEDI that publicly discloses the details of compensation arrangements under which grants of stock options or similar instruments are made to reporting insiders. While there is no obligation for an issuer to file an issuer grant report, it may choose to do so to assist its reporting insiders with their reporting obligations, provide them with the benefits of an exemption and communicate material information about its compensation practices to the market in a timely manner.

The issuer grant report exemption reduces the regulatory burden on reporting insiders that is associated with insider reporting of stock options and similar instruments since it allows an issuer to make a single filing on SEDI. This filing provides the market with timely information about the existence and material terms of the grant, and makes it unnecessary for each of the affected reporting insiders to file an insider report about the grant within the ordinary reporting time periods.

It contains the information listed in question 3.4.4.

3.4.2 Who files an issuer grant report?

A SEDI issuer that *chooses* to report details of a grant or an issue of interests in its securities and related financial instruments to insiders pursuant to a compensation arrangement.

3.4.3 When do I file an issuer grant report?

The deadline for an issuer to file an issuer grant report is effectively within five days[7] of a grant or award. This is because the exemption in Part 6 of NI 55-104 for reporting insiders is available only when an issuer grant report is filed within the time prescribed for filing insider reports.

Reporting insiders will be in breach of their *individual* insider reporting obligations if the issuer has not filed the report within five days of the grant, and the reporting insiders have not filed their insider reports. We therefore recommend that the issuer file the issuer grant report as soon as reasonably practicable following the grant, award or issue of securities or related financial instruments to reporting insiders.

3.4.4 What information do I need to provide in an issuer grant report?

The issuer grant report discloses the details of a compensation arrangement and must include

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[6] As defined in securities legislation.
[7] Prior to November 1, 2010, within 10 calendar days.

- the date the option or other security or related financial instrument was issued or granted;
- the number of options or other securities or related financial instruments issued or granted to each director or officer;
- the price at which the option or other security or related financial instrument was issued or granted and the exercise price;
- the number and type of securities or related financial instruments issuable on the exercise of the option or other security or instrument; and
- any other material terms that have not been previously disclosed or filed in a public filing on SEDAR.

3.4.5 Where do I file an issuer grant report?

Issuer grant reports are filed on SEDI.

3.4.6 If an issuer files an issuer grant report, when do the reporting insiders need to file insider reports about the grant?

If an issuer files an issuer grant report within five days[8] of a grant, award or issue of securities or related financial instruments, the reporting insiders named in the issuer grant report can report the grant on a deferred basis. Instead of reporting the grant within the usual five day reporting timeframe, the reporting insiders have until March 31 of the next calendar year to report the grant or award.

If, subsequent to the grant and prior to **March 31** of the next calendar year, the reporting insider disposes of or transfers the securities or related financial instruments identified in the issuer grant report (other than as part of a specified disposition), the reporting insider must file an insider report within five days of the disposition or transfer.

3.4.7 What happens if I do not file an issuer grant report?

There is no requirement to file issuer grant reports. If an issuer chooses not to file an issuer grant report, the issuer should notify reporting insiders of a grant, award or issue of securities and related financial instruments in a timely manner so that those insiders can meet their individual reporting obligations within the period prescribed for filing insider reports.

4. INSIDER INFORMATION

Reporting insiders of SEDI issuers, and any other person required under securities legislation to file insider reports, must file insider reports in electronic format using SEDI. To file your insider reports on SEDI, you need to:

- ***register as a SEDI user (or use a registered SEDI user as your agent) (see Part 2 Registration)***
- ***file your insider profile (see section 4.2 Insider Profile)***
- ***file your insider reports when they are due (see section 4.3 Insider Report)***

4.1 General

4.1.1 Do I have to use SEDI to file my insider reports?

If you are a reporting insider of a SEDI issuer, you need to file insider reports using SEDI unless you are exempt under NI 55-104 or NI 62-103 or have been otherwise exempted by a securities regulatory authority. In certain cases, you may file insider reports in paper format rather than on SEDI. Please see question 4.3.7 below for a list of exceptional situations where you may file your report in paper format.

4.1.2 Do I have to file my reports myself?

No. You can have an agent that is registered as a SEDI user file the reports for you. (See Part 2 Registration)

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[8] Prior to November 1, 2010, within 10 calendar days.

4.1.3 What do I need to file on SEDI?

As an insider required by securities legislation to file insider reports, you (or your agent) must file on SEDI your insider profile (see section 4.2 Insider Profile) and your insider reports (see section 4.3 Insider Report).

4.1.4 When do I need to file my insider reports on SEDI?

You need to file your insider reports on SEDI as follows:

- if you beneficially own (or have, or share, direct or indirect control or direction over) securities or related financial instruments of a SEDI issuer, within 10 calendar days of first becoming an insider required by securities legislation to file insider reports,
- if you are already a reporting insider of a SEDI issuer, within five calendar days[9] of:
    - the date of any change in your ownership of, or control or direction over, securities of the SEDI issuer; and
    - the date of any change in your interest in, or right or obligation associated with, a related financial instrument involving a security of the SEDI issuer.

SEDI issuers are reporting issuers, other than mutual funds, that file disclosure documents on SEDAR. You can check the SEDAR website, www.sedar.com, to find out whether your company files disclosure documents on SEDAR.

4.1.5 Do I need to do anything on SEDI before using SEDI to report my transactions?

To use SEDI to file your own insider reports, you first need to register as a SEDI user. To register, complete the SEDI User Registration Form (Form 55-102F5), sign a printed copy and send it to the SEDI operator. The SEDI operator will review your registration request and, once validated, will activate a SEDI user account for you on SEDI. You cannot file insider reports until the registration process is completed. Please refer to Part 2 Registration.

You do not need to register or file insider reports on SEDI yourself. You can use an agent to file for you. The agent must be an individual who is already registered as a SEDI user.

4.1.6 Can I make a filing after I have completed the online registration form on SEDI but before my registration has been validated?

No, you cannot file your insider profile or your insider report until your registration is validated. Once the registration process is complete, you will be able to make filings that will be made publicly accessible.

4.1.7 What if I need to file my insider profile or insider reports and SEDI is unavailable?

Please see question 1.9.

4.1.8 Am I a reporting insider?

See the definition of reporting insider in the Defined Terms section of this notice or seek legal advice.

4.1.9 Do I have to file reports if I am a reporting insider?

Yes. You need to report your holdings of securities and related financial instruments of the SEDI issuer of which you are a reporting insider, and any changes in these holdings unless you are within an exemption in NI 55-104 or NI 62-103 or have been otherwise exempted by a securities regulatory authority.

4.1.10 Do I need to report for a period before I was a director, CEO, CFO or COO of the relevant reporting issuer?

Yes. In certain situations, the “look-back” rules in subsections 1.2(2) and 1.2(3) and section 3.5 of NI 55-104 may require you to file an insider report on SEDI in relation to certain historical transactions.

Issuer as insider of reporting issuer – If an issuer (the first issuer) becomes an insider of a reporting issuer (the second issuer), the CEO, CFO, COO and every director of the first issuer must file insider reports in respect of transactions relating to

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[9] Prior to November 1, 2010, within 10 calendar days.

securities and related financial instruments of the second issuer that occurred in the previous six months or for such shorter period that the individual was a CEO, CFO, COO or director of the first issuer.

Reporting issuer as insider of other issuer – If a reporting issuer (the first issuer) becomes an insider of another issuer (the second issuer), the CEO, CFO, COO and every director of the second issuer must file insider reports in respect of transactions relating to securities and related financial instruments of the first issuer that occurred in the previous six months or for such shorter period that the individual was a CEO, CFO, COO or director of the second issuer.

Example – If a reporting issuer (A Co) owns 5% of the common shares of another reporting issuer (B Co), and then acquires, on June 30, 2011, an additional 25% of B Co's common shares through an exempt take-over bid, A Co will have become an "insider" (as defined in securities legislation) of B Co on June 30, 2011 because A Co has become a "significant shareholder" (as defined in NI 55-104) of B Co as of that date.

As a result of the special designation/determination provisions in subsections 1.2(2) and (3) of NI 55-104, the CEO, CFO, COO and every director of A Co are designated or determined to be insiders of B Co and the CEO, CFO, COO and every director of B Co are designated or determined to be insiders of A Co. (Section 1.2 of NI 55-104 uses the terms "designated" and "determined" to reflect the different terms used in securities legislation across Canada. They mean the same thing.)

Note that the CEO, CFO, COO and every director of A Co will also be insiders and reporting insiders of B Co under the ordinary definition of "insider" and "reporting insider". However, the CEO, CFO, COO and every director of B Co would not normally be insiders and reporting insiders of A Co (unless they were insiders and reporting insiders in another capacity) since B Co would not be a "subsidiary" of A Co.

There are special reporting rules that apply to the period that precedes a take-over bid or similar acquisition. The purpose of these provisions is to address concerns over directors and officers of a company proposing to acquire a significant interest in another company by unlawfully "frontrunning" the acquisition through personal purchases of shares of the second company.

Section 3.5 of NI 55-104 requires the CEO, CFO, COO and every director of A Co to file insider reports in respect of transactions relating to securities and related financial instruments of B Co that occurred in the previous six months or for such shorter period that the individual was a CEO, CFO, COO or director of A Co. Similarly, the CEO, CFO, COO and every director of B Co must file insider reports in respect of transactions relating to securities and related financial instruments of A Co that occurred in the previous six months or for such shorter period that the individual was a CEO, CFO, COO or director of B Co. When filing these transactions, we recommend that you select relationship code 8 on your insider profile.

4.1.11 As a reporting insider, do I need to report securities and related financial instruments that my spouse owns or controls?

As a reporting insider of a SEDI issuer, you need to report any securities and any related financial instruments of that SEDI issuer that your spouse (or any other person) owns if you *have* or *share* control or direction, whether direct or indirect, over those securities or related financial instruments.

A person will generally have or share control or direction over securities if the person directly or indirectly through any contract, arrangement, understanding or relationship or otherwise has or shares

- voting power, which includes the power to vote, or to direct the voting of, such securities and/or
- investment power, which includes the power to acquire or dispose, or to direct the acquisition or disposition of such securities.

4.1.12 What if I already have an insider profile and need to add new reportable securities or related financial instruments?

We recommend that you file an opening balance for the new reportable security or related financial instrument and add a note in the general remarks field to explain that the balance reflects what you held on a specific date (e.g. April 30, 2010, the date NI 55-104 came into effect) rather than what you held on the date you became an insider.

4.1.13 What if I am no longer required under securities legislation to file insider reports in relation to a particular company?

You can cease filing insider reports on SEDI, provided you have reported all transactions that took place when you were required to file insider reports. Also, see question 4.2.10.

4.2 Insider Profile

4.2.1 What is an insider profile?

An insider profile contains information identifying you as the insider, and your relationship with one or more SEDI issuers. The information required is set out in Form 55-102F1. You must not file more than one insider profile.

4.2.2 When do I file an insider profile?

You need to file your insider profile and opening balance reports **within 10 calendar days of becoming a reporting insider** if you beneficially own, or have or share direct or indirect control or direction over, securities or related financial instruments of the issuer of which you are a reporting insider.

Note that if you enter into a reportable transaction within 10 calendar days of becoming a reporting insider, this may have the effect of accelerating your requirement to file an insider profile and opening balance report, since you need to take these steps before you can file a report about the reportable transaction. See example below.

If you are a reporting insider or otherwise required by securities legislation to file insider reports in respect of a SEDI issuer, but do not own or control securities or related financial instruments relating to that SEDI issuer, you do not need to file an insider profile until an insider report is required. However, if you wait until you are required to file an insider report, you must file your insider profile at the same time.

Alternatively, you can set up and file your insider profile with a zero opening balance report (for each security, ownership type and registered holder combination) after you or your agent are registered as a SEDI user, but before any of your insider reports are due.

Example: New Reporting Insider

Question

1. On November 1, 2010, I became a director of ABC Inc. and therefore a “reporting insider” for this issuer under NI 55-104.

2. I understand that, in accordance with section 3.2 of NI 55-104, I am required to file my initial report within 10 calendar days of becoming a reporting insider. Accordingly, my initial report would appear to be due on November 10, 2010.

3. On November 3, 2010, I purchased 100 common shares of ABC Inc. in a market transaction.

4. According to section 3.3 of NI 55-104, I am required to file an insider report within five calendar days of any change in my ownership or control of securities or interests in or rights or obligations associated with a related financial instrument. Accordingly, my insider report for this transaction would appear to be due on November 8, 2010.

5. What is my deadline for the initial report? What is my deadline for reporting the purchase of 100 shares?

Response

1. The deadline for filing the initial report would ordinarily be November 10, 2010. However, as a result of the purchase of 100 shares on November 3, 2010, the deadline for filing the initial report has effectively been accelerated to November 8, 2010. This is because, in order to be able to file an insider report about the purchase of 100 shares by the required due date of November 8, 2010, it will first be necessary to file the initial report.

2. The deadline for filing the report about the purchase of 100 shares is, in this example, November 8, 2010.

4.2.3 What information do I need to include in my insider profile?

You need to include:

- full legal name (if an individual insider)
- company name (if not an individual insider)
- full legal name of individual representative of insider (if insider is not an individual)

- residential address (business address for insider's representative, if insider is not an individual)
- street name and number
- municipality (city or town)
- province, territory or state
- postal code or zip code (if in North America)
- country of residence
- daytime telephone number
- fax number (if applicable)
- e-mail address (Note: if you would like to receive notifications of access key changes or other updates via e-mail, you will need to provide an e-mail address)
- confidential question and answer (see next paragraph)
- Issuer number or name of SEDI issuer
- the date you became an insider of the SEDI issuer (if you have not already filed an insider report for the issuer) or the opening balance date (if you have previously filed an insider report for this issuer) (see next paragraph)
- relationship with SEDI issuer
- registered holders (if applicable)
- date you ceased to be an insider (when applicable)

For the confidential question and answer, you should provide a question for which only you would know the answer. For example, "What is your favourite movie?" rather than "Which country won the most gold medals at the 2010 Winter Olympics?" You must provide an answer to this question. If you forget your password, the SEDI operator will ask you this question to verify that you are who you say you are.

The opening balance date is used for all opening balances for this issuer and should be a date prior to the date of any transactions that you are required to report on SEDI in connection with a SEDI issuer.

4.2.4 What do I need to do if I am a reporting insider of several companies?

You need to file a separate insider report for each company that is a reporting issuer and in which you own or have interests in securities or related financial instruments. You need to file one insider profile and indicate the names of all the companies of which you are a reporting insider. If you use an agent to file for you, we recommend that you only use one. However, if you choose to have different people file insider reports for you for these different companies, you must make sure that only one insider profile is created for you. You may wish to have one agent set up the profile for you, and then share your access key with all of your other filing agents.

4.2.5 What if the information in my insider profile changes?

You need to amend your profile on SEDI. You must do this within 10 days if you change your name or your relationship to a SEDI issuer, or if you cease to be a reporting insider of a SEDI issuer. For other changes, you can amend your profile the next time you have to file an insider report.

4.2.6 What if I cannot find a SEDI issuer in the database that I need to add to my insider profile?

You should contact the issuer to ask whether the issuer has filed its issuer profile supplement on SEDI. If the issuer has not yet done so, it may be in default of its reporting requirements and you will be unable to file an insider report on SEDI for any securities and related financial instruments of that issuer. Encourage the issuer to file its issuer profile supplement so that you can file your insider profile. You may also contact your local securities regulatory authority as soon as possible to advise them of this.

If your report is due and you cannot file your insider report on SEDI because the issuer has not filed its issuer profile supplement, you can file your report in paper form (Form 55-102F6) under the temporary hardship exemption. However, when you become aware that the issuer has filed its issuer profile supplement, you will have to re-file your insider report on SEDI. See NI 55-102, section 4.1. See questions 1.9 and 4.3.7 (temporary hardship exemption).

4.2.7 Do I need to add the name of the broker or depository as the registered holder of the securities if I own the securities directly?

No. For insider reporting, the term "registered holder" means the entity through which you beneficially own or control securities such as an RRSP, holding company, family trust, or the person or company that owns the securities over which you have control or direction. Securities owned directly but held through a nominee such as a broker or book-based depository, are considered direct holdings. See Form 55-102F1, item 14, and Form 55-102F2, item 6.

4.2.8 When do I need to add registered holders and in what circumstances?

Whenever you create an insider profile and file an insider report, SEDI will prompt you to indicate how you (or your insider, if you are an agent, filing for an insider) hold the securities.

You can hold your securities in the following three ways:

(1) You can hold them directly. For example, you can hold the securities in an account with your broker, but the account is in your name.

(2) You can hold them indirectly. For example, you beneficially own common shares in X Co. but the registered owner is another entity such as a holding company, an RRSP, or a family trust.

(3) You can have control or direction over them. You have control or direction over the securities if you, directly or indirectly, through any contract, arrangement, understanding or relationship or otherwise have or share

- voting power, or
- investment power.

This would include having control or direction over the securities through a power of attorney, a grant of limited trading authority, or management agreement. For example, you set up a trust for your children in which X Co. securities are held. Because of your relationship with your children, you need to report your children's holdings, because you could direct your children to purchase or sell those securities. This may also be the case if your spouse owns the securities, but you have control or direction over those securities.

If you choose either 'Indirect' or 'Control or Direction', SEDI will prompt you to add the name of a registered holder. The registered holder is the entity through which you beneficially own the securities, such as an RRSP, holding company, family trust, or the person or company that owns the securities over which you have control or direction.

4.2.9 If I am no longer an insider, what do I have to do on SEDI?

You have to amend your insider profile using the "add or amend issuer information" button, to indicate in the "Date the insider ceased being an insider of this issuer" field that you have ceased to be an insider of that issuer. (See item 12 of Form 55-102F1).

4.2.10 If I cease to be a reporting insider, but am still an insider, how do I update my insider profile to reflect the change?

Once you have ceased to be a reporting insider you are no longer required to report your insider transactions on SEDI. There are no requirements to update your insider profile to reflect the change. However, we recommend that you add a public remark to your last filed transaction advising that you are no longer required to report and will cease reporting your transactions on SEDI effective the date of the change in your status.

4.2.11 What is the additional contact information that I can provide on my insider profile?

If you wish, you can add the name and contact information of a person that the securities regulatory authorities or the SEDI operator could contact, instead of you, regarding your filings for a particular SEDI issuer. This person should be an individual who has your permission and authority to speak on your behalf regarding your insider reports and filings on SEDI. Alternatively, you could also put additional contact information for yourself if you do not wish to be contacted at your residential address. None

of this additional contact information is released to the public. If you wish to provide this optional information, you need to enter the information for each particular issuer for which you are an insider.

4.2.12 What date do I report: an opening balance date or the date I became a reporting insider?

If you have not previously filed an insider report for the issuer, enter the date on which you became an insider of this issuer.

If you have previously filed an insider report for this issuer, enter the opening balance date. This date will be used for all opening balances for this issuer and should be prior to the date of any transactions required to be reported for this issuer on SEDI.

4.2.13 What if I have filed a duplicate insider profile by mistake?

Each insider should only have one insider profile on SEDI. However, if you inadvertently filed more than one, please advise your securities regulatory authority in writing (see Appendix A) who will then take the necessary steps to have the SEDI operator remove the duplicate profiles from SEDI.

4.3 Insider Report

4.3.1 General

4.3.2 When do I file my insider report on SEDI?

If you already own or control, directly or indirectly, securities or related financial instruments relating to a SEDI issuer, you need to file your insider profile and opening balance reports within 10 calendar days of becoming a reporting insider. You need to file a report of any changes to your holdings within five calendar days[10] of the change.

Note that if you enter into a reportable transaction within 10 calendar days of becoming a reporting insider, this may have the effect of accelerating your requirement to file an insider profile and opening balance report, since you need to take these steps before you can file a report about the reportable transaction. See the example in question 4.2.2.

Certain exemptions may allow you to report changes in your holdings later, for example, changes resulting from an automatic share purchase plan. See question 4.5.2.

4.3.3 Do I need to file a separate report on SEDI for each province and territory where I have insider reporting obligations?

SEDI is the electronic filing system for insider reporting. You need to file an insider report in all provinces and territories in which the company (or other entity) of which you are a reporting insider is a reporting issuer.

Filing an insider report on SEDI satisfies the insider reporting requirements in all provinces and territories in which you have insider reporting obligations relating to that reporting issuer.

4.3.4 What type of report do I file when I first become a reporting insider of a SEDI issuer and own securities or related financial instruments of that issuer?

You need to file an initial opening balance report within 10 calendar days of the date you first become a reporting insider of a reporting issuer *if you have reportable securities or related financial instruments on that date*. In your report, you must disclose your beneficial ownership of, or control or direction over (whether direct or indirect), securities and interests in or rights or obligations associated with related financial instruments of that issuer.

You will initially need to file (create) an insider profile in the system before you can file this opening balance report. Once your insider profile is filed, you can then file your opening balance report, disclosing all your current holdings in the securities and related financial instruments of the SEDI issuer. For each particular type of security and related financial instrument, the system will ask you to input an opening balance.

If you do not have any interests in any securities or related financial instruments of the reporting issuer when you first become a reporting insider, you do not need to file an insider profile or an initial opening balance. You may choose to set up an insider profile and file a zero balance opening balance report. If you choose to file a zero opening balance report, all subsequent reports, including your first insider report of a transaction in the securities or related financial instruments of the issuer must be filed within five calendar days[11].

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[10] Prior to November 1, 2010, within 10 calendar days.
[11] Prior to November 1, 2010, within 10 calendar days.

Otherwise, the first insider report you will file will be when you have your first transaction in securities or related financial instruments of the reporting issuer. At this time you will need to set up an insider profile (if you have not already done so) and file the initial report within five calendar days after you made this first transaction. All subsequent reports must also be filed within five calendar days.

Note that if you enter into a reportable transaction within 10 calendar days of becoming a reporting insider, this may have the effect of accelerating your requirement to file an insider profile and opening balance report, since you need to take these steps before you can file a report about the reportable transaction. See the example in question 4.2.2.

4.3.5 What type of report do I file after I have made my initial SEDI report?

After you have made your initial SEDI report, you need to file an insider report within five calendar days[12] of the date on which any change in your holdings of the reporting issuer occurs.

You need to file an insider report on SEDI, disclosing your transactions in those securities that have resulted in a change in your beneficial ownership of, or control or direction over, them. You do not need to report closing balances if the balances did not change and you have already reported them. SEDI calculates and maintains a record of all these holdings as reported previously.

4.3.6 How do I know if my insider report is successfully filed on SEDI?

SEDI will automatically record the date and time (in the Eastern Time Zone) that your insider report is filed on SEDI. To print the insider report you have filed and certified with the date and time of filing, click the "Printer friendly version" button from the File insider report – Completed screen. You can also verify that your insider report has been filed by logging off and then accessing the public reports. You will need to wait about five minutes for the system to update the information you have just filed before your transactions will appear on the public reports.

4.3.7 When do I file insider reports in paper format?

You (or an agent on your behalf) need to file insider reports electronically on SEDI, unless you are exempt from insider reporting requirements under provincial securities legislation or an order of the relevant securities regulatory authority. In certain circumstances, however, you may need to file insider reports in paper format rather than on SEDI. These would include:

(1) **Reporting insider of a non-SEDI issuer** – You are a reporting insider of a non-SEDI issuer (i.e., a foreign reporting issuer who has not elected to file disclosure documents on SEDAR) that is required by securities legislation to report insider transactions and you are not otherwise exempt from the insider reporting requirements;

(2) **Report by Registered Holder** – You are a registered holder of voting securities of an issuer and you know the beneficial owner (or in Quebec the person who has control or direction over such securities) is a reporting insider that is required by securities legislation to report insider transactions but this insider has not filed a report of the ownership or control (except where there was a transfer for giving collateral for a genuine debt);

(3) **General Exemption** – You are granted a discretionary exemption from filing insider reports on SEDI by the relevant securities regulators, upon application under NI 55-102, Part 6. Depending on the circumstances, one of the conditions to that exemption may be that you file insider reports in paper format;

(4) **Unanticipated Technical Difficulties (Temporary)** – You are having unanticipated technical difficulties, i.e., SEDI is unavailable due to technical problems with SEDI, when trying to file your insider report in electronic format;

(5) **No Issuer Profile Supplement (Temporary)** – You are the insider of a SEDI issuer that has not yet filed its issuer profile supplement and your insider report is due.

Note that (4) and (5) are only temporary exemptions from filing on SEDI. They are available to insiders. (However, for issuers, please see the exemption in the answer to question 3.1.10.) You need to file the report in paper format using Form 55-102F6. See question 1.9 for further details.

You must file this report within two business days of when the report was due to be filed on SEDI. Once you have resolved the technical difficulties or you become aware that the issuer has filed its issuer profile supplement, as applicable, you must re-file your insider report on SEDI. You should therefore only use the exemptions in (4) and (5) when the circumstances allowing you to use the exemption arise and your report is due. See Part 4 of NI 55-102.

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[12] Prior to November 1, 2010, within 10 calendar days.

You can find Form 55-102F6 in the additional information section of the SEDI online help.

4.3.8 How do I check if my filing was completed?

Your report will be filed only if you completed the process and certified your filing. To check, log off the system and wait at least five minutes. After waiting, go to the SEDI website and click on "Access public filings" to now view your report as a public record.

4.3.9 As an agent can I make a bulk filing for a number of reporting insiders?

No.

4.3.10 Do I need to file on SEDI insider reports required under federal legislation, such as the *Canada Business Corporations Act*?

SEDI only supports filing under provincial securities legislation. However, there are no insider reporting requirements currently under the *Canada Business Corporations Act*, *Bank Act*, *Cooperative Credit Associations Act*, *Insurance Companies Act* or *Trust and Loan Companies Act*.

4.3.11 What do I file if I am an insider of a U.S. issuer that is a registrant with the SEC and I file insider reports with the SEC?

Generally, you need to file your reports on SEDI if that issuer files disclosure documents on SEDAR.

However, you do not need to file insider reports if:

- the issuer is a "U.S. issuer" under National Instrument 71-101, *The Multijurisdictional Disclosure System* that has securities registered under the United States Securities Exchange Act of 1934, or
- the issuer is a "SEC foreign issuer" under National Instrument 71-102, *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers* (NI 71-102)

and you comply with the U.S. federal securities law regarding insider reporting and you file the required reports with the SEC.

4.3.12 What do I file if I am an insider of a Designated Foreign Issuer under NI 71-102?

Generally, the insider reporting requirement does not apply to an insider of a Designated Foreign Issuer provided you comply with the disclosure requirements related to insider reporting in the jurisdiction where the foreign issuer is regulated. See Part 5 of NI 71-102.

4.3.13 What is the significance of the codes used on SEDI?

It is important to use the correct codes to avoid any uncertainty as to the nature of your transaction and to avoid misleading the marketplace.

You use codes to describe:

- the type of the transaction you are reporting (nature of transaction),
- the type of ownership or other interest you have of the securities, and
- your relationship with the issuer

For a current list, see the instruction page of Form 55-102F6 (available on SEDI though the on-line help and the securities regulatory authorities' websites – see

Appendix A).

4.3.14 I want to report a transaction but SEDI keeps asking me for an opening balance for my securities. What do I do?

When you file your first insider report for a particular security (and registered holder, if applicable), the system will always ask for the opening balance before you can file actual transaction details. This is required in order to enable SEDI to automatically calculate your holdings of that security as of the date of your transaction.

You should enter the total number for the type of security you held as of your opening balance date. (You will have entered this date on your insider profile and it will appear on the opening balance screen as 'Date of transaction'). If you did not hold that type of security as of the date of your last opening balance, you should enter '0' as your opening balance.

4.3.15 When reporting values and amounts, can I enter commas, decimals or fractions?

You can use decimals and fractions in the unit price or exercise price and conversion or exercise price fields on SEDI. When a decimal is used for amounts in cents (with no dollars), please also enter the '0' before the decimal, i.e., '0.11' for eleven cents. Please round up or down fractional amounts for securities. SEDI allows the use of a comma in the General or Private remarks fields only.

4.3.16 How do I add more information about the transaction I am reporting?

You can add additional information in the 'Remarks' field. If you do not want the additional information to be public, use the 'Private remarks to securities regulatory authority'. To the extent that more space is needed, you may wish to consider cross-referencing a document already publicly disclosed that has this information, such as a press release or a material change report.

4.3.17 What if I have to change information that I already filed in a report on SEDI?

You can change this information by filing on SEDI an amended insider report.

4.3.18 Do I have to report all my holdings of securities and related financial instruments of the SEDI issuer or just the securities and related financial instruments in respect of which my ownership or control has changed?

The first time you file on SEDI, you must report all of your holdings of securities and related financial instruments of the SEDI issuer. Subsequently, you only need to report changes in interests in, or new interests in securities and related financial instruments, or changes in control or direction over, securities and related financial instruments of the SEDI issuer.

4.3.19 What do I do if I have been previously filing insider reports but am no longer required to?

You should add a comment in the "Remarks" field explaining that you are no longer a reporting insider or are exempt. You can do this either on your next transaction to be filed on SEDI or by amending your last report already filed on SEDI. A member of the public viewing your insider reports on SEDI will then know why you have ceased reporting.

4.3.20 Do I also need to file an insider report if I file an early warning report (EWR) or an alternative monthly report (AMR) for a particular transaction?

You may not need to file an insider report when you file an EWR or AMR if you can use the exemption provided in Part 9 of NI 62-103. The EWRs and AMRs are filed on SEDAR.

4.3.21 Do I need to file a report when I become a reporting insider if I do not own or control any securities or related financial instruments of the issuer?

Generally no. Please see the exemption in section 9.4 of NI 55-104.

4.4 Reporting for Related Financial Instruments

4.4.1 What is a related financial instrument?

A related financial instrument is an instrument, agreement, security or, in some jurisdictions an exchange contract, that has a value based on, derived from, or otherwise referenced to the value, market price or payment obligations of a security. The term also includes any other type of instrument, agreement or understanding that affects, whether directly or indirectly, a person or company's economic interest in a security or exchange contract.

For further explanation of related financial instruments and economic interest, see Part 1 of Companion Policy 55-104CP.

Important note: SEDI does not use the term "related financial instrument". Instead, for the purposes of SEDI, all instruments – whether securities or related financial instruments – are considered securities. For the purposes of SEDI, the category of "security" includes two subcategories relating to derivatives:

- "Issuer derivatives" are derivatives issued by the issuer. Issuer derivatives include options, warrants, rights and special warrants issued by an issuer. Share-based compensation instruments, including phantom stock units, deferred share units (DSUs), restricted share awards (RSAs), performance share units (PSUs), stock appreciation rights (SARs) and

similar instruments are also generally issuer derivatives. The issuer designates these derivatives in its issuer profile supplement.

- "Third party derivatives" are derivatives offered by someone other than the issuer. The price, value or payment obligations of third party derivatives are based on an underlying interest (such as common shares) issued by the issuer as the underlying security. Third party derivatives include exchange-traded options or over-the-counter (OTC) options.

Please refer to the derivatives section in the online help on SEDI for additional information about derivatives reporting.

4.4.2 What related financial instruments do I need to report on SEDI?

You need to report all of your interests in, or rights or obligations associated with, related financial instruments in accordance with the requirements of securities legislation.

For guidance on reporting related financial instruments and economic interest, see Part 1 of Companion Policy 55-104CP.

4.4.3 What is an underlying security and how do I report it?

An underlying security is a security you would acquire or dispose of if you exercised the rights you acquired when you purchased a different security. For example, if you have options that are exercisable into common shares, the common shares are the "underlying securities". On SEDI, you must report both the initial securities you acquired and their underlying securities and related financial instruments.

Example: You were granted options under your company's stock option plan. The options are convertible into common shares on a 1:1 basis when you exercise your options.

You must report the grant as follows:

- Report the number of options granted as an acquisition. Use nature of transaction code 50 to report the acquisition. Report the equivalent number of underlying securities acquired. Enter the date of the transaction, the grant price, etc. and then go through the steps required to certify and file your report.

If you exercise the options, you must report the exercise as follows:

- Report the number of options being exercised as a disposition. Use nature of transaction code 51 to report the disposition. Enter the date of the transaction, the exercise price, etc. and then go through the steps required to certify and file your report.

- Show an acquisition of the underlying security (e.g., common shares) equal to the appropriate number of options exercised. Use nature of transaction code 51 to report the acquisition of the common shares.

- If you subsequently sell the common shares, you must file a separate report for the sale.

4.5 Reporting Transactions

4.5.1 How does an issuer that is an insider report transactions under a normal course issuer bid?

Under NI 55-104 an issuer can report acquisitions in connection with normal course issuer bids (as defined in NI 55-104) within 10 days of the end of the month in which the acquisitions occurred, as opposed to within five calendar days[13] of the transaction. NI 55-104 requires you to report each acquisition.

We recommend that you report transactions under a normal course issuer bid within 10 calendar days of the end of the month, in the following manner.

Step 1:

Report *each acquisition* of securities that took place under the normal course issuer bid as a separate transaction, with the appropriate nature of transaction code 38 – Redemption/retraction/cancellation/repurchase.

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[13] Prior to November 1, 2010, within 10 calendar days.

Step 2:

Report *each cancellation* of securities acquired under the normal course issuer bid as a separate transaction using the relevant nature of transaction code 38 – Redemption/retraction/cancellation/repurchase.

4.5.2 How do I report acquisitions under an automatic securities purchase plan (including employee share ownership plans (ESOP) and dividend reinvestment plans (DRIP))?

Any securities acquired under an automatic securities purchase plan during a calendar year that have not been disposed of or transferred, and any securities that have been disposed of or transferred as part of a specified disposition of securities, must be reported on or before March 31 of the next calendar year. You should report acquisitions under your automatic share purchase plan using the nature of transaction code 30 for each transaction.

Any securities acquired under an automatic securities purchase that are subsequently disposed of or transferred, other than as part of a specified disposition of those securities, must be reported within five days[14] of the disposition or transfer.

For further guidance on reporting securities acquired, disposed of or transferred under an automatic securities purchase plan, see question 4.5.3 below, and refer to Part 5 of Companion Policy 55-104CP. See also Part 6 of NI 55-104 for reporting exemptions for issuer grants.

4.5.3 If I acquire securities through an employee share ownership plan (ESOP) or a dividend reinvestment plan (DRIP), do I hold these securities directly or indirectly (do I indicate the "registered owner" on my report)?

Whether or not you should indicate the ESOP or DRIP as the "registered owner" depends on whether the ESOP or DRIP is the "beneficial owner" of, or has control over, the securities. The answer may be different depending on the terms of the particular plan. If you have the right to vote or sell securities held in a plan, you would normally be considered to hold these securities directly. You should speak to your employer to find out whether the ESOP or DRIP is the registered owner, or whether you hold these securities directly.

4.5.4 How do I report holdings of securities under an RRSP?

You should report that you hold these securities *indirectly* and indicate that the "registered holder" is the RRSP.

4.5.5 How do I report share-based compensation (other than options) such as deferred share units (DSUs), restricted share awards (RSAs), and stock appreciation rights (SARs)?

One of the most common forms of share-based compensation is granting options that, upon exercise, are converted into the issuer's common shares. However, there are other types of share-based compensation. For example, restricted share awards (RSAs) and deferred share units (DSUs) entitle recipients to an award of the issuer's common shares after a specified period or cash payments based on the value or growth in value of the issuer's common shares over a specified period. In contrast, stock appreciation rights (SARs) typically only entitle employees to cash payments based on the value or growth in value of the issuer's common shares over a specified period.

Historically, there has been some uncertainty as to whether, as a matter of law, certain derivative instruments involving securities are themselves securities. Under NI 55-104, it is not necessary to determine whether a particular derivative instrument is a security or a related financial instrument since the insider reporting requirement in Part 3 of NI 55-104 applies to both securities and related financial instruments. To the extent DSUs, RSAs and SARs do not, as a matter of law, constitute securities, they will generally be related financial instruments.

- *RSAs and DSUs*

Step 1 – Grant of RSAs or DSUs:

Report the number of RSAs or DSUs awarded and report the equivalent amount of underlying common shares using nature of transaction code 56 – Grant of rights. On SEDI, report the underlying common shares in the "Equivalent number of underlying securities" box. In SEDI, issuers should have created a security designation for the RSAs or DSUs in the issuer profile supplement, and selected the "Issuer derivative" category.

[14] Prior to November 1, 2010, within 10 calendar days.

Step 2 – Vesting and distribution of underlying common shares or cash:

When the RSAs or DSUs vest and are settled in underlying common shares, report an acquisition of the relevant number of underlying common shares as one transaction using nature of transaction code 57 – Exercise of rights. You will also need to report a disposition of the corresponding number of the RSAs or DSUs, using nature of transaction code 57, as another transaction.

When the RSAs or DSUs vest and are settled by a cash payment, report a disposition of the relevant number of the RSAs or DSUs using nature of transaction code 59 – Exercise for cash.

- *SARs*

Step 1 – Grant of SARs

Report the number of SARs awarded, and the exercise price, and report the equivalent amount of underlying common shares using nature of transaction code 56 – Grant of rights. Issuers should have created a security designation for the SARs in the issuer profile supplement, and selected the "Issuer derivative" category.

Step 2 – Vesting and distribution of cash

Report a disposition of the relevant number of SARs using nature of transaction code 59 – Exercise for cash.

4.5.6 How do I report a grant of related financial instruments which predates April 30, 2010?

See CSA Staff Notice 55-315 *Frequently Asked Questions about National Instrument 55-104 Insider Reporting Requirements and Exemptions*.

4.5.7 When do I report changes to my holdings as a result of share consolidations/splits?

You, the reporting insider, need to report these changes in your holdings resulting from an issuer event the next time you need to file an insider report. See Part 8 of NI 55-104.

4.5.8 For what issuer events do I need to report changes in my securities holdings?

You need to report changes in your holdings in securities of a reporting issuer resulting from such events as a stock dividend, stock split, consolidation, amalgamation, reorganization or other similar event that affects all holdings of a class of securities of an issuer in the same manner, on a per share basis.

4.5.9 How do I report the change in my holdings resulting from an issuer event?

Example: a 4-for-1 consolidation of 100 common shares

If you held 100 common shares that were consolidated on a 4:1 basis (so that you now hold 25 common shares), you report the change as follows. Calculate the new number of common shares you hold after the consolidation – in this case, 25 common shares. Subtract your new holdings from what you held before the stock consolidation; in this case, 100 – 25, and then report the difference – i.e. 75 common shares, using nature of transaction code 37 – Stock split or consolidation.

Example: a 4-for-1 split of 100 common shares

If you held 100 common shares that were split on a 4:1 basis (so that you now hold 400 common shares), you report the change as follows. Calculate the new number of common shares you hold after the split – in this case, 400 common shares. Subtract from this number the number of common shares you held before the split: 400 – 100, and report the difference – i.e. 300 common shares as an acquisition using nature of transaction code 37.

4.5.10 What are equity monetization transactions?

Equity monetization transactions are transactions that allow an investor to receive a cash amount similar to proceeds of disposition, and to transfer all or part of the economic risk and/or return associated with securities of an issuer, without actually transferring the legal and beneficial ownership of such securities.

The term "monetization" generally refers to the conversion of an asset (such as securities) into cash.

For additional guidance on how to report these types of transactions, please refer to CSA Staff Notice 55-312 *Insider Reporting Guidelines for Certain Derivative Transactions (Equity Monetization)* (REVISED).

See Part 4 of NI 55-104 for the supplemental insider reporting requirements for equity monetization transactions and Part 4 of Companion Policy 55-104CP.

4.5.11 Do I have to file insider reports for securities that I have monetized?

Yes.

4.5.12 How do I report an exercise of options?

There are the following two steps to report the exercise of an option:

Step 1 – Report the number of options being exercised as a disposition. Use nature of transaction code 51 to show the disposition. If you are not sure of the number of underlying shares, you can ask the insider affairs contact person found in the issuer profile supplement of the company. Enter the date of the transaction, the exercise price, etc. and then go through the steps required to certify and file your report.

Step 2 – Show an acquisition of the underlying security (e.g., common shares) equal to the appropriate number of options exercised. Use nature of transaction code 51 to report the acquisition of the common shares.

4.5.13 What are the most common filing errors on insider reports?

Here is a list of the most common filing errors made on insider reports. We strongly suggest that you check your proposed filing for these types of errors in order to lessen the likelihood that a securities regulatory authority will consider your report incorrect and contact you.

- Problems with reporting your type of ownership – Not reporting by type of holding (direct ownership, indirect ownership, or control or direction)
- Reporting escrowed shares as a separate class of securities
- Not reporting the name of the registered holder (for indirect or control/direction holdings)
- Not showing both sides of the transaction, if applicable (e.g., exercise of options – disposition of options/acquisition of common shares). See question 4.5.12.

5. PUBLIC ACCESS

Any member of the public can view information filed on SEDI by clicking 'Access public filings' on the Welcome to SEDI page on the SEDI website (www.sedi.ca). The information is available in either French or English. Four reports (described below), including the weekly summary report of insider transactions, are available to you to use in accordance with the Terms of Use – Public. You can download the reports to your computer (PDF format only) and you can print them.

5.1 Can I search for information filed on SEDI?

Yes. SEDI provides extensive search capabilities for public users. You can either download a weekly report, capturing all insider reports filed for a Friday through Thursday period, or search the database using an extensive set of parameters such as insider's name, issuer, date ranges or types of securities.

5.2 What reports can I view on SEDI?

You can view the following reports:

- Weekly summary – provides a summary of all insider reports filed after Thursday at 4 p.m. Eastern Time and before Thursday at 4 p.m. of the following week (for each of the three preceding weeks only)
- Insider transaction detail – provides a summary of all individual transactions filed by insiders, based on the search criteria used

- Insider information by issuer – provides a list of all registered insiders by each SEDI issuer, based on the search criteria used

- Issuer event history – provides a list of all issuer events reported by an issuer.

Except for the Weekly summary report which displays only in PDF format, the above reports are displayed online in HTML format and can also be downloaded in PDF format. You can view these reports in a Web browser.

5.3 Do I need to be registered on SEDI to view these reports?

No. To view these reports go to the SEDI website (www.sedi.ca) and, on the *Welcome to SEDI* page, click 'Access public filings'.

5.4 What weekly summaries can I view?

You can view one of three weekly summary reports (1 or 2 or 3 weeks back only) by clicking on the week requested. For insider reports older than three weeks, you need to do a specific search using the insider transaction detail report.

5.5 Does the weekly summary include reports only from one province or reports from all provinces and territories?

The weekly summary reports includes consolidated reports from all provinces and territories. However, you can search the database for an insider transaction detail report using certain parameters so that such reports include specific provinces or territories, for example, only Ontario reports. For certain provinces you can go to the website of the securities regulatory authority to obtain the weekly summary of reports filed in that province.

5.6 Does SEDI list the number of issued and outstanding securities for each issuer?

No, that information is not available on SEDI. This information will generally be available on SEDAR in the issuer's most recent information circular and other continuous disclosure filings. You can generally rely on an issuer's disclosure of its outstanding securities to determine if you are a "significant shareholder" and therefore a "reporting insider", unless you know the issuer's disclosed information is not correct. See section 1.3 of NI 55-104 (Reliance on Reported Outstanding Shares).

5.7 Can I subscribe to receive information on filings by certain insiders, or by insiders of particular companies or other information filed on SEDI?

These services are not part of SEDI. However, bulk and/or real-time SEDI data feeds may be available for resale. Please contact the SEDI operator.

5.8 Where can I look at insider reports filed in paper format?

You can look at these reports at the offices of the relevant securities regulatory authority during business hours or, to see a summary of insider transactions, on their respective websites.

June 11, 2010

APPENDIX A

SECURITIES REGULATORY AUTHORITIES AND SEDI CONTACT AND WEBSITE INFORMATION

Canadian Securities Administrators (CSA)
website: www.securities-administrators.ca

Securities Regulatory Authorities

Alberta Securities Commission
4th Floor, 300-5th Avenue S.W.
Calgary, AB, Canada
T2P 3C4
Attention: Compliance Officer, Corporate Finance
Telephone: 403-297-2489
Facsimile: 403-297-6156
E-mail: Inquiry@asc.ca
Website: www.albertasecurities.com

Autorité des marchés financiers
800, square Victoria, 22e étage
C.P. 246, tour de la Bourse
Montréal, Québec
H4Z 1G3
Attention: Information Center
Telephone: 514-395-0337 or 877-525-0337
Facsimile: 514-873-3090
For insider reports:
Telephone: 514-395-0337 ext. 4200
Facsimile: 514-873-3120
E-mail: inities@lautorite.qc.ca
Website: http://www.lautorite.qc.ca

British Columbia Securities Commission
P.O. Box 10142 Pacific Centre
701 West Georgia Street
Vancouver, BC Canada
V7Y 1L2
Attention: Insider Reporting
Telephone: 604-899-6500 or 800-373-6393 (in BC)
Facsimile: 604-899-6506 (for correspondence)
E-mail: inquiries@bcsc.bc.ca
Website: www.bcsc.bc.ca

Manitoba Securities Commission
500-400 St. Mary Avenue
Winnipeg, MB, Canada
R3K 4K5
Attention: Insider Reporting
Telephone: 204-945-2548 or 800-655-5244 (Manitoba only)
Email: securities@gov.mb.ca
Facsimile: 204-945-0330
Website: www.msc.gov.mb.ca

New Brunswick Securities Commission
85 Charlotte Street, Suite 300
Saint John, NB, Canada
E2L 2J2
Telephone: 506-658-3060
Facsimile: 506-658-3059
E-mail: information@nbsc-cvmnb.ca
Website: www.nbsc-cvmnb.ca

Nova Scotia Securities Commission
2nd Floor, Joseph Howe Building
1690 Hollis Street
P.O. Box 458
Halifax, NS, Canada
B3J 3J9
Attention: Corporate Finance
Telephone: 902-424-7768
Facsimile: 902-424-4625
Website: http://www.gov.ns.ca/nssc

Ontario Securities Commission
Suite 1903, Box 55
20 Queen Street West
Toronto, ON, Canada
M5H 3S8
Attention: Review Officer, Insider Reporting
Telephone: 416-593-8314
1-877-785-1555 (toll free)
Facsimile for filing insider reports: 416-593-3666
E-mail: inquiries@osc.gov.on.ca
Website: www.osc.gov.on.ca

Saskatchewan Financial Services Commission
Securities Division
6th Floor, 1919 Saskatchewan Dr.
Regina, SK, Canada
S4P 3V7
Attention: Deputy Director, Corporate Finance
Telephone: 306-787-5867
Facsimile: 306-787-5899
Website: http://www.sfsc.gov.sk.ca

Securities Commission of Newfoundland and Labrador
Financial Services Regulation Division
Department of Government Services
P.O. Box 8700
2nd Floor, West Block
Confederation Building
St. John's NL
Canada
A1B 4J6
Telephone: 709-729-4189
Facsimile: 709-729-6187
Website: http://www.gs.gov.nl.ca/insurance/index.html

SEDI Technical Service Desk
Telephone: 1-800-219-5381
Facsimile: 1-866-729-8011

1.4 Notices from the Office of the Secretary

1.4.1 Richvale Resource Corp. et al.

FOR IMMEDIATE RELEASE
June 3, 2010

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

AND

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

TORONTO – The Commission issued an Order in the above named matter which provides that (1) the Amended Temporary Order is extended to December 3, 2010; and (2) the hearing in this matter is adjourned to December 2, 2010, at 9:30 a.m.

A copy of the Order dated June 3, 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 Merax Resource Management Ltd. et al.

FOR IMMEDIATE RELEASE
June 3, 2010

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

AND

IN THE MATTER OF
MERAX RESOURCE MANAGEMENT LTD.
CARRYING ON BUSINESS AS
CROWN CAPITAL PARTNERS,
RICHARD MELLON AND ALEX ELIN

TORONTO – The Commission issued on Order in the above named matter which provides that a hearing on the merits shall commence on January 17, 2011 at 10:00 a.m. and continue on January 18, 19, 20 and 21, 2011 or such further or other dates as shall be agreed to by the parties and fixed by the Office of the Secretary.

A copy of the Order dated May 20, 2010 is available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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416-593-8120

Theresa Ebden
Senior Communications Specialist
416-593-8307

Robert Merrick
Senior Communications Specialist
416-593-2315

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

1.4.3 Nelson Financial Group Ltd. et al.

FOR IMMEDIATE RELEASE
June 4, 2010

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

AND

IN THE MATTER OF
NELSON FINANCIAL GROUP LTD., NELSON INVESTMENT GROUP LTD.,MARC D. BOUTET, STEPHANIE LOCKMAN SOBOL, PAUL MANUEL TORRES, H.W. PETER KNOLL

TORONTO – The Commission issued an order which provides that a pre-hearing conference will be held on Friday, June 18, 2010 at 10:00 a.m.

A copy of the Order dated June 3, 2010 is available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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Theresa Ebden
Senior Communications Specialist
416-593-8307

Robert Merrick
Senior Communications Specialist
416-593-2315

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

1.4.4 Paul Donald

FOR IMMEDIATE RELEASE
June 7, 2010

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

AND

IN THE MATTER OF
PAUL DONALD

TORONTO – Following a hearing held today, the Commission issued an Order in the above named matter which provides that (1) this matter is adjourned to a confidential pre-hearing conference to be held on July 28, 2010 at 10:00 a.m.; and (2) the hearing on the merits shall commence on March 1, 2011 at 10:00 a.m. at the offices of the Commission, 20 Queen Street West, 17th floor, Toronto and continue until March 31, 2011 except for March 8, March 22 and the week of March 14, 2011.

A copy of the Order dated June 7, 2010 is available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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416-593-8120

Theresa Ebden
Senior Communications Specialist
416-593-8307

Robert Merrick
Senior Communications Specialist
416-593-2315

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

1.4.5 Peter Sabourin et al.

FOR IMMEDIATE RELEASE
June 7, 2010

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

AND

IN THE MATTER OF
PETER SABOURIN, W. JEFFREY HAVER, GREG IRWIN, PATRICK KEAVENEY, SHANE SMITH, ANDREW LLOYD, SANDRA DELAHAYE, SABOURIN AND SUN INC., SABOURIN AND SUN (BVI) INC., SABOURIN AND SUN GROUP OF COMPANIES INC., CAMDETON TRADING LTD. AND CAMDETON TRADING S.A.

TORONTO – The Commission issued its Reasons and Decision on Sanctions and Costs and an Order in the above noted matter.

A copy of the Reasons and Decision on Sanctions and Costs and the Order dated June 4, 2010 are available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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416-593-8120

Theresa Ebden
Senior Communications Specialist
416-593-8307

Robert Merrick
Senior Communications Specialist
416-593-2315

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

1.4.6 Sextant Capital Management Inc. et al.

FOR IMMEDIATE RELEASE
June 8, 2010

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

AND

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

TORONTO – The Commission issued an Order which provides that the hearing on the merits is adjourned to Monday, June 14, 2010 at 10:00 a.m.

A copy of the Order dated June 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)

1.4.7 Christina Harper et al.

FOR IMMEDIATE RELEASE
June 9, 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 SHIFF

TORONTO – Take notice that the hearing in the above named matter scheduled to be heard on June 14, 2010, at 10:00 a.m., will be heard on June 14, 2010 at 9:30 a.m.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

For media inquiries:

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

Theresa Ebden
Senior Communications Specialist
416-593-8307

Robert Merrick
Senior Communications Specialist
416-593-2315

For investor inquiries:

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

1.4.8 Paladin Capital Markets Inc. et al.

FOR IMMEDIATE RELEASE
June 9, 2010

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

AND

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

TORONTO – Take notice that the hearing in the above named matter scheduled to be heard on June 15, 2010 at 2:00 p.m., will be heard on June 15, 2010 at 9:15 a.m.

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)

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 O'Leary Funds Management LP et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted from section 2.1 of NI 81-101 to permit bottom fund in an exchange-traded two-tier structure to file a long form prospectus using Form 41-101F2 rather than a simplified prospectus using Form 81-101F1; units of both the top fund and the bottom fund to be qualified by long form prospectus; bottom fund will issue one unit to the manager and become subject to NI 81-102.

Applicable Legislative Provisions

National Instrument 81-101 Mutual Fund Prospectus Disclosure, ss. 2.1, 6.1.

[TRANSLATION]

May 28, 2010

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
QUÉBEC
(the "Jurisdiction")

AND

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

AND

IN THE MATTER OF
O'LEARY FUNDS MANAGEMENT LP
(the "Manager"), O'LEARY ADVANTAGED
TACTICAL GLOBAL CORPORATE BOND
FUND (the "Top Fund") AND O'LEARY BOND
PORTFOLIO TRUST (the "Bottom Fund"
and, together with the Top Fund, the "Funds")

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Bottom Fund for a decision under the securities legislation of the Jurisdiction of the principal regulator (the "Legislation") exempting it from Section 2.1 of National Instrument 81-101 – *Mutual Fund Distributions* ("NI 81-101") to permit the Bottom Fund to qualify its units for distribution by long form prospectus using Form 41-101F2 prescribed under National Instrument 41-101 – *General Prospectus Requirements* ("NI 41-101") rather than by simplified prospectus using Form 81- 101F1 prescribed under NI 81-101 (the "Requested Relief").

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

(a) the Autorité des marchés financiers is the principal regulator for this application, and

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

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 Manager and the Funds:

1. The Manager is the manager of the Funds. The head office of the Manager is located in Québec. The Manager and the Funds are not in default of securities legislation in any jurisdiction. The Manager will retain Stanton Asset Management Inc. (the "Portfolio Advisor") to provide investment advisory services to the Funds.

2. The Bottom Fund is a mutual fund trust governed by the laws of the Province of Ontario.

3. The Bottom Fund is authorized to issue an unlimited number of units of a single class of transferable, redeemable (at their net asset value) units. The units of the Bottom Fund will not be listed on an exchange.

4. The Bottom Fund filed a preliminary prospectus dated April 27, 2010 (the "Preliminary Prospectus") on SEDAR in the Provinces of Ontario and Québec in accordance with National Instrument 41-101. The Bottom Fund intends to file and obtain a receipt for a final prospectus (the "Final Prospectus").

5. Pursuant to the Final Prospectus, the Bottom Fund proposes to distribute one unit to the Manager, which unit may be redeemed in the future. No other units will be distributed under the Final Prospectus.

6. Units may be redeemed for a redemption price per unit equal to the net asset value per unit as at any business day, subject to the Manager's right to suspend redemptions in certain circumstances.

7. The Bottom Fund's investment objective is to preserve capital and promote capital appreciation by investing in a portfolio comprised primarily of publicly-traded debt securities of global issuers.

8. The Top Fund is an investment trust governed by the laws of the Province of Ontario.

9. The Top Fund filed a preliminary long form prospectus dated April 23, 2010 on SEDAR in all jurisdictions in Canada and intends to file and obtain a receipt for a final long form prospectus for the distribution of its units (the "offering"). The Toronto Stock Exchange has conditionally approved the listing of the units of the Top Fund.

10. It is intended that on or about August 1, 2011, the Top Fund will automatically convert (the "Conversion") to a mutual fund and delist its units. After the conversion, the units will become redeemable daily at their net asset value. After the Conversion, the Manager intends to file a simplified prospectus to qualify the units of the Top Fund for continuous distribution.

11. The Top Fund will invest the net proceeds of the Offering in a portfolio of common shares of Canadian public companies (the "Common Share Portfolio"). The Top Fund will then enter into a forward agreement (the "Forward Agreement") with a Canadian chartered bank or an affiliate of a Canadian chartered bank whose obligations are guaranteed by a Canadian chartered bank (the "Counterparty"), pursuant to which the Counterparty will agree to pay to the Fund on a date which is expected to be no more than 5 years after the closing of the Offering and which will be disclosed in the final prospectus (the "Forward Termination Date") as the purchase price for the Common Share Portfolio, an amount based on the value of the units of the Bottom Fund or on the value of a notional portfolio managed by the Portfolio Advisor and comprised primarily of publicly traded debt securities of global issuers. The Top Fund will partially settle the Forward Agreement prior to the Forward Termination Date in order to fund (i) monthly distributions to unitholders, (ii) redemptions of units by the unitholders from time to time, and (iii) payment of expenses of the Top Fund.

12. Following the Conversion, the Top Fund will become a mutual fund subject to, and will operate in compliance with NI 81-102. To comply with the provisions of NI 81-102 respecting investments in other mutual funds, the Bottom Fund wishes to attract the application of NI 81-102. To that end, the Bottom Fund proposes to issue one unit to the Manager pursuant to the Final Prospectus, which may be redeemed in the future.

13. The Bottom Fund is a mutual fund under securities legislation subject to NI 81-101 and NI 81-102. However, the distribution operations of the Bottom Fund will differ from those of a conventional mutual fund. Unlike a conventional mutual fund, the Bottom Fund does not intend to distribute units on a continuous basis under the Final Prospectus. The Bottom Fund will only issue one unit to the Manager under the Final Prospectus; no other units of the Bottom Fund will be distributed under the Final Prospectus.

14. In the absence of being granted the Requested Relief, the Bottom Fund would be required to file a simplified prospectus in the Form prescribed under NI 81-101. The use of a simplified prospectus form to distribute units of the Bottom Fund may create confusion in the investment dealer channel in which units of the Top Fund will be sold and may consequently negatively impact the marketing of the units of the Top Fund.

Decision

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

The decision of the principal regulator under the Legislation is that the Requested Relief is grant.

"Josée Deslauriers"
Director, Investment Funds and Continuous Disclosure
Autorité de marchés financiers

2.1.2 Marathon Oil Canada Corporation – s. 1(10)

Headnote

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

Applicable Legislative Provisions

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

Citation: Marathon Oil Canada Corporation, Re, 2010 ABASC 240

May 26, 2010

Bennett Jones LLP
4500 Bankers Hall East
855 - 2 Street SW
Calgary, AB T2P 4K7

Marathon Oil Canada Corporation
Dear Sir:

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

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

As the Applicant has represented to the Decision Makers that:

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

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

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

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

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

"Blaine Young"
Associate Director, Corporate Finance

2.1.3 Oculus Ventures Corporation et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – exemption granted from certain financial disclosure requirements applicable in the case of a reverse takeover transaction pursuant to Section 4.10 of NI 51-102 and NI 52-107 – target companies do not meet the definition of junior issuer due to a change in year end during the most recently completed financial year – relief granted from the audit requirement in respect of the annual financial statements for the third most recently completed financial year – relief granted to permit the auditor's report on the financial statements for the second most recently completed financial year to contain a reservation with respect to opening inventory.

Applicable Legislative Provisions

National Instrument 51-102 Continuous Disclosure Obligations, s. 4.10.
National Instrument 52-107 Acceptable Accounting Principles, Auditing Standards and Reporting Currency, s. 3.2(a).

June 2, 2010

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

AND

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

AND

IN THE MATTER OF
OCULUS VENTURES CORPORATION (the "Filer")
AND THE FILER'S PROPOSED ACQUISITION
OF ALL OF THE ISSUED AND OUTSTANDING
SHARES OF 1384694 ONTARIO INC., BALIMORE
LIMITED, SEQUENCE ELECTRONICS INC.
(collectively, together with their respective
subsidiaries, the "Target Companies")

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the "Legislation") for relief from continuous disclosure obligations, specifically:

(a) the audit requirement in respect of the annual financial statements for the Target Companies for the year ended January 31, 2008, being the third most recently completed financial year of the Target Companies; and

(b) the requirement to have an auditor's report that does not contain a reservation in respect of the financial statements for the Target Companies for the year ended January 31, 2009, being the second most recently completed financial year of the Target Companies,

such that a Filing Statement filed pursuant to the policies of the TSX Venture Exchange (the "TSXV") with the following Target Company financial statements will satisfy the requirement in Subsection 4.10(2) of National Instrument 51-102 – Continuous Disclosure Obligations ("NI 51-102") to file the financial statements for the reverse takeover acquirer that would be required to be included in a prospectus:

(a) Unaudited interim statements for the three months ended January 31, 2010;

(b) Audited annual (transition year) statements for the nine months ended October 31, 2009;

(c) Audited annual statements for the twelve months ended January 31, 2009 (with qualification only as to opening inventory); and

(d) Unaudited annual statements for the twelve months ended January 31, 2008.

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

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

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

Interpretation

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

Representations

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

1. The Filer has selected the Ontario Securities Commission as Principal Regulator for this application since the Filer's head office is located in the Province of Ontario.

2. The Filer was incorporated pursuant to the *Canada Business Corporations Act* on May 8, 2007.

3. The Filer completed an initial public offering of its Class A Shares on March 25, 2008 as a Capital Pool Company pursuant to TSXV Policy 2.4 and the Class A Shares began trading on the TSXV on April 1, 2008 under the symbol "OVX.P".

4. The Filer is not in default of securities legislation in any jurisdiction.

5. The Filer has identified the acquisition of the Target Companies as an appropriate transaction to constitute its Qualifying Transaction (as defined in the policies of the TSXV). It is proposed that the Filer will acquire 100% of the issued and outstanding shares of each of the Target Companies (the "Acquisition").

6. The Acquisition will be a reverse takeover as defined in NI 51-102.

7. Subsection 4.10(2) of NI 51-102 requires an issuer that has completed a reverse takeover to file, within a specific period of time, the financial statements for the reverse takeover acquirer that would have been required to be included in the form of a prospectus that the reserve takeover acquirer was eligible to use prior to the reverse takeover for a distribution of securities in the jurisdiction, to the extent that it has not already included such statements in an information circular or similar document previously filed.

8. The available form of prospectus is described in Form 41-101F1 in National Instrument 41-101 – *General Prospectus Requirements* ("NI 41-101")

9. In connection with the Acquisition, the Filer proposes to file a Filing Statement pursuant to TSXV Policy 2.4. The Target Company financial statement requirements in a TSXV Filing Statement are the same as the financial statement requirements in a prospectus filed pursuant to NI 41-101. Therefore, the financial statement disclosure in a TSXV Filing Statement satisfies the continuous disclosure requirements under Subsection 4.10(2) of NI 51-102 described above.

10. The Target Companies have changed their financial year end in 2009 from January 31 to October 31. As such, the most recent three financial years for the Target Companies are as follows:

    a. nine months ended October 31, 2009;

    b. twelve months ended January 31, 2009; and

    c. twelve months ended January 31, 2008.

11. The Filer is proposing to including the following Target Company financial statements in the Filing Statement filed in connection with the Acquisition:

    a. Unaudited interim statements for the three months ended January 31, 2010;

    b. Audited annual (transition year) statements for the nine months ended October 31, 2009;

    c. Audited annual statements for the twelve months ended January 31, 2009 (with qualification only as to opening inventory); and

    d. Unaudited annual statements for the twelve months ended January 31, 2008.

12. Including financial statements for the nine month transition year ended October 31, 2009 satisfies the requirement to deliver financial statements for one of the three financial years to be included in the Filing Statement or in a prospectus pursuant to NI 41-101 (see Subsection 32.2(4) of Form 41-101F1).

13. The auditor's report on the financial statements of the Target Companies for the year ended January 31, 2009 contains a reservation relating to opening inventory as the auditors were not able to observe the counting of physical inventories and are not able to satisfy themselves concerning those inventory quantities by alternative means. The auditor's report on the financial statements for the nine-month period ended October 31, 2009 will contain no reservation and the business of the Filer is not seasonal.

14. The statements for the three months ended January 31, 2010 and the twelve months ended January 31, 2008 will be subject to a review engagement.

15. The annual statements included in a Filing Statement or prospectus pursuant to NI 41-101 must be audited except that the audit requirement does not apply to the annual financial statements for the second and third most recently completed financial years if (i) the issuer is a junior issuer; and (ii) the financial statements for the most recently completed financial year required is not less than twelve months in length (see Paragraph 32.5(b) of Form 41-101F1).

16. The Target Companies, as a group, would meet the definition of junior issuer in the context of filing a preliminary prospectus. However, due to the change in year end during the most recently completed financial year that financial year is only nine months in length. As a result, the Target Companies do not meet the test in Paragraph 32.5(b) of Form 41-101F1 for the exemption from audit for the second and third most recently completed financial years.

17. The current auditors of the Target Companies did not act as auditors to the Target Companies during the fiscal year ended January 31, 2008 and those financial statements have never been audited.

18. If the most recently completed financial year of the Target Companies was twelve months in length the Target Companies, as a group, would be eligible for the junior issuer exemption from the audit requirement in respect of the annual financial statements for the second and third most recently completed financial years.

19. Section 13.1 of NI 51-102 provides that the regulator or securities regulatory authority may grant an exemption from NI 51-102, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.

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.

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

2.1.4 Dundee Securities Corporation

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Large investment dealer with separate retail and institutional operating divisions exempted from the requirement to register an individual as a chief compliance officer (CCO) – permitted to register two CCOs, one for each operating division.

Statutes Cited

National Instrument 31-103 Registration Requirements and Exemptions, s. 11.3.

June 3, 2010

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

AND

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

AND

IN THE MATTER OF
DUNDEE SECURITIES CORPORATION
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for an exemption from the requirement contained in section 11.3 of National Instrument 31-103 – *Registration Requirements and Exemptions* (**NI 31-103**) that the Filer designate an individual to be the chief compliance officer (**CCO**) and instead be permitted to designate and register two individuals as CCO in respect of two distinct lines of securities business of the Filer (the **Exemption Sought**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a Passport Application):

(a) the Ontario Securities Commission is the principal regulator for the purpose of 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 outside of Ontario (the **Non-Principal Jurisdictions** and together with the Jurisdiction, the **Jurisdictions**).

Interpretation

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

Representations

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

1. The Filer is a corporation formed under the *Business Corporations Act* (Ontario) and its head office located in Toronto, Ontario.

2. The Filer is not in default of securities legislation in any of the Jurisdictions.

3. The Filer is registered under the Legislation as a dealer in the category of investment dealer and is a dealer member of the Investment Industry Regulatory Organization of Canada (**IIROC**).

4. The Filer is also registered as an investment dealer in each of the Non-Principal Jurisdictions and as a derivatives dealer in Quebec.

5. The Filer has two distinct lines of securities business based on the nature of its clients:

   (a) the institutional division (the **Institutional Division**) provides a broad spectrum of services to institutional clients, including equity, fixed income and options sales and trading, investment banking and research. The Institutional Division oversees the Filer's trading desks and its options and managed account programs; and

   (b) the retail division (the **Retail Division**) provides diversified wealth-management services to the Filer's retail clients, including full-service retail accounts and suitability-based investment advice. The Retail Division oversees the Filer's registration department, complaints and investigations, trade surveillance, sales communications and training of branch managers.

6. The Retail Division and the Institutional Division each have a well-established, separate and distinct supervisory structure. Each division has its own compliance department and has its own CCO.

7. Given the specialized and diversified business operations within the Institutional Division of the Filer, the CCO of the Institutional Division requires a different set of skills, experience and focus than that of the CCO of the Filer's large-scale Retail Division.

8. The CCO of the Institutional Division focuses on the needs of institutional clients and oversees compliance systems that are reasonably designed to ensure integrity of the marketplace for all of the Filer's clients. The CCO of the Institutional Division's responsibilities include supervising the Filer's trade desk, supervising all trades in options and commodity pools, overseeing trade matching & settlement and conducting the quarterly trade desk review as well as quarterly reports to regulators. Additionally, the CCO of the Institutional Division sits on the managed accounts committee and is responsible overseeing management for the Filer's managed accounts programs. On the investment banking side, the CCO of the Institutional Division also sits on the new issues screening committee, manages the Filer's restricted and grey lists and is responsible for overseeing research. The CCO of the Institutional Division also acts as the CCO and anti-money laundering officer of the Filer's U.S. Financial Industry Regulatory Authority-registered affiliate.

9. The CCO of the Retail Division fulfils a different mandate than the CCO of the Institutional Division. The CCO of the Retail Division focuses on the needs of retail clients and oversees compliance systems that are reasonably designed to ensure the suitability of investment advice and products and services for retail clients. Additionally, the CCO of the Retail Division is responsible for tier 2 supervision of more than 1,100 investment advisors and branch audits of more than 450 branches and sub-branches. The CCO of the Retail Division also acts as the Filer's anti-money laundering officer and privacy officer.

10. NI 31-103 was implemented on September 28, 2009 (the **Implementation Date**). Under section 11.3 of NI 31-103, a registered firm is required to designate an individual to be the CCO (the **CCO Requirement**).

11. Prior to the Implementation Date, the Filer was permitted by IIROC to designate two individuals to fulfill the role of CCO under IIROC rules. The role of the CCO under IIROC rules is equivalent to the role of the CCO under NI 31-103. As a result, the Filer has had two CCOs, one for the Retail Division and one for the Institutional Division, for a number of years.

12. Given the size, diversity and increasing complexity of the Filer's Retail Division and the Institutional Division it is (i) unreasonable for one individual to effectively carry out all of the responsibilities of the CCO for both the Retail Division and the Institutional Division, (ii) difficult for one CCO to effectively identify and stay abreast of the different issues and risks applicable to both the Retail Division and Institutional Division, and (iii) to escalate all such issues and risks to the ultimate

designated person and the board of directors in a timely and effective manner.

13. Without the Exemption Sought, the filer would have to change its supervisory and its compliance structure to meet the CCO Requirement. Alternatively, the Filer would have to separate the Retail Division and the Institutional Division into two separate registered firms. Either option would be burdensome for the Filer. There would be significant costs associated with the restructuring resulting from a loss of certain operational and technological efficiencies that currently exist as a result of operating as a single registrant.

14. Designating only one CCO for the purposes of satisfying the CCO Requirement in the Legislation would not be consistent with the policy objectives the Legislation is intended to achieve because the Retail Division and the Institutional Division are independent operations that are distinct from one another.

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 principle regulator under the Legislation is that the Exemption Sought is granted provided that the Filer designate:

1. only one individual to be CCO of the Retail Division; and

2. only one individual to be CCO of the Institutional Division.

"Erez Blumberger"
Deputy Director, Registrant Regulation

2.1.5 Silver Creek-Cedarwood Partnership – s. 1(10)

Headnote

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

Ontario Statutes

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

June 4, 2010

Silver Creek-Cedarwood Partnership
c/o Realstar Management Partnership
77 Bloor Street West, Suite 2000
Toronto, Ontario
M5S 1M2

Dear Sirs/Mesdames:

Re: Silver Creek-Cedarwood Partnership (the "Applicant") – application for a decision under the securities legislation of Ontario, Alberta and Manitoba (the "Jurisdictions") that the Applicant is not a reporting issuer

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

As the Applicant has represented to the Decision Makers that:

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

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

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

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

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

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

2.1.6 Fibrek Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – section 2.8 of National Instrument 44-101 Short Form Prospectus Distributions – notice of intention to be qualified to file a short form prospectus – abridgement of 10-day period to allow for financing – issuer is a successor issuer under NI 44-101 through conversion from an income fund to a corporation – relief granted as disclosure regarding the predecessor issuer is effectively the disclosure of the successor issuer – predecessor issuer was qualified to file a short form prospectus and had several years of reporting issuer history.

Applicable Legislative Provisions

National Instrument 44-101 Short Form Prospectus Distribution, ss. 2.8(1), 8.1.

TRANSLATION

May 21, 2010

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

AND

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

AND

IN THE MATTER OF
FIBREK INC.
(the "Filer")

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (each a "**Decision Maker**") has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the "**Legislation**") pursuant to section 8.1 of *Regulation 44-101 respecting Short Form Prospectus Distributions* ("**Regulation 44-101**") from the requirement under section 2.8 of Regulation 44-101 for the Filer to file a notice declaring its intention (the "**Notice of Intention**") to be qualified to file a short form prospectus at least 10 business days prior to the filing of its first preliminary short form prospectus (the "**Preliminary Prospectus**") after the notice (the "**Exemption Sought**").

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

(a) the *Autorité des marchés financiers* is the principal regulator for this application (the "**Principal Regulator**");

(b) the Filer has provided notice that subsection 4.7 (1) of *Regulation 11-102 respecting Passport System* ("**Regulation 11-102**") is intended to be relied upon in all jurisdictions of Canada, except for the provinces of Québec and Ontario; and

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

Interpretation

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

Representations

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

The Filer

1. The Filer was incorporated under the laws of Canada on March 24, 2010 for the purpose of becoming the successor issuer to SFK Pulp Fund (the "**Fund**") as a result of the Conversion (as defined below).

2. The head office of the Filer is located at 1010 de Sérigny, Longueuil, Québec, J4K 5G7.

3. The authorized share capital of the Filer consists of an unlimited number of common shares (the "**Common Shares**") and an unlimited number of preferred shares, issuable in series.

4. The Filer has not conducted any business or operations, other than to execute the arrangement agreement relating to the Conversion and entering into a share option plan in connection with the arrangement.

5. The Filer is not a reporting issuer in any jurisdiction of Canada and is not in default under securities legislation in such jurisdictions.

The Fund

6. The Fund is an unincorporated, open-ended limited purpose trust governed by the laws of the province of Québec. The Fund was established pursuant to a trust agreement dated May 21, 2002, as amended and restated on July 23, 2002, April 28, 2005 and August 16, 2006.

7. The Fund is qualified to file a short form prospectus pursuant to section 2.2 of Regulation 44-101.

8. The Fund is a reporting issuer in each jurisdiction of Canada and is not in default under securities legislation in such jurisdictions.

The Proposed Conversion

9. The Fund is proposing to undertake a conversion of the Fund into the Filer by way of a statutory plan of arrangement (the "**Conversion**"). Under the Conversion, the holders of units of the Fund (the "**Unitholders**") will, if certain conditions are satisfied or waived, exchange their respective units for Common Shares.

10. The Conversion has been approved by the Unitholders at the Annual and Special Meeting of the Fund held on May 19, 2010 (the "**Meeting**") and a management information circular was prepared and mailed to Unitholders in connection with the Conversion and the Meeting.

11. The Conversion is subject to court approval and other conditions. If implemented, it is expected that the Conversion will be effective on or about May 25, 2010.

12. Upon completion of the Conversion,

    (a) 90,472,708 Common Shares will be issued and outstanding and the Common Shares will be listed on the Toronto Stock Exchange;

    (b) the sole business of the Filer will be the current business of the Fund (the Conversion does not contemplate the acquisition of any additional operating assets or the disposition of any existing operating assets);

    (c) the Filer will be a reporting issuer in all jurisdictions of Canada; and

    (d) the Filer will be a "successor issuer" to the Fund as defined in Regulation 44-101.

The Filer's Anticipated Prospectus Filing

13. The Filer intends to file the Preliminary Prospectus in accordance with Regulation 44-101 on or about May 25, 2010 relating to the offering of securities of the Filer.

Exemption Sought

14. Following the Conversion, the Filer will be qualified to file a short form prospectus on the basis that it will satisfy the requirements of

subsections 2.2(a), (b), (c) and (e) of Regulation 44-101 and, as successor issuer, can make use of the exemption provided under subsection 2.7(2) of Regulation 44-101.

15. On May 14, 2010, the Filer, in anticipation of the filing of the Preliminary Prospectus, filed the Notice of Intention.

16. Notwithstanding section 2.2 of Regulation 44-101, subsection 2.8(1) of Regulation 44-101 provides that an issuer is not qualified to file a short form prospectus unless it has filed a notice declaring its intention to be qualified to file a short form prospectus at least 10 business days prior to the issuer filing its first preliminary short form prospectus.

17. The Filer will not satisfy the requirement of subsection 2.8(1) of Regulation 44-101 before June 1, 2010, and will not be qualified to file the Preliminary Prospectus before that time, unless the Exemption Sought is granted.

Decision

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

The decision of the Decision Makers under the Legislation is that the Exemption Sought is granted, provided that, at the time the Filer files the Preliminary Prospectus, the Filer meets the requirements of :

(a) subsections 2.2(a), (b), (c) and (e) of Regulation 44-101, and

(b) the exemption for successor issuers set forth in subsection 2.7(2) of Regulation 44-101.

This decision will terminate on the earlier of (i) June 1, 2010, the date which is 10 business days following the filing of the Notice of Intention, or (ii) the date the Preliminary Prospectus is filed.

“Benoit Dionne”
Manager, Corporate Finance

2.1.7 Elad Canada Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Exemptive relief from prospectus requirements for first trades in non-reporting issuer's common shares issued pursuant to prospectus exemptions – Filer is a subsidiary of a global real estate developer that carries on business through a number of subsidiaries – Filer intends to effect an IPO on the Tel Aviv Stock Exchange – Post-IPO between 55-85% of the Filer's common shares will be owned directly or indirectly by Trusts resident in Alberta – none of the ultimate beneficiaries of the Trusts or the ultimate beneficial owner of the Trustee are Canadian residents – Filer intends to issue incentive stock options to certain employees, executive officers, directors and consultants in Ontario and Quebec – Exemptive relief analogous to s. 2.14 of National Instrument 45-102 Resale of Securities granted in order to effectively permit direct or indirect holders of Filer's common shares that are ultimately beneficially owned by non-residents of Canada to be excluded from share ownership calculation set out in s. 2.14.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 53, 74(1).
National Instrument 45-102 Resale of Securities, s. 2.14.

May 11, 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
ELAD CANADA INC.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for an exemption under the Legislation from the prospectus requirements contained in the Legislation in connection with first trades of the Filer's Common Shares distributed under an exemption from the prospectus requirement.

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

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

(ii) 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 each of the provinces of Canada other than Ontario (the **Non-Principal Passport Jurisdictions**).

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 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 Filer and Y.T. America Israel Investment Ltd. (**Elad Israel**), where applicable:

Elad Israel and the El-Ad Group

1. Elad Israel is a private company incorporated under the laws of Israel. The shareholders of Elad Israel are not resident in Canada.

2. Elad Israel directly or indirectly controls a number of entities (each an **Elad Subsidiary**, and collectively with Elad Israel, the **El-Ad Group**) worldwide in connection with its business of acquiring, developing and owning real estate assets worldwide.

The Filer

3. The Filer was incorporated pursuant to the *Business Corporations Act* (Ontario) on December 23, 2009. Its registered and head office is located at Suite 1405, 5001 Yonge Street, Toronto, Ontario, Canada M2N 6P6.

4. The Filer's authorized share capital consists of an unlimited number of common shares (**Common Shares**) and an unlimited number of preferred shares (**Preferred Shares**), each without nominal or par value, of which one hundred Common Shares were issued and are outstanding as at the date hereof.

5. The Filer has been formed to acquire, by way of reorganization, a portfolio of real estate assets and development projects in Quebec and Ontario (the **Assets**) which are owned by Elad Subsidiaries, as described below. Upon completion of the reorganization, the Filer and its shareholders will engage in an initial public offering of Common Shares and Common Share purchase warrants (the **Offering**) on the Tel Aviv Stock Exchange (the **TASE**) by way of a Hebrew language prospectus (the **Israeli Prospectus**) to be filed in Israel pursuant to the securities laws of Israel.

6. The Filer is not a reporting issuer in any province in Canada and will not become a reporting issuer as a result of the Offering. The Filer has no current intention of becoming a reporting issuer in Canada.

7. The securities of the Filer are not currently listed on any exchange or quotation system and it has no plans to apply for a listing in Canada.

8. The Filer is not in default of securities legislation in Ontario or the Non-Principal Passport Jurisdictions.

The Trusts

9. The Assets are currently held by seven Alberta resident trusts: Moose Trust, Tiger Trust, Lion Trust, Loon Trust, Riviera Trust, Tower Trust and Westmount Square Trust (collectively, the **Trusts**).

10. The sole trustee of each Trust (the **Trustee**) is a corporation resident in Canada and an Elad Subsidiary. All of the issued and outstanding shares of the Trustee are beneficially owned, indirectly through a complex holding structure, by Elad Israel. The two individual directors of the Trustee are both residents of Canada. One of the two directors of the Trustee is an employee of an Elad Subsidiary.

11. The beneficiaries of each Trust (except Riviera Trust) consist of a subset of members of the El-Ad Group, together with persons who are related, within the meaning of the *Income Tax Act* (Canada) (the **ITA**), to existing beneficiaries.

12. Riviera Trust is a discretionary trust with beneficiaries consisting of a member of the El-Ad Group, together with such other beneficiaries as may be determined by the Trustee from time to time. Prior to the Reorganization, the assets held by Riviera Trust account for approximately 2.75% of the total value of the Assets.

13. The ultimate beneficiaries of the Trusts and the ultimate beneficial owner of the Trustee are all not resident in Canada.

The Reorganization and the Offering

14. Prior to the Offering, the Filer will complete a reorganization wherein the Assets will be transferred to the Filer in exchange for Common Shares and Preferred Shares (the **Reorganization**).

15. At the completion of the Reorganization, the Trusts will (directly or indirectly through a Canadian limited partnership (**Elad LP**)) hold 100% of the issued and outstanding Common Shares and Preferred Shares. The Trusts will be the

only limited partners of Elad LP and hold all of the outstanding shares of the sole general partner of Elad LP. The outstanding Preferred Shares will be redeemed prior to completion of the Offering.

16. The Filer currently intends to raise approximately New Israeli Shekels 185 million (approximately Cdn $50.5 million) pursuant to the Offering, although the exact amount of money intended to be raised, the number of Common Shares to be sold and the offer price have not been finalized.

17. Although the number of shares to be issued has not been finally determined, immediately following the completion of the Offering:

    (a) the Trusts expect that they will in aggregate hold, directly or indirectly through Elad LP, approximately 55-85% of the issued and outstanding Common Shares (collectively, the **El-Ad Share Block**);

    (b) it is expected that residents of Canada will not represent in number more than 10 percent of the total number of owners directly or indirectly of Common Shares; and

    (c) no Preferred Shares will be issued or outstanding.

18. Reasonable precautions, consistent with the Interpretation Note issued in respect of former OSC Policy 1.5, will be taken to ensure that the Common Shares issued pursuant to the Offering are not distributed into Canada. These precautions include:

    (a) imposing requirements in the underwriting agreement and selling group arrangements that restrict the underwriters and the selling group members from soliciting or selling the Common Shares under the Offering to Canadian residents and oblige the underwriters to certify that they have not, to the best of their knowledge after reasonable investigation, solicited or sold any of the Common Shares being offered to Canadian residents; and

    (b) the inclusion of a legend on the cover of the Israeli Prospectus, the form upon which orders for Common Shares are made and all advertisements regarding the Offering indicating that the offering is unavailable to Canadian residents.

19. Drafts of the Israeli Prospectus have been filed with the Israeli Securities Authority and the Reorganization and the Offering are scheduled to occur in the second quarter of 2010.

20. Immediately upon completion of the Offering, the Filer will be listed on a foreign stock exchange and, aside from the Trusts, does not expect to have any shareholders resident in Canada.

21. A trade in any of the Jurisdictions of Common Shares from the El-Ad Share Block will be a distribution under either the Legislation or the securities legislation of one of the non-Principal Passport Jurisdictions. Each Trust will deliver to the Filer an undertaking not to trade and to cause Elad LP not to trade the Filer's Common Shares unless such trade does not require the filing of a prospectus in Ontario or in a Non-Principal Passport Jurisdiction.

22. Under Tel-Aviv Stock Exchange rules, the Elad Share Block will be subject to a "lock-up" for an 18 month period following the Offering (the **TASE Lock-up**). Pursuant to the TASE Lock-up, the Elad Share Block will be deposited with an escrow agent, and the Trusts will be generally restricted from selling the Elad Share Block. The Elad Share Block will be released from the TASE Lock-up at a rate of 2.5% of the Elad Share Block per month beginning the fourth month after the Offering. In addition, beginning six months after the Offering, the TASE Lock-up will not restrict the Trusts from selling the Elad Share Block in an off-market transaction if the purchaser undertakes to be bound by the TASE Lock-up.

23. Following completion of the Offering, if the Trusts were not resident in Canada, an exemption from the prospectus requirement pursuant to section 2.14 (the **First Trade Exemption**) of National Instrument 45-102 *Resale of Securities* (**NI 45-102**) would be available for the first trades of any Common Shares distributed in Canada pursuant to any exemption from the prospectus requirement.

24. The conditions to the First Trade Exemption include a requirement that residents of Canada not directly or indirectly own more than 10% of the outstanding securities of the class or series distributed.

25. Because the Trusts will directly or indirectly through Elad LP own more than 10% of the Common Shares and are resident in Canada, the First Trade Exemption will not be available for the first trades of any Common Shares distributed in Canada, even though:

(a) none of the ultimate beneficiaries of the Trusts nor the ultimate beneficial owner of the Trustee are resident in Canada; and

(b) all Common Shares that are part of the El-Ad Share Block will be indirectly beneficially owned by persons not resident in Canada.

26. From time to time after completion of the Offering, the Filer expects to issue, pursuant to an available prospectus exemption, incentive stock options to certain employees, executive officers, directors and consultants resident in Ontario and Quebec.

27. The Filer does not intend to issue securities to residents of the provinces and territories of Canada other than to:

(a) the Trusts in Alberta as part of the Reorganization; and

(b) to employees, executive officers, directors and consultants resident in Ontario and Quebec.

28. The financial reports, proxy materials and other materials distributed to the securityholders pursuant to the securities laws of Israel will be provided to any securityholders resident in Canada in accordance with applicable corporate and securities laws.

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:

1. the prospectus requirement does not apply to the first trade of any Common Share of the Filer distributed from time to time after the completion of the Offering under an exemption from the prospectus requirement (each a **Post-Offering Distribution**) if:

(a) the Filer

(i) was not a reporting issuer in any jurisdiction of Canada at the Post-Offering Distribution date, or

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

(b) at the Post-Offering Distribution date, after giving effect to the issue of the Common Shares and any other Common Shares that were issued at the same time as or as part of the same Post-Offering Distribution,

(i) residents of Canada did not own directly or indirectly more than 10 percent of the outstanding Common Shares,

(ii) despite paragraph (i) above, in calculating the number of outstanding Common Shares owned directly or indirectly by residents of Canada, Common Shares that are directly or indirectly owned by an Elad Subsidiary resident in Canada may be excluded provided that:

A. if the Elad Subsidiary is a trust, none of the ultimate beneficiaries of the trust are residents of Canada. and

B. none of the issued and outstanding shares of Elad Israel are beneficially owned by residents of Canada,

(iii) residents of Canada did not represent in number more than 10 percent of the total number of owners directly or indirectly of Common Shares, and

(iv) despite paragraph (iii) above, in calculating the number of residents of Canada who own directly or indirectly outstanding Common Shares, Elad Subsidiaries resident in Canada that directly or indirectly own Common Shares may be excluded provided that:

A. if the Elad Subsidiary is a trust, none of the ultimate beneficiaries of the trust are residents of Canada; and

B. none of the issued and outstanding shares of Elad Israel are beneficially owned by residents of Canada; and

(c) the trade is made

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

(ii) to a person or company outside of Canada; and

2. the prospectus requirement does not apply to the first trade of any Common Share of the Filer distributed from time to time after completion of the Offering pursuant to the exercise of a stock option granted to an employee, executive officer, director or consultant (each a Stock Option) if:

(a) the Stock Option that entitled the holder to acquire the Common Share was distributed under an exemption from the prospectus requirement;

(b) the Filer

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

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

(c) the conditions in paragraph (1)(b) would have been satisfied for the Common Share at the time of the initial distribution of the Stock Option; and

(d) the condition in paragraph (1)(c) is satisfied.

“Mary Condon”
Commissioner

“Wes M. Scott”
Commissioner

2.1.8 Daylight Energy Ltd.

Headnote

Multilateral Instrument 11-102 Passport System and National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – exemption granted to a successor issuer from the requirement to deliver personal information forms for individuals for whom the trust previously delivered personal information forms.

Applicable Legislative Provisions

National Instrument 44-101 Short Form Prospectus Distributions, s. 8.1.

Citation: Daylight Energy Ltd. , Re, 2010 ABASC 248

June 3, 2010

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

AND

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

AND

IN THE MATTER OF
DAYLIGHT ENERGY LTD.
(DEL or the Filer)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) exempting the Filer from the requirement under Subsection 4.1(b) of National Instrument 44-101 *Short Form Prospectus Distributions* (**NI 44-101**) for DEL to deliver a Personal Information Form and Authorization to Collect, Use and Disclose Personal Information (in the form attached as Appendix A to National Instrument 41-101 *General Prospectus Requirements* (**NI 41-101**) for each director and executive officer of the Filer at the time of filing a preliminary short form prospectus, for whom Daylight Resources Trust (**Daylight Trust**) had previously delivered any of the documents described in clauses 4.1(b)(i)(E) through (G) of NI 44-101 at the time of filing such preliminary short form prospectus (the **Exemption Sought**).

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

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

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

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

Interpretation

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

Representations

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

1. Daylight Trust was a trust established under the laws of the Province of Alberta pursuant a declaration of trust dated August 16, 2006 and amended and restated on September 21, 2006 and May 7, 2010. The principal office of Daylight Trust was located in Calgary, Alberta. In connection with a plan of arrangement (the **Arrangement**) effected under the *Business Corporations Act* (Alberta), effective May 7, 2010 Daylight Trust was dissolved and the Filer assumed all of Daylight Trust's assets and liabilities.

2. Prior to completion of the Arrangement, Daylight Trust was a reporting issuer or the equivalent under the securities legislation of each of the provinces of Canada.

3. Prior to completion of the Arrangement, the trust units of Daylight Trust were listed on the Toronto Stock Exchange (**TSX**) under the symbol DAY.UN and the convertible debentures of Daylight Trust were listed on the TSX under the symbols DAY.DB.B, DAY.DB.C and DAY.DB.D.

4. Prior to completion of the Arrangement Daylight Trust was not in default of securities legislation in any of the Jurisdictions.

5. DEL is a corporation amalgamated under the laws of the Province of Alberta. The principal office of DEL is located in Calgary, Alberta.

6. DEL is a reporting issuer or the equivalent under the securities legislation of each of the provinces of Canada and to its knowledge is not in default of applicable securities legislation in any of the Jurisdictions.

7. The DEL Shares are listed and posted for trading on the TSX under the symbol DAY and the convertible debentures are listed and posted for trading on the TSX under the symbols DAY.DB.B, DAY.DB.C and DAY.DB.D.

8. Prior to completion of the Arrangement, DEL was the administrator of Daylight Trust and following the completion of the Arrangement, the sole business of DEL is the former business of Daylight Trust.

9. The Arrangement did not involve the acquisition of any additional operating assets or the disposition of any existing operation assets.

10. Daylight Trust has previously delivered the documents described in clauses 4.1(b)(i)(E) through (G) of NI 44-101 (the **Daylight Trust PIFs**) for each individual acting in the capacity of director or executive officer of Daylight Trust.

Decision

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

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

(a) each individual:

(i) for whom Daylight Trust has previously delivered a Daylight Trust PIF; and

(ii) who is a director or executive officer of DEL at the time of a prospectus filing by DEL;

authorizes the Decision Makers, in respect of the prospectus filing by DEL, to collect, use and disclose the personal information that was previously provided in the Daylight Trust PIF; and

(b) DEL will, if requested by a Decision Maker, promptly deliver such further information from each individual referred to in clause (a) above as the Decision Maker may require.

This decision will terminate in any Jurisdiction in which the decision is in effect on the effective date of any change to subparagraph 4.1(b)(i) of NI 44-101.

“Blaine Young”
Associate Director, Corporate Finance

2.1.9 Sentry Select Capital Inc. et al.

Headnote

NP 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Approval of mutual fund mergers – approval required because mergers do not meet the criteria for pre-approval – mergers have differences in investment objectives – certain mergers not a "qualifying exchange" or a tax-deferred transaction under Income Tax Act – securityholders of terminating funds provided with timely and adequate disclosure regarding the mergers.

Applicable Legislative Provisions

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

June 3, 2010

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

AND

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

AND

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

AND

SENTRY SELECT BALANCED CLASS, SENTRY SELECT CANADIAN ENERGY GROWTH CLASS, SENTRY SELECT BALANCED FUND, SENTRY SELECT DIVIDEND GROWERS FUND, AND SENTRY SELECT CANADIAN ENERGY GROWTH FUND (collectively, the Terminating Funds)

AND

SENTRY CANADIAN INCOME CLASS SENTRY CANADIAN INCOME FUND AND SENTRY ENERGY GROWTH AND INCOME FUND (collectively, the Continuing Funds and together with the Terminating Funds, the Funds)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the Legislation) for approval of the mergers (each a **Merger** and collectively, the **Mergers**) of the Terminating Funds into the applicable Continuing Funds under paragraph 5.5(1)(b) of National Instrument 81-102 – *Mutual Funds* (**NI 81-102**) (the **NI 81-102 Merger Approval**).

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

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

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in each of the provinces and territories of Canada, other than the Province of Ontario (the **Non-Principal Jurisdictions**).

Interpretation

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

Representations

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

1. The Filer is proposing to merge the Terminating Funds into the Continuing Funds, as follows:

   (a) the Merger of Sentry Select Balanced Class (**Balanced Class**) into Sentry Canadian Income Class (**Canadian Income Class**);

   (b) the Merger of Sentry Select Canadian Energy Growth Class (**Energy Growth Class**) into Canadian Income Class;

   (c) the Merger of Sentry Select Balanced Fund (**Balanced Fund**) into Sentry Canadian Income Fund (**Canadian Income Fund**);

   (d) the Merger of Sentry Select Dividend Growers Fund (**Dividend Growers Fund**) into Canadian Income Fund; and

   (e) the Merger of Sentry Select Canadian Energy Growth Fund (**Energy Growth Fund**) into Sentry Energy Growth and Income Fund (**Energy Growth and Income Fund**).

   (Balanced Fund, Dividend Growers Fund and Energy Growth Fund are individually a **Terminating Trust Fund** and collectively, the **Terminating Trust Funds**, Balanced Class and Energy Growth Class are individually a **Terminating Class** and collectively, the **Terminating Classes** and Canadian Income

Fund and Energy Growth and Income Fund are individually a **Continuing Trust Fund** and collectively, the **Continuing Trust Funds**).

2. Under the Mergers, the securityholders of each of the Terminating Funds will receive securities of the applicable Continuing Fund into which the Terminating Fund is merged.

3. The Filer is a corporation incorporated under the laws of the Province of Ontario with its head office in Toronto, Ontario.

4. The Filer is the manager of each of the Funds and is not in default of securities legislation in the Jurisdiction or in any of the Non-Principal Jurisdictions.

5. The Filer is registered as a dealer in the category of mutual fund dealer and as an adviser in the category of portfolio manager under the *Securities Act* (Ontario) and as an adviser in the category of commodity trading manager under the *Commodity Futures Act* (Ontario). The Filer is also registered as an adviser in the category of portfolio manager under the *Securities Act* (Alberta).

6. At the time that the steps for the Mergers are completed, the Filer will manage the investment portfolios of each of the Funds.

7. Each of the Terminating Trust Funds is an open-end mutual fund trust established under the laws of the Province of Ontario.

8. Sentry Select Corporate Class Ltd. (**Sentry Select Corp.**) is a mutual fund corporation incorporated under the laws of the Province of Ontario. Balanced Class, Energy Growth Class and Canadian Income Class are each a class of shares of Sentry Select Corp.

9. The board of directors of the Filer and of Sentry Select Corp. approved the proposed Mergers on January 18, 2010 and a press release and material change report in connection with the Mergers were issued and filed on SEDAR on January 21, 2010. In anticipation of implementation of the Mergers, sales of securities of the Terminating Funds were suspended effective January 29, 2010 other than with respect to existing pre-authorized chequing plans.

10. Securities of the Terminating Funds were offered for continuous sale under a simplified prospectus and annual information form dated June 15, 2009, as amended, in each of the provinces and territories of Canada. Securities of the Continuing Funds and all the other mutual funds that form part of the Sentry Group of Funds are offered for continuous sale under a simplified prospectus and annual information form dated May 28, 2010, in each of the provinces and territories of Canada.

11. The Funds are reporting issuers under the applicable securities legislation of each province and territory of Canada and are not on the list of defaulting reporting issuers maintained under such securities legislation.

12. Unless an exemption has been obtained, each of the Funds follows the standard investment restrictions and practices established under NI 81-102.

13. The net asset value per security (**NAV per Security**) of each of the Funds is calculated on a daily basis on each day that the Toronto Stock Exchange is open for trading and securities of the Funds are generally redeemable on a daily basis.

14. As required by National Instrument 81-107 – *Independent Review Committee for Investment Funds*, an Independent Review Committee (**IRC**) has been appointed for the Funds and the Filer presented the terms of each Merger to the IRC of the Funds for its recommendation. The IRC considered the proposed Mergers and provided a positive recommendation to the Filer on the basis that the Mergers would achieve a fair and reasonable result for each of the Funds.

15. Securityholders of the Terminating Funds and of Canadian Income Class approved the Mergers at special meetings (the **Meetings**) of securityholders held on May 25, 2010.

16. In connection with the Meetings, the Filer, as manager of the Terminating Funds and of Canadian Income Class, sent to securityholders of the Terminating Funds and of Canadian Income Class a Notice of the Meetings of Securityholders and a Management Information Circular (the **Information Circular**) dated April 23, 2010 and a related form of proxy. The Information Circular was filed on SEDAR on May 3, 2010. The Information Circular provided sufficient information to securityholders to permit them to make an informed decision about the Mergers.

17. The Filer intends to rely on the exemption from the delivery requirements to send annual and interim financial statements and the simplified prospectus to securityholders of the Terminating Funds set out in s. 5.6(1)(f)(ii) of NI 81-102 that was granted by the Principal Regulator to mergers of mutual funds managed by the Filer. The Filer has complied with the conditions of the exemption in respect of the mergers, including that securityholders of the Terminating Funds were sent Part A of the simplified prospectus of the Continuing Funds dated June 15, 2009 as well as Part B of such simplified prospectus as it relates to the Continuing Funds. The Information Circular prominently disclosed where securityholders of the Terminating Funds could obtain the most recent

interim and annual financial statements of the Continuing Funds.

18. It is proposed that the Mergers take place on or about June 4, 2010 (the **Merger Date**).

19. The Filer will pay all costs and expenses associated with the Mergers. These costs consist mainly of brokerage charges associated with the trades that occur both before and after the date of the proposed mergers and legal, proxy solicitation, printing, mailing and regulatory fees.

20. Following the Mergers, the Continuing Funds will continue as publicly offered open-end mutual funds and the Terminating Funds will be wound up as soon as reasonably possible.

21. No sales charges will be payable in connection with the acquisition by a Continuing Fund of the investment portfolio of the applicable Terminating Fund.

22. Prior to the date of the Mergers, the portfolio assets of each Terminating Fund to be acquired by the applicable Continuing Fund will be acceptable to the portfolio adviser of the Continuing Fund and will be consistent with the investment objectives of the applicable Continuing Fund.

23. Securityholders in the Terminating Funds were provided with income tax disclosure as it relates to the impact of the implementation of the Mergers as well as the differences between the Terminating Funds and the Continuing Funds in the Information Circular. The Mergers of the Terminating Classes into Canadian Income Class will take place as a tax-deferred transaction under the *Income Tax Act* (Canada) (the **Tax Act**) while the Mergers of the Terminating Trust Funds into the Continuing Trust Funds will take place on a taxable basis.

24. Securityholders of a Terminating Fund will continue to have the right to redeem or switch securities of the Terminating Fund at any time up to the close of business on the business day immediately prior to the Merger Date. The Information Circular discloses that securities of a Continuing Fund acquired by securityholders upon the proposed Mergers are subject to the same redemption charges to which their securities of the Terminating Fund were subject to prior to the Merger.

25. The Mergers of Balanced Class and Energy Growth Class into Canadian Income Class will be structured as follows:

    (a) prior to the Merger Date, Balanced Class and Energy Growth Class will redeem their respective investments in Balanced Fund and Energy Growth Fund. As a result, the underlying portfolios attributable to Balanced Class and Energy Growth Class will temporarily hold a large portion of their respective portfolios in cash or money market instruments and will not be fully invested in accordance with their investment objectives for a brief period of time prior to the Mergers;

    (b) Sentry Select Corp. will satisfy or otherwise make provision for any liabilities attributable to each of Balanced Class and Energy Growth Class existing as of the Merger Date out of the assets attributable to each Fund;

    (c) the value of the underlying portfolios and other assets attributable to each of Balanced Class and Energy Growth Class will be determined at the close of business on the Merger Date;

    (d) all of the issued and outstanding securities of each of Balanced Class and Energy Growth Class will be changed into securities of Canadian Income Class on a dollar-for-dollar and series-by-series basis and distributed to securityholders of each of Balanced Class and Energy Growth Class;

    (e) the assets in the underlying portfolios and other net assets attributable to each of Balanced Class and Energy Growth Class, as applicable, will be included in the underlying portfolio of assets attributable to Canadian Income Class;

    (f) the securities of Canadian Income Class received by securityholders in each of Balanced Class and Energy Growth Class will have an aggregate net asset value (**NAV**) equal to the value of the underlying portfolio and other assets attributable to Balanced Class and Energy Growth Class, respectively, and will be issued at the NAV per Security of the applicable series of Canadian Income Class as of the close of business on the Merger Date;

    (g) immediately thereafter, the securities of Canadian Income Class received by each of Balanced Class and Energy Growth Class will be distributed to securityholders in each of Balanced Class and Energy Growth Class on a dollar-for-dollar and series-by-series basis in exchange for their securities in of Balanced Class and Energy Growth Class, as the case may be; and

(h) as soon as reasonably possible following the Mergers, each of Balanced Class and Energy Growth Class will be cancelled.

26. The Mergers of each Terminating Trust Fund into the applicable Continuing Trust Fund will be structured as follows:

(a) if necessary, prior to the Merger Date, each Terminating Trust Fund will sell any securities in its underlying portfolios that do not meet the investment objective and investment strategies of the applicable Continuing Trust Fund into which it is to be merged;

(b) each Terminating Trust Fund will satisfy or otherwise make provision for all its liabilities, if any, existing as of the Merger Date;

(c) the value of the portfolios and other assets of each Terminating Trust Fund will be determined at the close of business on the Merger Date;

(d) each Continuing Trust Fund will acquire the investment portfolio and other net assets of each applicable Terminating Trust Fund in exchange for securities of the Continuing Trust Fund;

(e) the securities of the Terminating Trust Funds received by the applicable Continuing Trust Fund will have an aggregate NAV equal to the respective values of the portfolios and other assets of each Terminating Trust Fund and will be issued at the NAV per Security of the respective series of the applicable Continuing Trust Fund as of the close of business on the Merger Date;

(f) immediately thereafter, the securities of the Continuing Trust Fund received by each Terminating Trust Fund will be distributed to securityholders in each Terminating Trust Fund on a dollar-for-dollar and series-by-series basis in exchange for their securities in the Terminating Trust Fund, as the case may be; and

(g) as soon as reasonably possible following the Mergers, the Terminating Trust Funds will be wound up.

27. Approval of the Mergers is required because the Mergers do not satisfy all of the criteria for pre-approved reorganizations and transfers as set out in section 5.6 of NI 81-102 because:

(a) the fundamental investment objective of each Terminating Fund is not, or may be considered not to be, "substantially similar" to the fundamental investment objectives of the applicable Continuing Fund; and

(b) the Mergers of the Terminating Trust Funds will not be completed as a "qualifying exchange" or a tax-deferred transaction under the Tax Act.

28. Except as described above, the proposed Mergers meet all of the other criteria for pre-approved reorganizations and transfers under s. 5.6 of NI 81-102.

29. In the opinion of the Filer, the Mergers will be beneficial to securityholders in the Terminating Funds for the following reasons:

(a) securityholders in each Terminating Fund and Continuing Fund are expected to enjoy improved economies of scale and potentially lower proportionate fund operating expenses (which are borne indirectly by securityholders) as part of a larger combined Continuing Fund;

(b) due to the smaller size and historic growth profile of the Terminating Funds, the administrative and regulatory costs of operating the Terminating Funds as stand-alone mutual funds would be higher per securityholder and could potentially increase if the Terminating Funds decrease further in asset size;

(c) the comparatively larger portfolios of the Continuing Funds are expected to offer improved portfolio diversification to securityholders in each Terminating Fund;

(d) due to their smaller size, the Terminating Funds may be impacted more significantly than the much larger Continuing Funds by having to sell securities at inopportune times to fund redemptions. The larger Continuing Funds typically have larger cash balances as a result of their comparatively larger size;

(e) the Mergers transition securityholders in each Terminating Fund to a growing and more viable Continuing Fund;

(f) generally, the historical rates of return for each Continuing Fund have been higher than the historical rates of return for the Terminating Fund(s) with which it is proposed to be merged; and

(g) for each Terminating Trust Fund there will be a savings in brokerage charges, and, in the case of each Terminating Class, possibly taxes payable by securityholders, relative to the straight liquidation of assets if it were to be terminated.

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 NI 81-102 Merger Approval is granted.

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

2.1.10 Seamark Asset Management Ltd. et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – National Instrument 81-101 Mutual Fund Prospectus Disclosure, s. 2.5(7) and s. 62(5) of the Securities Act (Ontario) – A Filer requests an extension of the lapse date of the Simplified Prospectus and Annual Information Form dated May 27, 2009 of the Funds – The Filer requests an extension of the lapse date from May 27, 2010 to July 15, 2010. The extension is for a limited period of time and will permit the orderly completion of the Proposed Transaction, as a result of which the Funds will cease being offered under a separate SEAMARK Prospectus and will commence being offered under the Consolidated Prospectus together with the Mavrix Funds.

May 21, 2010

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

AND

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

AND

IN THE MATTER OF
SEAMARK ASSET MANAGEMENT LTD.
(the "Filer")

AND

IN THE MATTER OF
SEAMARK DIVIDEND & INCOME FUND,
SEAMARK CANADIAN EQUITY FUND AND
SEAMARK NORTH AMERICAN EQUITY FUND
(the "Funds")

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the "Decision Maker") has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the time limits pertaining to the distribution of securities of the Funds be extended to those time limits that would be applicable if the lapse date of the simplified prospectus and annual information form of the Funds were July 15, 2010 (the "Exemption Sought").

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

(a) the Nova Scotia Securities Commission is the principal regulator for this application,

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

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

Interpretation

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

Representations

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

1. The Filer is a corporation incorporated under the laws of Canada with its head office in Halifax, Nova Scotia. The Filer is the manager, trustee and portfolio advisor to the Funds.

2. Each of the Funds is an open-end mutual fund trust governed under the laws of Ontario by a master declaration of trust and a regulation specific to that Fund dated September 26, 2007.

3. The Funds are reporting issuers under the Legislation, and are not in default of any of the requirements of the Legislation.

4. The Funds are currently qualified for distribution in all Jurisdictions under a simplified prospectus and annual information form dated May 27, 2009 (together, the "SEAMARK Prospectus").

5. Pursuant to the Legislation, the lapse date (the "SEAMARK Lapse Date") for the distribution of securities of the Funds under the SEAMARK Prospectus is May 27, 2010. In each Jurisdiction, provided a pro forma simplified prospectus is filed 30 days prior to May 27, 2010, a final version is filed by June 6, 2010, and a receipt for the simplified prospectus is issued by the securities regulatory authorities by June 16, 2010, the securities of the Funds may continue to be distributed without interruption throughout this prospectus renewal period.

6. SEAMARK is an affiliate of Mavrix Fund Management Inc. ("Mavrix"), which is the manager and promoter of the Mavrix Funds, a group of 18 mutual funds that are qualified for distribution in all Jurisdictions as well as the Northwest Territories, Yukon Territory and Nunavut (the "Additional Jurisdictions") under a simplified prospectus and annual information form dated July 15, 2009 (together, the "Mavrix Prospectus").

7. Pursuant to the securities legislation of the Jurisdictions and the Additional Jurisdictions, the lapse date for the distribution of securities of the Mavrix Funds under the Mavrix Prospectus is July 15, 2010 (the "Mavrix Lapse Date"). Provided a pro forma simplified prospectus is filed 30 days prior to July 15, 2010, a final version is filed by July 25, 2010, and a receipt for the simplified prospectus is issued by the securities regulatory authorities by August 4, 2010, the securities of the Mavrix Funds may continue to be distributed without interruption throughout this prospectus renewal period.

8. The Filer filed an application dated November 18, 2009 (the "Change of Control Application") with the securities regulatory authorities in the Jurisdictions for approval of the change of control (the "Change of Control") of the Filer resulting from a business combination (the "Business Combination") between the Filer and Growth Works Ltd. ("GrowthWorks"). Pursuant to a decision document (the "Change of Control Decision") dated December 14, 2009, regulatory approval for the Change of Control was granted. The Business Combination closed on January 15, 2010.

9. As a result of the Business Combination, both the Filer and Mavrix became subsidiaries of a new asset management company, Matrix Asset Management Inc. ("Matrix"), a reporting issuer the securities of which are traded on the Toronto Stock Exchange. Matrix manages combined assets of approximately $3 billion through three operating divisions: institutional asset management (through the Filer), conventional and specialty mutual funds (through Mavrix), and venture capital/private equity (through Growth Works).

10. It is proposed (the "Proposed Transaction") that the Filer be replaced by Mavrix as the trustee and manager of the Funds. The Proposed Transaction will result in all conventional mutual funds within the Matrix group of companies, including the Funds, being managed and administered by Mavrix. The Filer will become the investment sub-advisor to Mavrix in respect of the Funds pursuant to an investment sub-advisory agreement. The Proposed Transaction will not result in any change to the fundamental investment objectives or principal investment strategies pursued by any of the Funds, or to the portfolio management team which manages the investment portfolios of the Funds.

11. Because the Filer and Mavrix are affiliates of each other, the change of manager of the Funds does not require the approval of securities regulators or of unitholders of the Funds. Also, given the small asset base of the Funds, the costs of holding unitholder meetings would be uneconomical and not in the best interests of unitholders. However, the Proposed Transaction is subject to the approval or recommendation of the independent review committee of the Funds and the independent review committee of the Mavrix Funds, as well as approvals from certain other parties. If such approvals are obtained, the Proposed Transaction is expected to be completed on or about July 15, 2010.

12. The Proposed Transaction is not, and was never intended to be, part of a broader series of transactions that were structured to effect a change of manager of the Funds without unitholders' approval.

13. The Filer confirms that, as of the dates of the Change of Control Application and the Change of Control Decision, and as represented therein by the Filer, the role of the Filer as the manager of the Funds was not expected to change as a result of the Change of Control. However, subsequent to the Change of Control Decision, it became apparent to the Filer and Matrix that combining the Funds with the Mavrix Funds under a single, combined Mavrix Prospectus would help achieve significant cost efficiencies for the benefit of unitholders. In order to effect this, it was determined that a single subsidiary of Matrix should act as manager and trustee of all the mutual funds within the Matrix family of funds. The individuals within the Matrix group of companies who have the most expertise in the management and trusteeship of mutual funds come primarily from Mavrix and GrowthWorks, rather than the Filer, and the large majority of funds within the Matrix family of mutual funds already have Mavrix (rather than the Filer) as their manager and trustee. For these reasons, it was determined in April 2010 that Mavrix should be the Matrix subsidiary that acts as the manager and trustee for all the mutual funds within the Matrix family of funds.

14. The Proposed Transaction has been disclosed by way of a news release that was disseminated through Marketwire on April 15, 2010, a material change report dated April 15, 2010, and an amendment dated May 17, 2010 to the SEAMARK Prospectus. Copies of such news release, material change report and prospectus amendment have been filed on SEDAR with the securities regulatory authorities in all Jurisdictions.

15. As a result of the Proposed Transaction, the Funds will become part of the Mavrix Funds family and are intended to be distributed under a common simplified prospectus with the Mavrix Funds rather than under a separate SEAMARK Prospectus. Consequently, there will be a single renewal date each year for the combined simplified prospectus and annual information form of the Funds and the Mavrix Funds (the "Consolidated Prospectus"), which will help to streamline and consolidate the administration of the Funds, create operational efficiencies and reduce the costs borne by the Funds (and ultimately by investors in the Funds). It is proposed that such single renewal date will be July 15, 2010, which is the lapse date of the Mavrix Prospectus.

16. It is intended that a pro forma Consolidated Prospectus will be filed no later than June 15, 2010 (that is, at least 30 days before the Mavrix Lapse Date), a final Consolidated Prospectus will be filed within 10 days following July 15, 2010, and the final receipt for the Consolidated Prospectus will be issued by the securities regulatory authorities within 20 days following July 15, 2010.

17. The extension of the SEAMARK Lapse Date from May 27, 2010 to July 15, 2010 is for a limited period of time and will permit the orderly completion of the Proposed Transaction, as a result of which the Funds will cease being offered under a separate SEAMARK Prospectus and will commence being offered under the Consolidated Prospectus together with the Mavrix Funds.

18. The intended offering of the Funds under the Consolidated Prospectus with the Mavrix Funds is consistent with the Funds becoming part of the Mavrix Funds group and having Mavrix as their common manager, and will result in significant administrative efficiencies and cost savings. Having a single renewal date each year for the Consolidated Prospectus, rather than separate renewal dates for a SEAMARK Prospectus and a Mavrix Prospectus, will help to streamline and consolidate the administration of the Funds, eliminate duplication, create operational efficiencies and reduce the costs borne by the Funds (and ultimately by investors in the Funds).

19. If the Exemption Sought is not granted, a pro forma simplified prospectus and a final prospectus for the Funds would have to be filed by April 27, 2010 and June 6, 2010 respectively in accordance with the existing time limits for the renewal of the SEAMARK Prospectus. At the time of filing such pro forma simplified prospectus, the Funds would be required to pay all regulatory filing fees normally payable in connection with a pro forma simplified prospectus. However, the Funds would only be in distribution under the (final) renewal simplified prospectus for a period of less than two months (and as little as one month), being the period commencing upon the issuance of a final

receipt for a renewal simplified prospectus (which could be issued as late as June 16, 2010 under the Legislation) and ending when the distribution of the Funds under the Consolidated Prospectus commences on or shortly after July 15, 2010.

20. The financial costs that would be borne by the Funds (and ultimately by investors in the Funds) as well as the additional administrative burden of preparing, filing and paying all regulatory filing fees in connection with a renewal simplified prospectus of the Funds, and less than two months later preparing, filing and paying further regulatory filing fees in connection with the Consolidated Prospectus, would be unduly costly in light of the very brief period of time during which such renewal simplified prospectus of the Funds would be relied upon.

21. In order to avoid the significant additional costs resulting from filing a renewal simplified prospectus of the Funds and then, less than two months later, filing the Consolidated Prospectus, the Funds do not intend to file a pro forma renewal simplified prospectus on or before the SEAMARK Lapse Date. If the Exemption Sought is not granted, the Filer intends to cease distribution of securities of the Funds from the SEAMARK Lapse Date until the distribution of the Funds re-commences upon the issuance of a final receipt for the Consolidated Prospectus.

22. Since May 17, 2010, the date of the most recent amendments to the SEAMARK Prospectus, no undisclosed material change has occurred in respect of the Funds. The Exemption Sought will not affect the currency or accuracy of the information contained in the SEAMARK Prospectus and accordingly will not be prejudicial to the public interest.

Decision

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

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

"Kevin G. Redden"
Director, Corporate Finance
Nova Scotia Securities Commission

2.1.11 Canadian Apartment Properties Real Estate Investment Trust

Headnote

MI 11-102 and NP 11-203 – relief from filing business acquisition report – using income from the continuing operations of the filer to determine the significance of certain acquisitions leads to anomalous results – filer permitted to exclude depreciation of income-producing properties from income when calculating significance under Part 8 of National Instrument 51-102 Continuous Disclosure Obligations.

Applicable Legislative Provisions

National Instrument 51-102 Continuous Disclosure Obligations, s. 8.3.

June 9, 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

CANADIAN APARTMENT PROPERTIES
REAL ESTATE INVESTMENT TRUST
(THE FILER)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) granting relief to allow the exclusion of depreciation of income producing properties when applying the Income Test (as defined below) for the Filer's continuous disclosure obligations under Part 8 of National Instrument 51-102 – *Continuous Disclosure Obligations* (**NI 51-102**) in respect of (i) the April 12, 2010 acquisition of a 162 suite apartment building referred to as Georgian Towers, and (ii) the May 14, 2010 acquisition of a 199 suite condominium titled apartment building referred to as Sherobee (the **Exemption Sought**).

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

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

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

Interpretation

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

Representations

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

1. The Filer is an internally managed unincorporated open-ended real estate investment trust owning interests in multi-unit residential properties including apartment buildings and townhouses located in major urban centres across Canada and two manufactured home communities.

2. The Filer was established under the laws of the Province of Ontario by a declaration of trust and its head office is located in Toronto, Ontario.

3. The Filer is a reporting issuer under the securities legislation of each of the provinces and territories of Canada.

4. The units of the Filer are listed and posted for trading on the Toronto Stock Exchange under the trading symbol CAR.UN.

5. The Filer completed its initial public offering on May 21, 1997 pursuant to its final long form prospectus dated May 12, 1997.

6. As at May 14, 2010, the Filer had ownership interests in 27,975 residential suites well diversified by geographic location and asset class and two manufactured home communities comprising 1,316 land lease sites.

7. As at and for the year ended December 31, 2009 the Filer had assets in excess of $2.2 billion, income from continuing operations of approximately $6.2 million and depreciation of income producing properties of $78.6 million.

8. As at and for the year ended December 31, 2008 the Filer had assets of approximately $2.2 billion, loss from continuing operations of approximately $11.5 million and depreciation of income producing properties of $72.0 million.

9. Under Part 8 of NI 51-102, the Filer is required to file a business acquisition report (**BAR**) for any completed acquisition that is determined to be significant based on the acquisition satisfying any of the three significance tests set out in subsection 8.3 (2) of NI 51-102.

10. For the purposes of completing its quantitative analysis of the income test (the **Income Test**) prescribed under Part 8.3 of NI 51-102, the Filer is required to compare its income from continuing operations against the proportionate share of income from continuing operations of Georgian Towers and Sherobee.

11. The application of the Income Test produces an anomalous result for the Filer in comparison to the results of the other tests of significance set out in subsection 8.3(2) of NI 51-102, which were not triggered by the acquisition.

12. Excluding depreciation of income producing properties when applying the Income Test more accurately reflects the significance of this acquisition from a business and commercial perspective and its results are generally consistent with the other tests of significance set out in subsection 8.3(2) of NI 51-102.

13. The application of the Income Test with depreciation of income producing properties excluded results in Georgian Towers representing approximately 1.97% of the Filer's income from continuing operations for the fiscal year ended December 31, 2009. However, based on the application of the Income Test, pursuant to paragraph (1) of Part 8.2 of NI 51-102, the Filer is required to file a BAR with respect to its acquisition of Georgian Towers on or before June 26, 2010.

14. The application of the Income Test with depreciation of income producing properties excluded results in Sherobee representing approximately 1.73% of the Filer's income from continuing operations for the fiscal year ended December 31, 2009. However, based on the application of the Income Test, pursuant to paragraph (1) of Part 8.2 of NI 51-102, the Filer is required to file a BAR with respect to its acquisition of Sherobee on or before July 28, 2010.

Decision

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

The decision of the Principal Regulator under the Legislation is that the Exemption Sought is granted.

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

2.1.12 Global Diversified Investment Grade Income Trust

Headnote

NP 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – exemption from National Instrument 81-106 Investment Fund Continuous Disclosure to permit an investment fund that uses specified derivatives to calculate its NAV twice a month subject to certain conditions.

Applicable Legislative Provisions

National Instrument 81-106 Investment Fund Continuous Disclosure, s. 14.2(3)(b).

June 3, 2010

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

AND

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

AND

IN THE MATTER OF
GLOBAL DIVERSIFIED INVESTMENT GRADE
INCOME TRUST
(the "Trust")

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions ("**Decision Maker**") has received an application from the Trust for a decision under the securities legislation of the Jurisdictions (the "**Legislation**") for an exemption from section 14.2(3)(b) of *Regulation 81-106 respecting Investment Fund Continuous Disclosure* ("**Regulation 81-106**"), which requires the net asset value ("**NAV**") of an investment fund that uses specified derivatives to be calculated at least once every business day (the "**Requested Relief**").

Under the process for exemptive relief applications in multiple jurisdictions (for a dual application):

(a) the Autorité des marchés financiers is the principal regulator for this application;

(b) the Trust has provided notice that section 4.7(1) of *Regulation 11102 respecting Passport System* ("**Regulation 11-102**") is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador; and

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

Interpretation

Terms defined in *Regulation 14-101 respecting Definitions* and Regulation 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 Trust:

1. The Trust is a non-redeemable investment fund established under the laws of Ontario pursuant to a master declaration of trust dated as of August 30, 2004, as amended, and a regulation made thereunder dated as of August 30, 2004, as amended.

2. The purpose of the Trust is: (i) to provide its unitholders with a fixed rate stream of monthly distributions equal to $0.0495 per unit ($0.594 per annum) up to on or about September 7, 2009 and, thereafter, a floating distribution rate equal to one-month bankers' acceptance plus 2%; (ii) to repay to its unitholders on or about September 7, 2014 (the "**Expected Maturity Date**"), but no later than or about September 7, 2016 (the "**Legal Maturity Date**"), an amount equal the residual value of the Trust. The residual value of the Trust will be equal to the lesser of: (i) the NAV per unit determined on the Expected Maturity Date or Legal Maturity Date, as applicable, and (ii) an amount of $9.35 per unit.

3. To achieve its objectives, the Trust holds positions in three credit default swap agreements dated September 9, 2004 (collectively, the "**CDS**") for which the counterparty is Deutsche Bank AG ("**Deutsche Bank**"). Under the CDS, Deutsche Bank is the protection buyer and the Trust is the protection seller. The CDS provide the Trust with an economic interest in respect of three global diversified portfolios composed of collateralized debt obligations (CDO), residential mortgage-backed securities and consumer asset-backed securities (collectively, the "**Underlying Securities**"). The only specified derivatives that the Trust holds are the CDS and the Trust does not intend to enter into any other specified derivative.

4. The Trust's obligations under the CDS are collateralized by a term deposit issued by National Bank of Canada ("**NBC**") with a maturity date of September 9, 2014.

5. The co-trustees of the Trust are GD-I Management Inc. and Global Digit Management Inc. (collectively, the "**Trustees**"). The Trustees also act as managers of the Trust in accordance with the definition of "investment fund manager" in the Legislation.

6. The head office of GD-I Management Inc. is located in the Province of Ontario and the head office of Global Digit Management Inc. is located in the Province of Québec. The Autorité des marchés financiers is the principal regulator for this application because the head office of one of the Trust's managers is located in the Province of Québec and the Autorité des marchés financiers is the securities regulatory authority in Canada with the most significant connection with the Trust.

7. NBC acts as administrative agent of the Trust.

8. The Trust became a reporting issuer under the Legislation on August 31, 2004.

9. Pursuant to its prospectus dated August 30, 2004, the Trust issued 10,712,500 units. 6,189,750 units were issued and outstanding as at December 31st, 2009. The units of the Trust are listed on the Toronto Stock Exchange ("**TSX**") under the symbol DG.UN.

10. The units of the Trust may be redeemed on a quarterly basis, on the last business day of February, May, August and November of each year, at the redemption price per unit. The redemption price is equal to the lesser of: (i) 95% of the daily weighted average trading price of the units on the TSX for the five trading days following the redemption date and (ii) an amount equal to (a) the closing price of the units on the TSX on such redemption date, or (b) the average of the highest and lowest prices of the units on the TSX, or (c) the average of the last bid and ask prices on the TSX and, in each case, less an amount payable as a result of the quarterly distributions. The Trust's annual information form dated March 31st, 2010 and the master declaration of trust provide the rules applicable to determine the redemption price.

11. The units may also be redeemed annually, on the last business day of August, at the unwind price per unit. The unwind price is equal to the sum of (i) the bid price received by the Trust from Deutsche Bank to terminate the applicable portion of the CDS and (ii) the market value of such portion of the term deposit, less the unwind costs. The Trust's annual information form dated March 31st, 2010 and master declaration of trust provide the rules applicable to determine the unwind price.

12. The redemption price and the unwind price are not computed by reference to the Trust's NAV.

13. The Trust's units cannot be redeemed at a price computed by reference to its NAV per unit before the Expected Maturity Date or the Legal Maturity Date, as applicable.

14. The NAV per unit of the Trust is currently calculated by NBC twice a month, (i) on the 15th day of each month, or if the 15th is not a business day, on the preceding business day, and (ii) on the last business day of each month. The NAV is calculated in accordance with Canadian Generally Accepted Accounting Principles (GAAP) and the policies described in the Trust's Annual Information Form dated March 31, 2010.

15. The CDS are specified derivatives and will terminate on the Expected Maturity Date or the Legal Maturity Date, as applicable. Therefore, the Trust is required to calculate its NAV at least once every business day pursuant to section 14.2(3)(b) of Regulation 81-106.

16. The NAV on a particular date is calculated using the fair value or the Trust's assets and liabilities. Substantially all of the assets of the Trust consist of (i) cash or cash equivalent, (ii) the CDS and (ii) the term deposit.

17. In order to calculate the NAV of the Trust, NBC must establish the fair value of the Trust's positions in the CDS. Determining the fair value of the CDS requires considerable effort since they are complex derivatives that are not traded on an active market. The fair value of the CDS is established by using a valuation technique that uses bid and offer prices provided by Deutsche Bank (the "**Bid and Offer Prices**"). The Bid and Offer Prices represent an indication of the prices that Deutsche Bank may pay or charge to purchase or sell a tranche of the CDS. These prices may reflect factors such as the market's assessment of the overall credit quality of the Underlying Securities, as measured by the quoted price of the Underlying Securities (and derivatives thereof), interest rates as well as factors that are proprietary to Deutsche Bank.

18. The Bid and Offer Prices are established upon Deutsche Bank's internally developed manual process, which requires proprietary valuation procedures and consultation with Deutsche Bank's trading desk to assess the results. This process consumes several hours to be completed. The initial 2004 agreement between the Trust and Deutsche Bank states that the Bid and Offer Prices would be provided on a monthly basis. Deutsche Bank accepted in September 2009 to amend the agreement to provide the Bid and Offer Prices on a twice a month basis without any additional compensation.

19. In accordance with the Trust's valuation policies and procedures, NBC verifies the reasonableness

of the Bid and Offer Prices. The methodology used by NBC is base correlation and Gaussian Copula One factor. This process involves a lot of assumptions and market variables about the Underlying Securities. All significant discrepancies between the pricing obtained by NBC and those provided by Deutsche Bank are analysed and settled.

20. The Trust has established that it would be impractical and unduly burdensome to calculate and disclose a reliable and accurate NAV on a timely basis without the Bid and Offer Prices.

21. Subject to its approval by the Trustees, the NAV per unit is disclosed within approximately one week from (i) the 15th day of each month, or if the 15th is not a business day, the preceding business day, and (ii) the last business day of each month. The NAV per unit is available at no cost on SEDAR and on a special section of National Bank Financial's Website established for the Trust.

22. The Trust's management reports of fund performance disclose that the NAV per unit is available on SEDAR and on National Bank Financial's Website, and the frequency at which the NAV per unit is calculated and disclosed.

23. Although the NAV per unit is mainly used as a direct reference for the calculation of the Trust's residual value on maturity, which is not expected to occur before the Expected Maturity Date or the Legal Maturity Date, as applicable, its disclosure, combined with other factors, facilitates market price discovery to foster fair and efficient capital markets. The NAV per unit is important information for investors in order to determine whether to purchase, hold or sell units of the Trust.

24. The Trust currently expects that its units will remain listed on the TSX until the Expected Maturity Date or the Legal Maturity Date, as applicable. Therefore, unitholders have the option of liquidating their units on the TSX, which serves as the primary source of liquidity for the Trust's units.

25. In accordance with section 11.2 of Regulation 81-106, the Trust is required to promptly disclose any material change.

26. The Trust used specified derivatives and calculated its NAV once a month between September 9, 2004, the date of the closing of its initial public offering, and September 7, 2008, in accordance with the provisions of the Legislation that were in effect during this period.

27. The provisions of subsection 14.2(5) of NI 81-106 were amended on September 8, 2008 when *Regulation to amend Regulation 81-106 respecting Investment Fund Continuous Disclosure* came into force. Since this amendment, the Trust has had the obligation to calculate its NAV at least once every business day in accordance with the requirement of paragraph 14.2(3)(b) of NI 81-106.

28. Since September 8, 2008, the Trust has not been in compliance with the requirement of subsection 14.2(3) of Regulation 81-106. The Trust did not seek an exemptive relief for the frequency of the calculation of its NAV before August 31, 2009 because of its oversight of the coming into force of the amendment to subsection 14.2(5) of Regulation 81-106.

29. The Trust filed the Requested Relief after it received a Continuous Disclosure Review comment letter dated August 11, 2009 from the Autorité des marchés financiers, wherein the Autorité des marchés financiers requested that the Trust explain why it was not calculating its NAV at least once every business day in accordance with Regulation 81-106.

30. Except as disclosed above, the Trust is not in default of the Legislation.

Decision

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

The decision of the Decision Makers under the Legislation is that the Requested Relief is granted provided that:

(a) the units of the Trust remain listed on the TSX;

(b) the Trust calculates its NAV per unit at least twice a month, (i) on the 15th day of each month, or if the 15th is not a business day, on the preceding business day, and (ii) on the last business day of each month; and

(c) the Trust's NAV per unit is available at no cost and on a timely basis on SEDAR and on National Bank Financial's Website.

"Josée Deslauriers"
Director, Investment Funds and Continuous Disclosure
Autorité des marchés financiers

2.2 Orders

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

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

AND

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

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

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

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

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

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

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

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

AND WHEREAS on April 1, 2010, Richvale, Blumenfeld, Schiavone and Khan did not appear before the Commission to oppose Staff's request for the extension of the Temporary Order;

AND WHEREAS on April 1, 2010, Winick communicated to the Commission through an agent that he was not opposed to the extension of the Temporary Order:

AND WHEREAS on April 1, 2010, the Panel considered the evidence and submissions before it and the Panel was of the opinion that it was in the public interest to extend the Temporary Order;

AND WHEREAS on April 1, 2010, the Panel ordered that the Temporary Order is amended as follows to create the "Amended Temporary Order" dated April 1, 2010:

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

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

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

iv) it is further ordered pursuant to clause 2 of subsection 127 (1) of the Act that any exemptions contained in Ontario securities laws in respect of Richvale, Winick, Blumenfeld, Schiavone and Khan are removed.

AND WHEREAS on April 1, 2010, the Panel ordered, pursuant to subsection 127 (8) of the Act that the Amended Temporary Order is extended to June 4, 2010 and that the hearing in this matter is adjourned to June 3, 2010, at 10:00 a.m.;

AND WHEREAS on June 3, 2010, Staff advised the Panel that Staff were requesting that the Amended Temporary Order be extended to December 3, 2010 and that the hearing in this matter be adjourned to December 2, 2010 at 10:00 a.m.;

AND WHEREAS on June 3, 2010, Staff provided the Panel with proof that Richvale, Winick, Blumenfeld, Schiavone, and Khan all consented to Staff's request to extend the Amended Temporary Order and to adjourn the hearing in this matter;

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

AND WHEREAS pursuant to subsection 127(5) of the Act the Commission is of the opinion that, in the

absence of a continuing cease-trade order, the length of time required to conclude a hearing could be prejudicial to the public interest;

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

IT IS HEREBY ORDERED, pursuant to subsection 127(8) of the Act that the Amended Temporary Order is extended to December 3, 2010; and,

IT IS FURTHER ORDERED that the hearing in this matter is adjourned to December 2, 2010, at 9:30 a.m.

DATED at Toronto this 3rd day of June, 2010

"David L. Knight"

2.2.2 Uranium Limited – s. 1(10)

Headnote

Fund deemed to have ceased to be a reporting issuer – All shares of the Fund were acquired and the Fund is now a wholly-owned subsidiary – Fund meets requirements set out in OSC Staff Notice 12-703 Preferred Format of Applications to the Director Under Section 83 of the Securities Act (Ontario).

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10).
OSC Staff Notice 12-703 Preferred Format of Applications to the Director Under Section 83 of the Securities Act (Ontario).

May 21, 2010

Uranium Limited
c/o Heenan Blaikie LLP
2200 – 1055 West Hastings Street
Vancouver, BC
V6E 2E9

Attention: Catherine E. Wade

Dear Sirs/Mesdames:

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

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

As the Applicant has represented to the Commission that:

- The outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by less than 15 security holders in Ontario and less than 51 security holders in Canada;
- No securities of the Applicant are traded on a marketplace as defined in National Instrument 21-101 – *Marketplace Operation*;
- the Applicant is not in default of any of its obligations under the Act as a reporting issuer; and
- the Applicant will not be a reporting issuer or the equivalent in any jurisdiction in Canada immediately following the Director granting the relief requested.

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

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

2.2.3 Merax Resource Management Ltd. et al.

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

AND

IN THE MATTER OF
MERAX RESOURCE MANAGEMENT LTD.
CARRYING ON BUSINESS AS
CROWN CAPITAL PARTNERS,
RICHARD MELLON AND ALEX ELIN

ORDER

WHEREAS on November 29, 2006 the Ontario Securities Commission (the "Commission") issued a Notice of Hearing as amended on November 30, 2006 pursuant to s.127 of the *Securities Act*, R.S.O. 1990, c. S.5, to consider whether it is in the public interest to make certain orders against Merax Resource Management Ltd. carrying on business as Crown Capital Partners, Richard Mellon ("Mellon") and Alex Elin ("Elin");

AND WHEREAS on December 6, 2006, Staff of the Commission ("Staff") and counsel for Mellon and Elin attended a hearing and requested that the matter be adjourned to February 27, 2007 in order to allow counsel for Mellon and Elin to review disclosure and possibly set a hearing date;

AND WHEREAS on February 27, 2007, Staff and counsel for Mellon and Elin attended a hearing and requested that the matter be adjourned to April 16, 2007 in order to have a pre-hearing conference on or before that date;

AND WHEREAS on April 12, 2007, Staff and counsel for Mellon and Elin attended a pre-hearing conference before Commissioner Paul Bates;

AND WHEREAS on April 16, 2007, Staff and counsel for Mellon and Elin requested that this matter be adjourned to April 27, 2007 for the purpose of setting a hearing date;

AND WHEREAS on April 27, 2007, Mellon, Elin and Staff attended a hearing and the panel was advised that Mellon and Elin were no longer represented and Mellon, Elin and Staff requested that this matter be adjourned to May 4, 2007 for the purpose of setting a hearing date;

AND WHEREAS on May 4, 2007 the Commission ordered the hearing to commence on October 22, 2007;

AND WHEREAS on October 12, 2007, Staff, Mellon and Elin attended a further pre-hearing conference before Commissioner Bates; and following an adjournment request by the Respondent Elin, the Commission adjourned the hearing scheduled for October 22, 2007 to December 12, 2007 to set a new date for a hearing;

AND WHEREAS on December 12, 2007, Staff, Mellon and Elin attended a further pre-hearing conference before Commissioner Bates, and on consent the Commission ordered the hearing to commence on July 14, 2008 at 10:00 a.m., subject to further instructions from the Office of the Secretary, and that the pre-hearing conference would be continued on May 13, 2008;

AND WHEREAS on May 13, 2008, Staff, Mellon and Elin attended a further pre-hearing conference before Vice-Chair Turner who was updated on the continuing discussions between the parties including whether the hearing currently scheduled to commence on July 14, 2008 would be a hearing on the merits or a sanctions hearing;

AND WHEREAS Staff, Mellon and Elin agreed that the pre-hearing conference should be continued as soon as reasonably possible, on a date agreed by the parties and fixed by the Office of the Secretary, to address outstanding issues relating to the hearing currently scheduled to commence on July 14, 2008;

AND WHEREAS on May 30, 2008, Staff attended a further pre-hearing conference before Commissioner Bates and filed an Amended Statement of Allegations dated May 30, 2008;

AND WHEREAS Mellon and Elin were advised of this further pre-hearing conference but declined to attend;

AND WHEREAS Staff advised Commissioner Bates that Mellon and Elin had communicated to Staff that they would agree to the facts as set out in the Amended Statement of Allegations and therefore the hearing currently scheduled to commence on July 14, 2008 would be a hearing on sanctions only;

AND WHEREAS Staff advised Commissioner Bates that, since Mellon and Elin were admitting to the facts as set out in the Amended Statement of Allegations filed May 30, 2008 and that the hearing scheduled for July 14, 2008 would not be a hearing on the merits, the only witness to be called by Staff at the hearing commencing on July 14, 2008 would be Scott Boyle, the investigator in this matter;

AND WHEREAS the Commission ordered that a hearing on sanctions only shall commence on July 14, 2008 at 10:00 a.m.

AND WHEREAS on May 30, 2008, the Commission ordered that a hearing on sanctions only shall commence on July 14, 2008 at 10:00 a.m.;

AND WHEREAS on July 14, 2008, Staff, Mellon and Elin appeared before the Commission;

AND WHEREAS Staff, Mellon and Elin did not file, prior to or at the hearing on July 14, 2008, an agreed statement of facts or submissions as to sanctions;

AND WHEREAS the Respondents submitted that they did not receive sufficient notice as to the scope of the hearing scheduled to commence on July 14, 2008, and in particular whether it is a hearing on the merits or a sanctions hearing;

AND WHEREAS the hearing was adjourned to a date to be agreed to by Staff, Mellon and Elin, and determined by the Office of the Secretary;

AND WHEREAS on April 7, 2010, Staff, Mellon and Elin attended a further pre-hearing conference before Commissioner Knight and made submissions;

AND WHEREAS Commissioner Knight advised that the Amended Statement of Allegations submitted to the panel on May 30, 2008 was not formally issued as an Amended Statement of Allegations;

AND WHEREAS Commissioner Knight encouraged Staff, Mellon and Elin to work co-operatively to identify facts agreed upon and facts not agreed upon;

AND WHEREAS Commissioner Knight requested that Staff, Mellon and Elin advise the Commission, in writing, by May 7, 2010:

(a) what facts are agreed upon and what facts are not agreed upon;

(b) what, if any, legal issues remain outstanding;

(c) further to the settlement discussions, details of sanctions sought by Staff and sanctions each of the Respondents are prepared to agree to; and

(d) precedent cases being relied by each party to support that party's position with respect to sanctions;

AND WHEREAS Commissioner Knight requested that the Respondents file all materials with respect to any motions that they wish to bring by May 12, 2010;

AND WHEREAS Commissioner Knight ordered the pre-hearing conference be adjourned to May 20, 2010;

AND WHEREAS on May 20, 2010, Staff, Mellon and Elin attended a further pre-hearing conference before Commissioner Knight;

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

IT IS ORDERED THAT a hearing on the merits shall commence on January 17, 2011 at 10:00 a.m. and continue on January 18, 19, 20 and 21, 2011 or such further or other dates as shall be agreed to by the parties and fixed by the Office of the Secretary.

DATED at Toronto this 20th day of May, 2010.

"David L. Knight"

2.2.4 Nelson Financial Group Ltd. et al.

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

AND

IN THE MATTER OF
NELSON FINANCIAL GROUP LTD., NELSON INVESTMENT GROUP LTD.,MARC D. BOUTET, STEPHANIE LOCKMAN SOBOL, PAUL MANUEL TORRES, H.W. PETER KNOLL

ORDER

WHEREAS on May 12, 2010, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing and a Statement of Allegations in this matter pursuant to section 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act");

AND WHEREAS on June 3, 2010 at 9:00 a.m., the Commission held a hearing where Staff of the Commission ("Staff"), counsel for Nelson Financial Group Ltd., Nelson Investment Group Ltd., Marc D. Boutet, Stephanie Lockman Sobol, counsel to H.W. Peter Knoll, and Mr. Torres, on his own behalf, attended before the Commission;

AND UPON HEARING submissions from counsel for Staff, counsel for the Respondents, and from Mr. Torres;

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

IT IS ORDERED THAT that a pre-hearing conference will be held on Friday, June 18, 2010 at 10:00 a.m.

DATED at Toronto this 3rd day of June, 2010.

"David L. Knight"

2.2.5 Paul Donald – s. 127

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

AND

IN THE MATTER OF
PAUL DONALD

ORDER
(Section 127)

WHEREAS the Ontario Securities Commission ("the Commission") issued a Notice of Hearing and Staff of the Commission ("Staff") filed a Statement of Allegations in this matter on May 20, 2010;

AND WHEREAS on June 7, 2010, counsel for Staff appeared before the Commission;

AND WHEREAS on June 7, 2010, counsel for Paul Donald did not appear before the Commission but provided a consent to an order adjourning the hearing to a confidential pre-hearing conference and setting dates for the hearing on the merits in this matter;

AND WHEREAS the pre-hearing conference will be confidential and the public will be excluded;

IT IS ORDERED that this matter is adjourned to a confidential pre-hearing conference to be held on July 28, 2010 at 10:00 a.m.;

IT IS FURTHER ORDERED that the hearing on the merits shall commence on March 1, 2011 at 10:00 a.m. at the offices of the Commission, 20 Queen Street West, 17th floor, Toronto and continue until March 31, 2011 except for March 8, March 22 and the week of March 14, 2011.

DATED at Toronto, this 7th day of June 2010.

"James E. A. Turner"

2.2.6 Conjuchem Biotechnologies Inc. – s. 144

Headnote

Section 144 – full revocation of cease trade order upon remedying of defaults.

Statutes Cited

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

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

AND

IN THE MATTER OF
CONJUCHEM BIOTECHNOLOGIES INC.
(the Reporting Issuer)

ORDER
(Section 144)

Background

On April 21, 2010, the Director made an order under paragraph 2 of subsection 127(1) of the Act (the Cease Trade Order) that all trading in and all acquisitions of securities of the Reporting Issuer, whether direct or indirect, shall cease until further order by the Director.

The Order was made because the Reporting Issuer was in default of certain filing requirements under Ontario securities law as described in the Cease Trade Order.

The Reporting Issuer has applied to the Ontario Securities Commission under section 144 of the Act for a revocation of the Cease Trade Order.

Representations

This order is based on the following facts represented by the Reporting Issuer:

1. The Reporting Issuer is a reporting issuer under the securities legislation of the provinces of Ontario, British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland.

2. The Reporting Issuer has filed all outstanding continuous disclosure documents that are required to be filed under Ontario securities law.

3. The Reporting Issuer has paid all outstanding activity, participation and late filing fees that are required to be paid.

4. The Reporting Issuer was also subject to similar cease trade orders issued by the Autorité des marchés financiers (the "AMF") and British Columbia Securities Commission (the "BCSC") as a result of the failure to make the filings described in the Cease Trade Order. The orders issued by the AMF and BCSC were revoked on May 19, 2010.

5. The Reporting Issuer's SEDAR profile and SEDI issuer profile supplement are current and accurate.

Order

The Director is of the opinion that it would not be prejudicial to the public interest to revoke the Cease Trade Order.

It is ordered under section 144 of the Act that the Cease Trade Order is revoked.

Dated at Toronto this 4th day of June, 2010.

"Jo-Anne Matear"
Assistant Manager, Corporate Finance

2.2.7 Z-Gold Exploration Inc. – s. 144

Headnote

Section 144 – full revocation of cease trade order upon remedying of defaults.

Statutes Cited

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

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

AND

IN THE MATTER OF
Z-GOLD EXPLORATION INC.
(the Reporting Issuer)

ORDER
(Section 144)

Background

On May 19, 2010, the Director made an order under paragraph 2 of subsection 127(1) of the Act (the Cease Trade Order) that all trading in the securities of the Reporting Issuer, whether direct or indirect, shall cease until further order by the Director.

The Order was made because the Reporting Issuer was in default of certain filing requirements under Ontario securities law as described in the Cease Trade Order.

The Reporting Issuer has applied to the Ontario Securities Commission under section 144 of the Act for a revocation of the Cease Trade Order.

Representations

This order is based on the following facts represented by the Reporting Issuer:

1. The Reporting Issuer is a reporting issuer under the securities legislation of the provinces of Ontario, British Columbia, Alberta and Saskatchewan.

2. The Reporting Issuer has filed all outstanding continuous disclosure documents that are required to be filed under Ontario securities law.

3. The Reporting Issuer has paid all outstanding activity, participation and late filing fees that are required to be paid.

4. The Reporting Issuer is also subject to a similar cease trade orders issued by the Alberta Securities Commission (ASC) and British Columbia Securities Commission (BCSC) as a result of the failure to make the filings described in the Cease Trade Order. The applicant is concurrently applying to the OSC, BCSC and ASC for a full revocation of each of the cease trade order.

5. The Reporting Issuer's SEDAR profile and SEDI issuer profile supplement are current and accurate.

Order

The Director is of the opinion that it would not be prejudicial to the public interest to revoke the Cease Trade Order.

It is ordered under section 144 of the Act that the Cease Trade Order is revoked.

Dated at Toronto this 7th day of June, 2010.

"Jo-Anne Matear"
Assistant Manager, Corporate Finance

2.2.8 Sextant Capital Management Inc. et al.

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

AND

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

ORDER

The Motion for Adjournment brought by the Respondents, Otto Spork, Natalie Spork and Konstantinos Ekonomidis is granted.

IT IS ORDERED that:

The hearing on the merits is adjourned to Monday, June 14, 2010 at 10:00 a.m.

DATED at Toronto this 7th day of June, 2010.

"James D. Carnwath"

"Carol S. Perry"

Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions, Orders and Rulings

3.1.1 Peter Sabourin 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
PETER SABOURIN, W. JEFFREY HAVER,
GREG IRWIN, PATRICK KEAVENEY, SHANE
SMITH, ANDREW LLOYD, SANDRA DELAHAYE,
SABOURIN AND SUN INC., SABOURIN AND
SUN (BVI) INC., SABOURIN AND SUN GROUP
OF COMPANIES INC., CAMDETON TRADING LTD.
AND CAMDETON TRADING S.A.

REASONS AND DECISION ON SANCTIONS AND COSTS
(Sections 127 and 127.1 of the Securities Act)

Hearing:	August 31, 2009		
Decision:	June 4, 2010		
Panel:	James E. A. Turner	–	Vice-Chair and Chair of the Panel
	David L. Knight, F.C.A.	–	Commissioner
	Carol S. Perry	–	Commissioner
Appearances:	Yvonne Chisholm Cullen Price	–	For the Ontario Securities Commission
	James Camp	–	For W. Jeffrey Haver
	Alistair Crawley	–	For Shane Smith, Andrew Lloyd and Sandra Delahaye
	Greg Irwin	–	Self-represented

No one appeared for Peter Sabourin, Sabourin and Sun Inc., Sabourin and Sun (BVI) Inc., Sabourin and Sun Group of Companies Inc., Camdeton Trading Ltd., or Camdeton Trading S.A.

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REASONS AND DECISION
ON SANCTIONS AND COSTS

I. BACKGROUND

[1] This was a bifurcated hearing before the Ontario Securities Commission (the "**Commission**") pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "**Act**"), to consider whether it is in the public interest to make an order with respect to sanctions and costs against Peter Sabourin ("**Sabourin**"), W. Jeffrey Haver ("**Haver**"), Greg Irwin ("**Irwin**"), Shane Smith ("**Smith**"), Andrew Lloyd ("**Lloyd**"), Sandra Delahaye ("**Delahaye**"), and Sabourin and Sun Inc., Sabourin and Sun (BVI) Inc., Sabourin and Sun Group of Companies Inc., Camdeton Trading Ltd. and Camdeton Trading S.A. (the "**Corporate Respondents**"). Haver, Irwin, Smith, Lloyd and Delahaye are collectively referred to as the "**Individual Respondents**", and, for greater certainty, Sabourin is not included in the definition of "Individual Respondents". All of such persons are collectively referred to as the "**Respondents**".

[2] The hearing on the merits was held over thirteen days from April 7, 2008 to April 25, 2008, and the decision on the merits was issued on March 20, 2009 (the "**Merits Decision**").

[3] Following the release of the Merits Decision, we held a separate hearing on August 31, 2009 to consider submissions from Staff of the Ontario Securities Commission ("**Staff**") and the Respondents regarding sanctions and costs (the "**Sanctions and Costs Hearing**").

[4] These are our reasons and decision as to the appropriate sanctions and costs to be ordered against the Respondents. Our Sanctions and Costs Order is appended.

II. THE MERITS DECISION

[5] In a Statement of Allegations dated December 7, 2006, Staff alleged that the offer and sale of investment schemes by the Respondents and Patrick Keaveney ("**Keaveney**") between August 2001 and December 2006, constituted trades in securities without registration and distributions of securities without the filing of a prospectus, in contravention of sections 25 and 53 of the Act. It was alleged that this conduct also constituted trading in securities that was contrary to the public interest.

[6] We concluded in the Merits Decision that Sabourin and the Corporate Respondents, and each of the Individual Respondents, breached sections 25 and 53 of the Act and acted contrary to the public interest. However, we found that there was insufficient evidence to conclude that Keaveney did so and we dismissed the allegations against him.

[7] Our reasons for reaching these conclusions are summarized in paragraphs 369 to 375 of the Merits Decision as follows:

> [369] We find that the investors who testified, and many other investors, were offered and sold investments with Sabourin and Sun and Camdeton between August 2001 and December 2006. Investors were led to believe, based on the representations made to them, that they would profit from substantial returns on their investments with little or no risk and with no active involvement on their part. Many of them were encouraged to mortgage their homes, draw down their lines of credit or collapse their RRSPs in order to invest. An amount of up to $33.9 million was invested in the investment schemes and investors lost most of their money. We note that the investment schemes had attributes similar to the characteristics of a prime bank investment scheme as described in paragraph 50. The investment schemes were a sham and the representations made to investors were lies. Sections 25 and 53 of the Act are intended to protect the public from such illegitimate schemes.

[370] We find that Sabourin concocted and orchestrated the investment schemes and sold sham investments, directly and through Irwin, Haver, Smith, Lloyd, Delahaye and others. He was the directing and controlling mind of Sabourin and Sun and Camdeton and directed everything, including where funds went, how investments were processed and what information and payments were sent to investors. He solicited and sold investments he knew to be a sham, lied to and misled investors, and misappropriated investors' funds. Based on the evidence, it appears that at least $3.3 million (Canadian) and $200,000 (US) was received by Sabourin or paid to third parties for his benefit. We also find that the Corporate Respondents contravened sections 25 and 53 of the Act and acted in a manner contrary to the public interest and harmful to the integrity of Ontario capital markets.

[371] We find that Irwin accepted money from investors, helped investors complete application forms, prepared welcome letters and corresponded with investors, helped set up the off-shore companies, created and updated investors' online accounts, and exercised signing authority over the corporate bank accounts. We find that Irwin, because of his close working relationship with Sabourin, was in the best position of the individual respondents (apart from Sabourin himself) to recognize that the investment schemes were not legitimate. Although he questioned the use of investor funds, he accepted Sabourin's explanations and passed on Sabourin's reassurances to investors. We find that he misled Staff. Irwin received between $438,000 and $1.4 million from his involvement with Sabourin and Sun and Camdeton.

[372] Haver, a former registrant, admitted that he contravened sections 25 and 53 of the Act. We find that Haver solicited clients to invest, met with clients, including some who were referred by Smith, Lloyd and Delahaye and other sales agents, explained the investment schemes, provided promotional material, received clients' investment cheques, helped clients complete the paperwork and passed that material on to the Sabourin and Sun office, sent out welcome letters and other correspondence, and acted as the point of contact between investors and Sabourin when investors had problems with their investments. Haver also dealt with Smith, Lloyd and Delahaye and other sales agents, entered into contracts with them and paid their commissions. We find that as a former registrant, Haver knew or ought to have known that he was selling securities in breach of the Act. It appears he received funds for his benefit of at least $345,000 from his involvement with Sabourin and Sun and Camdeton.

[373] Smith, Lloyd and Delahaye, the sales agents, admitted that they contravened sections 25 and 53 of the Act. They solicited clients to invest, met with clients to provide promotional material and explain the investment schemes, helped clients complete the required paperwork and received clients' investment cheques. They terminated their registrations so as to be able to sell the investment schemes, and continued to sell them even after being interviewed by the Commission. We find that as former registrants, they knew or ought to have known that they were selling securities in breach of the Act. We find that Smith was paid commissions of at least $1 million, Lloyd received at least $266,000, and Delahaye received at least $70,000, over the period of their involvement with Sabourin and Sun and Camdeton.

[374] We find that Haver, Smith, Lloyd and Delahaye continued to sell the investment schemes after learning that the Commission was making enquiries and conducting interviews. We also find that Irwin and Smith misled Staff during their interviews. In addition, Lloyd told investors to ignore any enquiries from the Commission regarding Sabourin and Sun.

[375] We are satisfied that Staff presented clear and convincing proof, based upon cogent evidence, that Sabourin, Irwin, Haver, Smith, Lloyd, Delahaye and the Corporate Respondents:

(i) contravened section 25 of the Act by trading in securities without registration in circumstances where no exemption was available;

(ii) contravened section 53 of the Act by distributing securities for which no preliminary prospectus or prospectus was filed or receipted by the Director in circumstances where no exemption was available; and

(iii) acted contrary to the public interest and in a manner harmful to the integrity of Ontario capital markets.

[8] We will consider our findings and conclusions in the Merits Decision in determining the appropriate sanctions and order as to costs in the circumstances.

III. SANCTIONS AND COSTS REQUESTED BY STAFF

[9] Staff requests the following sanctions and costs orders against the Respondents.

Cease trade and other prohibition orders

[10] Staff seeks an order:

(a) pursuant to clause 2 of subsection 127(1) of the Act, that each of the Respondents cease trading in securities permanently;

(b) pursuant to clause 2.1 of subsection 127(1), that each of the Respondents be prohibited permanently from acquiring any securities;

(c) pursuant to clause 3 of subsection 127(1), that any exemptions contained in Ontario securities law do not apply permanently to each of the Respondents;

(d) pursuant to clause 7 of subsection 127(1), that each of Sabourin and the Individual Respondents resign all positions he or she may hold as a director or officer of an issuer; and

(e) pursuant to clause 8 of subsection 127(1), that each of Sabourin and the Individual Respondents be prohibited permanently from becoming or acting as a director or officer of any issuer.

Reprimand

[11] Staff seeks an order, pursuant to clause 6 of subsection 127(1), reprimanding each of the Respondents.

Administrative Penalties

[12] Staff seeks an order, pursuant to clause 9 of subsection 127(1), requiring the Respondents to pay administrative penalties in the following amounts:

(a) $200,000 to be paid by Sabourin and each of the Corporate Respondents;

(b) $150,000 to be paid by each of Haver, Irwin and Smith; and

(c) $100,000 to be paid by each of Lloyd and Delahaye.

Disgorgement

[13] Staff seeks an order, pursuant to clause 10 of subsection 127(1), requiring each of the Respondents to disgorge to the Commission all amounts obtained as a result of their non-compliance with Ontario securities law, such amounts to be allocated to or for the benefit of third parties pursuant to subsection 3.4(2)(b) of the Act. The specific disgorgement orders sought are as follows.

[14] Staff seeks an order that Sabourin and the Corporate Respondents disgorge $27.9 million to the Commission, on a joint and several basis, being the total amount obtained by them as a result of their non-compliance with Ontario securities law. That amount is determined by subtracting from the up to $33.9 million total amount obtained from investors, $6 million that appears to have been re-paid to investors (paragraphs 176 and 177 of the Merits Decision).

[15] Staff submits that Irwin should be jointly and severally responsible for the entire amount of $27.9 million obtained by Sabourin and the Corporate Respondents from investors because of what Staff describes as his “direct and sustained involvement throughout the relevant period”. In the alternative, Staff seeks a disgorgement order of $599,000 against Irwin, being the amount of $438,000 that we concluded was received by him as salary and the amount of $161,000 which Irwin received and could not explain (paragraph 220 of the Merits Decision).

[16] Staff submits that Haver should be ordered to disgorge $19,624,779, being the entire amount obtained by him from investors as a result of his unlawful conduct, including the unlawful conduct carried out under his supervision by Smith, Lloyd and Delahaye. In the alternative, Staff seeks a disgorgement order against Haver in the amount of $2.6 million, being the amount Staff alleges was paid to Haver and his company, Nickel and Sun (paragraph 275 of the Merits Decision).

[17] Staff submits that Smith should be ordered to disgorge the entire amount obtained by him from investors as a result of his unlawful conduct, including the unlawful conduct carried out under his supervision by sales agents including Lloyd and

Delahaye. Staff submits that the total amount obtained from investors by Smith and his agents was $14,352,423. Alternatively, Staff submits that Smith should be ordered to disgorge the amount of his commissions, which we found to be at least $1 million (paragraph 312 of the Merits Decision).

[18] Staff submits that Lloyd and Delahaye should be ordered to disgorge the entire amounts they obtained from investors, being $4,740,897 in the case of Lloyd and $1,996,140 in the case of Delahaye. Alternatively, Staff submits that Lloyd should be ordered to disgorge his commissions, which amounted to at least $266,000 (paragraph 339 of the Merits Decision) and that Delahaye should be ordered to disgorge her commissions of at least $70,000 (paragraph 364 of the Merits Decision).

Staff's Conclusion on Sanctions

[19] Staff submits that the sanctions orders requested by it are necessary in the public interest to protect investors and the Ontario capital markets from future misconduct by the Respondents. Staff submits that such orders are appropriate given the misconduct of the Respondents in this matter and the serious breach by them of key provisions of the Act.

Costs

[20] Staff also seeks an order for investigation and hearing costs pursuant to section 127.1 of the Act. Staff submits that the Respondents should be ordered to pay $182,493.75 on a joint and several basis, which amount Staff submits represents only a portion of the costs related to the investigation and hearings related to this matter.

IV. THE POSITIONS OF THE RESPONDENTS

A. Sabourin and the Corporate Respondents

[21] Sabourin and the Corporate Respondents did not appear at or participate in the hearing on the merits or the Sanctions and Costs Hearing.

B. Irwin

[22] In his written and oral submissions at the Sanctions and Costs Hearing, Irwin expressed his sympathy to the investors who were hurt as a result of the investment schemes and his regret about his own involvement. He accepts that what happened was wrong and that he "should have asked more questions, investigated further, stopped working for Sabourin, and … taken further steps when red flags came up".

[23] Irwin does not contest Staff's request that he be reprimanded, that he be prohibited from trading and acquiring securities, that any available exemptions under the Act not apply to him permanently, that he resign from any position as a director or officer of an issuer and that he be permanently prohibited from becoming or acting as a director or officer of an issuer.

[24] Accordingly, Irwin contests only Staff's request for an administrative penalty, disgorgement order and costs order. He submits that the total monetary amount sought by Staff is disproportionate to his conduct, especially compared with the other Respondents, and that he is financially unable to pay more than a limited financial penalty.

[25] With respect to the proportionality of sanctions, Irwin asks the Commission to consider the following factors:

(a) his limited securities knowledge, especially compared with Haver, Smith, Lloyd and Delahaye, who were former registrants (Irwin describes himself as a store clerk and educated computer programmer before he met Sabourin);

(b) his limited involvement with investors (Irwin described his role as that of an "administrative assistant" who was not involved in selling the investments and who simply referred investor enquiries on to Sabourin);

(c) his culpability, which he accepts and characterizes as that of an "unwitting tool" of Sabourin; and

(d) his lack of intention to profit from the scheme (he submits that he received only a salary and bonus consistent with his role as administrative assistant, and did not receive or expect to receive any sales commissions).

[26] Further, Irwin submits that once Sabourin disappeared and it became apparent to Irwin "just how wrong his scheme was", he co-operated with Staff, attending and providing information when requested, and he provided information to the Ontario Provincial Police in the fall of 2007.

[27] In an affidavit submitted to us, Irwin states that he and his wife are insolvent as a result of his involvement with Sabourin. There is apparently a judgment against him for $1,466,000 in favour of a Sabourin investor, which he states he will

never be able to satisfy. He has liquidated his assets, including those owned jointly with his wife, totaling approximately $300,000. Irwin also says that his legal fees have exceeded $100,000. Further, he notes that he has no prior history or record of improper conduct relevant to these proceedings, and that he will never be involved in the capital markets again, as is made clear by his full acceptance of the imposition of the non-financial sanctions referred to above. Accordingly, Irwin submits that imposing the administrative penalty requested by Staff would not be in the public interest.

[28] With respect to disgorgement, Irwin disputes Staff's submission that he should be held jointly and severally responsible for the $27.9 million obtained by Sabourin and the Corporate Respondents from investors pursuant to the investment schemes. In response to Staff's alternative request that he disgorge his salary of $438,000 plus funds unaccounted for of $161,000, Irwin submits there was no evidence as to what, if any, amounts he obtained as a result of his non-compliance with Ontario securities law. He notes that Staff does not suggest, and there is no evidence, that he shared in the profits of the investment schemes or that his salary was not appropriate for the limited administrative role he played.

[29] With respect to costs, Irwin submits that he attempted to settle this matter with the Commission, challenging only the requested financial sanctions. Accordingly, Irwin says that no costs order should be made against him.

C. Haver

[30] Through his counsel, Haver expressed his regret "that his misplaced belief in the legitimacy of Sabourin's scheme and his resulting conduct resulted in harm to investors in Sabourin's scheme and to the capital markets generally. He accepts that his credulity in the face of red flags that should have alerted him to investigate more diligently make it appropriate that he be removed from any involvement in the capital markets."

[31] Consequently, Haver does not contest Staff's request that he be reprimanded, that he be prohibited from trading and acquiring securities, that any available exemptions under the Act not apply to him permanently, that he resign from any position as a director or officer of an issuer and that he be permanently prohibited from becoming or acting as a director or officer of an issuer.

[32] Haver contests only Staff's request for an administrative penalty, disgorgement order and costs order. He submits that in all of the circumstances, including his current very limited financial resources, he should not be ordered to pay more than $15,000, which is the amount that he reasonably expects to be able to pay.

[33] Haver submits that the monetary orders requested by Staff are not necessary for specific or general deterrence and appear to punish him for Sabourin's misconduct. Haver notes that we found that Sabourin "concocted and orchestrated the investment schemes and sold sham investments, directly and through Irwin, Haver, Smith, Lloyd, Delahaye and others" and that Sabourin "solicited and sold investments he knew to be a sham, lied to and misled investors, and misappropriated investors' funds". In contrast, we found that Haver, "ignored the facts before him, did not ask the right questions (or blithely accepted the answers to the questions he asked) and ignored red flags that should have alerted him to investigate more diligently" and we concluded that "as a former registrant, Haver knew or ought to have known that he was selling securities in breach of the Act." In the circumstances, Haver submits that it is not appropriate for the administrative penalty proposed by Staff for Sabourin to be only $50,000 more than the administrative penalty proposed for him, given their very different levels of culpability and, in particular, the fact that Sabourin was the architect and prime beneficiary of the investment schemes.

[34] Haver accepts our findings as to his culpability, but submits that his belief in the legitimacy of Sabourin's investment schemes was the result of, and reinforced by, the following factors: he was introduced to Sabourin by his mentor, Gordon Edwards, who endorsed the investment schemes; his father, who held a Ph.D. in economics, met with Sabourin and was convinced of the legitimacy of the investment schemes; and his lawyer advised him that the rates of return were higher than normal but not unrealistic.

[35] For the same reason, Haver submits that it is not in the public interest that he should be liable to pay any disgorgement or costs jointly and severally with Sabourin or with Irwin or Smith, both of whom he submits were more culpable than he was. Haver notes that Staff stated, at the start of the hearing, that "this is not a collusion case. … It's not an acting jointly or in concert case …".

[36] Further, Haver submits that he co-operated with Staff, in contrast to Sabourin, who absconded with investors' money and did not participate in this proceeding. Haver notes that, at the outset of the hearing on the merits, he admitted that he contravened sections 25 and 53 of the Act. During his testimony, he repeatedly expressed his remorse for the damage caused by his actions.

[37] With respect to any possible disgorgement order against him, Haver relies on *Re Limelight Entertainment Inc.* (2008), 31 O.S.C.B. 12030 ("***Re Limelight***") at paragraph 48, where the Commission adopted the position of the United States Securities and Exchange Commission that disgorgement "is an equitable remedy designed to deprive respondents of all gains flowing from their wrong, rather than to compensate the victims of the fraud". Haver submits that disgorgement is generally

ordered against the architects of the scheme, as it was in *Re Limelight*. Haver says that "there's certainly never been a decision where disgorgement has been ordered against people like [him] on a joint and several basis".

[38] Accordingly, Haver submits that in determining the amount of any disgorgement order, the Act puts the focus on the amounts obtained by each respondent, not the amounts lost by investors. Further, Haver relies on the Commission's holding in *Re Limelight* that "it would be unfair and inconsistent with the principles underlying the disgorgement remedy for the aggregate amount ordered to be disgorged by Canadian securities regulators or courts to exceed the amounts obtained by [the respondents] from investors" (*Re Limelight*, *supra*, at paragraph 63). Haver submits that any disgorgement order made against him should not, therefore, include amounts he paid to sales agents such as Smith, Lloyd and Delahaye.

[39] Haver submits that, in determining the appropriate sanctions, ability to pay is a factor that should be given serious weight, although it is not the only factor or even a predominant factor. He relies in this respect on the decisions in *Re Zuk* (2007), 30 O.S.C.B. 3201, *Re Rankin* (2008), 31 O.S.C.B. 3303, and *Re Kasman and Anderson* (2009), 32 O.S.C.B. 5729. In response to Staff's submissions on this issue, Haver notes that in the two cases relied on by Staff for the proposition that ability to pay is not relevant in determining sanctions, the orders were issued against the architect of the scheme (*Hogan v. British Columbia (Securities Commission)*, 2005 BCCA 53, and *Re Anderson*, 2007 BCSECCOM 350). In contrast, he notes that in *Re Cornwall* (2008), 31 O.S.C.B. 4840 at paragraph 94, the Commission considered as mitigating factors in ordering costs against the respondent Cook, that she admitted her wrongdoing and recognized the seriousness of her actions, she was not an architect of the scheme (though she was "a necessary part" of it), and she was not closely involved with investors.

[40] In support of his submission that he will not be able to pay the monetary amounts sought by Staff, Haver filed an affidavit which states, amongst other things, that his liabilities (at the time of the Sanctions and Costs Hearing) exceed his assets by over $200,000, as shown on the net worth statement attached to his affidavit. Haver states in his affidavit that he believes he will be able to borrow between $10,000 to $15,000 from friends and relatives to pay any financial sanctions imposed by the Commission.

[41] Further, Haver states in his affidavit that, on March 20, 2008, he wrote to Staff and offered to accept the following sanctions in order to settle this matter: a twenty-year registration ban under subsection 127(1)8.5; a twenty-year cease trade order under subsection 127(1)2, except that after three years, he would be permitted to trade securities through a registered dealer in his registered retirement savings plan ("RRSP"); an order under subsection 127(1)3 that any exemptions contained in Ontario securities law shall not apply to him for twenty years; a reprimand under subsection 127(1)6; a twenty-year ban on becoming or acting as a director or officer of any issuer, registrant or investment fund manager under subsections 127(1)8, 8.2 and 8.4; and an order under subsection 127(1)10 that he disgorge $20,000 to the Commission. Haver submits that his settlement proposal is relevant in considering Staff's request for a costs order.

[42] Finally, Haver submits that the costs sought by Staff do not indicate what amounts should relate to him rather than the other Respondents, and he submits that the joint and several order requested by Staff is not appropriate in a case that was not pleaded as a "joint and in concert" case.

D. Smith, Lloyd and Delahaye

[43] Counsel for Smith, Lloyd and Delahaye (the "**Sales Agents**") does not take issue with Staff's request for trading bans, but submits that there should be carve-outs for personal trading in an RRSP. Counsel submits that there is no reason to believe the Sales Agents will take advantage of such carve-outs to the detriment of investors or the capital markets.

[44] Further, in response to Staff's request that the trading and market participation bans be permanent, the Sales Agents accept that significant bans will be ordered, but suggest that we may wish to consider the appropriate duration of such bans.

[45] With respect to disgorgement, the Sales Agents submit that Staff would not be seeking to hold them jointly and severally responsible to pay any disgorgement order if sufficient assets of the principals – Sabourin and the Corporate Respondents – were available. The Sales Agents submit that the focus of the Act is on the amounts obtained by each Respondent as a result of his or her non-compliance with Ontario securities law, not the total amount raised from investors. Accordingly, the Sales Agents submit that the relevant amount is the amount each Respondent earned as commissions for selling the investment schemes to investors.

[46] Further, in determining the amount of any disgorgement order, the Sales Agents submit that the individuals who introduced investors to Sabourin from August 2001 to the fall of 2004 (the "Sabourin and Sun Period" discussed at paragraphs 73 and 75 to 96 of the Merits Decision) and who likely received commissions for doing so, were not named as respondents in this matter; indeed, Staff called one of them, Robert Pope, as a witness at the hearing on the merits.

[47] Smith submits that there is a lack of clear evidence to definitively establish the amounts he obtained from investors, and while he acknowledges our conclusion that he likely received more, we were satisfied that he "was paid commissions of at least $1 million over the period of his involvement …" (paragraph 311 of the Merits Decision).

[48] Lloyd submits that while we found that he received "at least $266,000 in commissions" (paragraph 339 of the Merits Decision), those commissions went into a corporate account and were split equally with his father. He submits that evidence was not contested by Staff.

[49] Delahaye submits that any disgorgement order against her should take into account that she and her fiancé invested $80,000 in the investment schemes, which we found "may equal the full amount of the commissions that were paid to her" (paragraph 367 of the Merits Decision) and she says that her investment was made in May 2006, which was "fairly late in the day in the context of the relevant period … before this was all shut down".

[50] With respect to administrative penalties, the Sales Agents submit that any amounts ordered should be considered together with any disgorgement order, so that the financial sanctions ordered, when viewed in totality, are proportionate to the conduct in question.

[51] Finally, the Sales Agents submit that any costs order should take into account that the hearing on the merits was completed in just over two weeks due in part to the level of cooperation between the parties that participated in the hearing. Further, the Sales Agents acknowledged at the start of the hearing on the merits that they had distributed securities without being registered in breach of the Act.

V. SANCTIONS

A. The Law on Sanctions

[52] The Commission's mandate is (i) to provide protection to investors from unfair, improper or fraudulent practices; and (ii) to foster fair and efficient capital markets and confidence in capital markets (section 1.1 of the Act).

[53] In imposing sanctions, the Commission's objective is not to punish past conduct. Rather, the Commission must act in a protective and preventative manner to restrain future conduct that may be harmful to investors or the capital markets. As stated by the Commission in *Re Mithras Management Ltd.*:

> … the role of this Commission is to protect the public interest by removing from the capital markets – wholly or partially, permanently or temporarily, as the circumstances may warrant – those whose conduct in the past leads us to conclude that their conduct in the future may well be detrimental to the integrity of those capital markets. We are not here to punish past conduct; that is the role of the courts, particularly under section 118 [now 122] of the Act. We are here to restrain, as best we can, future conduct that is likely to be prejudicial to the public interest in having capital markets that are both fair and efficient. In so doing we must, of necessity, look to past conduct as a guide to what we believe a person's future conduct might reasonably be expected to be; we are not prescient, after all.
>
> (*Re Mithras Management Ltd.* (1990), 13 O.S.C.B. 1600 at pp. 1610-1611)

[54] The Supreme Court of Canada has described the Commission's public interest jurisdiction as follows:

> The purpose of an order under s. 127 is to restrain future conduct that is likely to be prejudicial to the public interest in fair and efficient capital markets. The role of the [Commission] under s. 127 is to protect the public interest by removing from the capital markets those whose past conduct is so abusive as to warrant apprehension of future conduct detrimental to the integrity of the capital markets.
>
> (*Committee for Equal Treatment of Asbestos Minority Shareholders v. Ontario (Securities Commission)*, [2001] 2 S.C.R. 132 at paragraph 43)

[55] In addition, the Commission should consider general deterrence as an important factor when determining appropriate sanctions. In *Re Cartaway Resources Corp.*, [2004] 1 S.C.R. 672 at paragraph 60, the Supreme Court of Canada stated that "… it is reasonable to view general deterrence as an appropriate, and perhaps necessary, consideration in making orders that are both protective and preventative".

[56] In determining the appropriate sanctions in this matter, we must ensure that the sanctions imposed are proportionate to the conduct of each Respondent (*Re M.C.J.C. Holdings Inc. and Michael Cowpland*, (2002), 25 O.S.C.B. 1133 ("***Re M.C.J.C. Holdings***") at paragraph 26). As we stated in the Merits Decision:

> In our view, fairness requires us, in imposing sanctions, to consider all of the relevant circumstances. Those circumstances will include what the various Respondents knew or ought to

> have known, what they intended or believed, what steps they took to determine the legitimacy of the investment schemes, and what their role was in offering and selling those schemes to investors.
>
> (Paragraph 71 of the Merits Decision)

[57] The Commission has previously identified the following as some of the factors that the Commission should consider when imposing sanctions:

(a) the seriousness of the conduct and the breaches of the Act;

(b) the respondent's experience in the marketplace;

(c) the level of a respondent's activity in the marketplace;

(d) whether or not there has been recognition by a respondent of the seriousness of the improprieties;

(e) whether or not the sanctions imposed may serve to deter not only those involved in the matter being considered, but any like-minded people, from engaging in similar abuses of the capital markets;

(f) the size of any profit obtained or loss avoided from the illegal conduct;

(g) the size of any financial sanction or voluntary payment;

(h) the effect any sanctions may have on the ability of a respondent to participate without check in the capital markets;

(i) the reputation and prestige of the respondent;

(j) the remorse of the respondent; and

(k) any mitigating factors.

(*Re Belteco Holdings Inc.* (1998), 21 O.S.C.B. 7743 at page 7746; and *Re M.C.J.C. Holdings*, *supra*, at paragraph 26)

[58] Overall, the sanctions we impose must protect investors and Ontario capital markets by barring or restricting the Respondents from participating in those markets in the future and by sending a clear message to the Respondents and to others participating in our capital markets that the types of illegal activities and abusive practices identified in this matter will not be tolerated.

[59] In imposing administrative penalties and disgorgement, we will consider the overall financial sanctions imposed on each Respondent.

[60] We accept that ability to pay is a relevant consideration in determining the appropriate financial sanctions to be imposed. We do not accept that as a predominant or determining factor, but it is clearly relevant in the total mix of factors and considerations.

B. Findings and Conclusions as to Sanctions

(i) Specific Factors Applicable in this Matter

[61] In considering the factors referred to in paragraphs 56 and 57, we find the following specific factors and circumstances to be relevant in this matter, based on our findings in the Merits Decision (which are summarized at paragraph 7 of these reasons):

(a) the conduct of Sabourin and the Corporate Respondents was clearly egregious. As noted above, Sabourin and the Corporate Respondents solicited and sold investments they knew to be a sham, lied to and misled investors, and misappropriated up to $27.9 million of investors' funds. In doing so, Sabourin and the Corporate Respondents breached a number of key provisions of the Act intended to protect investors from just such conduct. These actions and activities caused severe financial harm to investors and to the integrity of Ontario's capital markets and were clearly contrary to the public interest;

(b) Haver, Irwin, Smith, Lloyd and Delahaye knew or ought to have known that they were selling securities in breach of the Act;

(c) Haver and the Sales Agents represented to investors that there was little or no risk in the investments, some meetings were held in potential investors' homes and a number of the investors were encouraged to mortgage their homes, draw down lines of credit or collapse their RRSPs in order to invest;

(d) excessive commissions of up to 24% per year on the accumulating account balances of investors were paid to Haver and the Sales Agents and those commissions were not disclosed to investors;

(e) Haver, Irwin, Smith, Lloyd and Delahaye failed to exercise sufficient due diligence with respect to the investment schemes;

(f) Haver and the Sales Agents were former registrants and knew or ought to have known their conduct was inappropriate and in breach of the Act;

(g) Irwin had no previous financial industry experience but was in the best position of the Individual Respondents to know that the investment schemes were a sham;

(h) Haver and the Sales Agents continued to sell the investment schemes after learning that the Commission was making enquiries and conducting interviews. Lloyd told investors to ignore any enquiries from the Commission;

(i) Irwin and Smith misled Staff during their interviews; and

(j) it appears likely that investors have lost most of their investment and there is little hope for any recovery. That has had a devastating effect on a number of the investors from whom we heard evidence.

[62] We consider the matters referred to in clauses (a), (c), (d), (f), (h), (i) and (j) to be aggravating factors, to the extent such factors apply to an Individual Respondent. We also consider, with respect to Haver and Irwin, the mitigating factors identified in paragraphs 79 and 85 of these reasons.

(ii) Trading and Other Prohibitions

[63] As noted above, one of the Commission's objectives in imposing sanctions is to restrain future conduct that may be harmful to investors or the capital markets. In this case, we find that the public interest requires that the Respondents be restrained permanently from any future market participation. We note that the Individual Respondents are not contesting the imposition of substantial trading bans.

[64] In all of the circumstances, we have concluded that it is in the public interest to make the following orders:

(a) a permanent cease trade order against each of the Respondents (subject, in the case of the Individual Respondents, to a carve-out for trading in an RRSP);

(b) a permanent prohibition order against each of the Respondents acquiring any securities (subject, in the case of the Individual Respondents, to a carve-out for trading in an RRSP);

(c) a permanent removal of exemptions order against each of the Respondents;

(d) an order that each of Sabourin and the Individual Respondents resign all positions they hold as a director or officer of an issuer;

(e) an order that each of Sabourin and the Individual Respondents be prohibited permanently from becoming or acting as a director or officer of an issuer; and

(f) an order reprimanding each of the Respondents.

(iii) Disgorgement

[65] Subsection 127(1)10 of the Act provides that a person or company that has not complied with Ontario securities law can be ordered to disgorge to the Commission "any amounts obtained" as a result of the non-compliance. The disgorgement remedy is intended to ensure that respondents do not retain any financial benefit from their breaches of the Act and to provide specific and general deterrence. It is not intended primarily as a means to compensate investors for their losses. However,

subsection 3.4(2)(b) of the Act allows the Commission to order that amounts paid to the Commission in satisfaction of a disgorgement order or administrative penalty be allocated to or for the benefit of third parties.

[66] We agree that, as stated in *Re Limelight*, the Commission should consider the following factors when contemplating issuing a disgorgement order:

> (a) whether an amount was obtained by a respondent as a result of non-compliance with the Act;
>
> (b) whether the amount that a respondent obtained as a result of non-compliance with the Act is reasonably ascertainable;
>
> (c) the seriousness of the misconduct and the breaches of the Act and whether investors were seriously harmed;
>
> (d) whether the individuals who suffered losses are likely to be able to obtain redress by other means; and
>
> (e) the deterrent effect of a disgorgement order on the respondents and other market participants.
>
> (*Re Limelight*, *supra*, at para. 52)

These factors are not exhaustive; they should be considered with the other factors referred to in paragraphs 56, 57 and 61 of these reasons.

[67] Staff has the onus to prove on the balance of probabilities the amount obtained by a respondent as a result of that respondent's non-compliance with the Act.

[68] The Commission commented in *Re Limelight* on how "amounts obtained" as a result of non-compliance with the Act should be determined. We agree with the following comment made in that decision:

> We note that paragraph 10 of subsection 127(1) of the Act provides that disgorgement can be ordered with respect to "any amounts obtained" as a result of non-compliance with the Act. Thus, the legal question is not whether a respondent "profited" from the illegal activity but whether the respondent "obtained amounts" as a result of that activity. In our view, this distinction is made in the Act to make clear that all money illegally obtained from investors can be ordered to be disgorged, not just the "profit" made as a result of the activity. This approach also avoids the Commission having to determine how "profit" should be calculated in any particular circumstance. Establishing how much a respondent obtained as a result of his or her misconduct is a much more straightforward test. In our view, where there is a breach of Ontario securities law that involves the widespread and illegal distribution of securities to members of the public, it is appropriate that a respondent disgorge all the funds that were obtained from investors as a result of that illegal activity. In our view, such a disgorgement order is authorized under paragraph 10 of subsection 127(1) of the Act.
>
> (*Re Limelight*, *supra*, at para. 49)

[69] In our view, a disgorgement order is appropriate in these circumstances because it ensures that none of the Respondents will benefit from their breaches of the Act and because such an order will deter them and others from similar misconduct. In our view, it is appropriate that a disgorgement order in these circumstances relate to the full amount that we determined in the Merits Decision to have been obtained by each of the Respondents from investors.

[70] Having considered the relevant factors, we will order that Sabourin and the Corporate Respondents disgorge $27,900,000, on a joint and several basis. That amount represents the up to $33.9 million obtained by Sabourin and the Corporate Respondents from investors less the amount of $6 million that appears to have been returned to investors (paragraphs 176 and 177 of the Merits Decision). We impose joint and several liability on Sabourin and the Corporate Respondents because, as stated in the Merits Decision, Sabourin was the directing and controlling mind of the Corporate Respondents and it would be impossible to treat them separately (paragraph 187 of the Merits Decision). As stated at paragraph 370 of the Merits Decision, Sabourin concocted and orchestrated the investment schemes. Because of our view that the Individual Respondents are less culpable than Sabourin and the Corporate Respondents and played distinct roles in the investment schemes, we will not order that any of the Individual Respondents pay, on a joint and several basis, the amounts we order disgorged by Sabourin and the Corporate Respondents.

[71] The amounts obtained by Haver and the Sales Agents from investors appear to have been obtained as agents for Sabourin and the Corporate Respondents, and those amounts were paid to Sabourin and the Corporate Respondents. Haver and the Sales Agents were then paid commissions on the amount of their sales to investors. In the circumstances, there would

be a significant element of double counting the amounts "obtained" if we took the position that all of the amounts obtained by Sabourin and the Corporate Respondents from investors were obtained both by them and by Haver and the Sales Agents for purposes of a disgorgement order. While that may be appropriate in other circumstances, that result does not seem to us to be fair to the Individual Respondents in this case. In the circumstances of this case, we find it appropriate to order disgorgement by the Individual Respondents only of the commissions they obtained after reflecting payment of commissions to other sales agents. In doing so, we should not be taken to have concluded that it will always be appropriate in making a disgorgement order to deduct commissions or other amounts that have been paid to third parties.

[72] We will order that Haver disgorge $345,000 (paragraph 277 of the Merits Decision), that Smith disgorge $1,000,000 (paragraph 312 of the Merits Decision), that Lloyd disgorge $266,000 (paragraph 339 of the Merits Decision) and that Delahaye disgorge $70,000 (paragraph 364 of the Merits Decision), each on a several basis.

[73] No disgorgement order is made against Irwin. Irwin did not sell the investment schemes to investors or receive commissions for doing so. His role was primarily administrative and he appears to have acted only at the specific direction of Sabourin. In the circumstances, we are not prepared to conclude that Irwin obtained any amounts as a result of his contraventions of the Act. In coming to that conclusion, we should not be taken to have concluded that a person paid a salary can never he held to have obtained, for purposes of subsection 127(1)10 of the Act, such amounts as a result of their non-compliance with the Act.

(iv) Administrative Penalties

[74] In our view, it is appropriate in this matter to impose substantial administrative penalties in addition to our disgorgement orders to ensure that the overall financial sanctions imposed on the Respondents deter others from similar conduct.

[75] The misconduct by each of the Respondents in this matter involved numerous serious breaches of the Act over a period of years. Under subsection 127(1)9 of the Act, we are entitled to impose an administrative penalty of not more than $1 million in connection with each failure to comply with the Act. In our view, as a matter of principle, a respondent who commits multiple breaches of the Act should know that continuing breaches of the Act will have consequences in terms of the sanctions ultimately imposed. At the same time, however, in imposing administrative penalties we must consider the specific conduct of each Respondent and the level of administrative penalties imposed in other similar cases. In this respect, we have carefully reviewed the decisions referred to us by Staff and counsel for the Sales Agents.

[76] In imposing the following administrative penalties, we have considered our findings in the Merits Decision, the respective roles of each Respondent in the illegal conduct involved in this matter, the extent of the involvement of each Respondent in selling the investment schemes to investors, and, in the case of Haver and Irwin, their current financial circumstances. In doing so, we recognize that the Individual Respondents were less culpable than Sabourin and the Corporate Respondents. We also note that Irwin's role was primarily administrative and did not involve the direct sale by him of securities to investors or the receipt of commissions.

[77] We will order that an administrative penalty of $1,200,000 be paid to the Commission by Sabourin and the Corporate Respondents, on a joint and several basis. A significant administrative penalty is appropriate given the egregious role of those Respondents (as summarized in paragraphs 369 and 370 of the Merits Decision and set forth in paragraph 7 of these reasons) that they pay the largest administrative penalty and that it be very substantial given their conduct and multiple breaches of the Act over a period of years.

[78] We will order that an administrative penalty of $150,000 be paid to the Commission by each of Haver and Smith, on a several basis.

[79] With respect to Haver, we consider the following mitigating factors:

(i) at the hearing on the merits, he admitted the allegations against him that he contravened section 25 and 53 of the Act, contesting only Staff's allegation that he participated in a prime bank investment scheme (paragraph 243 of the Merits Decision);

(ii) at the Sanctions and Costs Hearing, he expressed remorse and accepted Staff's request for a reprimand and market participation bans, contesting only Staff's request for a disgorgement order, administrative penalty and costs order; and

(iii) he states that he has no ability to pay any amount in excess of $10,000 to $15,000.

[80] However, we find that the public interest requires that we impose a significant administrative penalty on Haver because he was a former registrant who knew or ought to have known that he was selling securities in breach of the Act, and because he:

(i) entered into contracts with Smith, Lloyd and Delahaye, as sales agents, to sell the investment schemes, and paid their commissions;

(ii) was held out as an officer of Sabourin and Sun and Camdeton (as defined in the Merits Decision) and was the point of contact between those entities and his investors;

(iii) continued to sell the investments even after he became aware that the Commission was investigating; and

(iv) acknowledged that he received approximately $2.6 million from Sabourin and the Corporate Respondents before payments to sales agents and third parties.

(Paragraphs 275, 372 and 374 of the Merits Decision)

[81] We will also impose an administrative penalty of $150,000 on Smith because of Smith's role in training sales agents, such as Lloyd and Delahaye, and because he received commissions from their sales. We were particularly concerned that Smith was a former registrant and that he:

(i) initially sold the investments while he was still employed with a registrant and was not entitled to carry on any investment business except through his employer;

(ii) encouraged clients to collapse their RRSPs and mortgage their homes in order to invest in what was represented as a "guaranteed" return;

(iii) appears to have understood the securities law issues raised by the investment schemes, i.e. he encouraged sales agents to refer to an investment as an "opportunity" whereby an investor could "participate" or "establish a trust" and warned salespersons that they could "lose this tool" if they didn't preserve confidentiality;

(iv) made misleading and untrue statements to Staff in his interview with Staff in March, 2005; and

(v) continued to sell the investments even after he became aware that the Commission was investigating.

(Paragraph 313 of the Merits Decision)

In addition, we note that we were very skeptical of Smith's testimony that he exercised due diligence before getting involved in the investment schemes (paragraph 286 of the Merits Decision).

[82] We will order that an administrative penalty in the amount of $100,000 be paid to the Commission by each of Lloyd and Delahaye, on a several basis.

[83] We were particularly concerned that Lloyd was a former registrant and that he:

(i) initially sold the investments at a time when he was still employed with a registrant and was not entitled to carry on any investment business except through his employer;

(ii) told clients that they did not need to pay attention to a letter that they would be receiving from the Commission as part of the Commission's enquiries; and

(iii) continued to sell the investments even after he became aware that the Commission was investigating.

(Paragraph 340 of the Merits Decision)

[84] We were particularly concerned that Delahaye was a former registrant and that she:

(i) met investors in their homes, explained the investments, solicited sales of the investments, and recommended that some clients mortgage their homes and put all of their financial assets in the investments;

(ii) started selling the investments while she was employed with a registrant and was not entitled to carry on any investment business except through her employer; and

(iii) continued to sell the investments even after she became aware that the Commission was investigating.

(Paragraphs 364 and 365 of the Merits Decision)

[85] We will order that an administrative penalty of $50,000 be paid to the Commission by Irwin. With respect to Irwin, we consider the following mitigating factors:

(i) he had no prior financial industry experience and has never been registered with the Commission (paragraph 222 of the Merits Decision);

(ii) he was not primarily involved in selling the investment schemes to investors, but played a more limited administrative role;

(iii) at the hearing on the merits, he admitted the allegations against him that he had contravened sections 25 and 53 of the Act, and disputed only Staff's allegations about the extent of his involvement (paragraph 25 of the Merits Decision);

(iv) at the Sanctions and Costs Hearing, he agreed to the sanctions requested by Staff apart from the monetary orders;

(v) at the Sanctions and Costs Hearing, he clearly expressed his remorse; and

(vi) he states that he has no ability to pay any financial sanctions because he and his wife are insolvent as a result of his involvement with Sabourin, and there is a judgment against him that he will never be able to satisfy.

[86] However, we find that the public interest requires that we impose an administrative penalty on Irwin because:

(i) he was in the best position of the Individual Respondents to know that the investment schemes were a sham and he ignored red flags that should have alerted him to investigate more diligently;

(ii) he took no action when he became aware that the Commission was investigating; and

(iii) he misled Staff during his interview in June 2005.

(Paragraphs 223 and 224 of the Merits Decision)

(vi) Allocation of Amounts for the benefit of third parties

[87] As noted above, it appears likely that investors have lost most of their investment in the investment schemes sold by the Respondents and there is little hope for any recovery. While we consider it to be in the public interest to order disgorgement of amounts obtained and the payment of substantial administrative penalties, it would be unfair and inappropriate, in our view, if those orders had the effect of reducing the amounts that investors are able to recover from any of the Respondents.

[88] Accordingly, any amounts paid to the Commission in compliance with our disgorgement and administrative penalty orders shall be allocated to or for the benefit of third parties, including investors who lost money as a result of investing in the investment schemes, in accordance with subsection 3.4(2)(b) of the Act. Such amounts are to be distributed to investors who lost money as a result of investing in the investment schemes on such basis, on such terms and to such investors as Staff in its discretion determines to be appropriate in the circumstances. A distribution to investors shall be made only if Staff is satisfied that doing so is reasonably practicable in the circumstances and only if Staff concludes that there are sufficient funds available to justify doing so. If for any reason, Staff decides at any time or from time to time not to distribute any such amounts to investors, such amounts may, by further Commission order, be allocated to or for the benefit of other third parties. Any panel of the Commission may, on the application of Staff, make any order it considers expedient with respect to the matters addressed by this paragraph.

[89] The terms of paragraph 88 shall not give rise to or confer upon any person, including any investor (i) any legal right or entitlement to receive, or any interest in, amounts received by the Commission under our orders for disgorgement and administrative penalties, or (ii) any right to receive notice of any application by Staff to the Commission made in connection with that paragraph or of any exercise by the Commission of any discretion granted to it under that paragraph.

VI. COSTS

[90] Staff seeks an order for the payment of $182,493.75 of the costs of investigation and of the hearing in this matter against all of the Respondents, on a joint and several basis. Staff has submitted a bill of costs supporting that amount. We accept that the amount claimed by Staff represents only a portion of Staff's costs related to this proceeding.

[91] In our view, this hearing was necessitated by the conduct of Sabourin and the Corporate Respondents, who did not appear, and would have been necessary even if the Individual Respondents had not disputed a limited number of the allegations

made by Staff against them and certain of the sanctions requested by Staff. The Individual Respondents made a number of admissions that shortened the length of the hearing on the merits. In our view, the Individual Respondents acted appropriately throughout the hearing and contributed to completing it as expeditiously as possible in the circumstances. The Individual Respondents should be given some credit for having done so.

[92] In the circumstances, we will order that Sabourin and the Corporate Respondents pay the costs of investigation and of the hearings in this matter in the amount of $130,000, on a joint and several basis. We will order that each of the Individual Respondents pay the costs of investigation and of the hearing in this matter in the amount of $10,000, on a several basis.

VII. CONCLUSION

[93] For the reasons discussed above, we have concluded that the sanctions set out in these reasons are proportionate to the respective culpability and conduct of each Respondent in the circumstances and are in the public interest. Our Sanctions and Costs Order is appended to these reasons.

Dated at Toronto, this 4th day of June, 2010.

"James E. A. Turner"
James E. A. Turner

"David L. Knight"
David L. Knight, F.C.A.

"Carol S. Perry"
Carol S. Perry

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

AND

IN THE MATTER OF
PETER SABOURIN, W. JEFFREY HAVER, GREG IRWIN, PATRICK KEAVENEY, SHANE SMITH, ANDREW LLOYD, SANDRA DELAHAYE, SABOURIN AND SUN INC., SABOURIN AND SUN (BVI) INC., SABOURIN AND SUN GROUP OF COMPANIES INC., CAMDETON TRADING LTD. AND CAMDETON TRADING S.A.

ORDER
(Sections 127 and 127.1 of the Securities Act)

WHEREAS the proceeding in this matter was commenced before the Ontario Securities Commission (the "Commission") by a Statement of Allegations and Notice of Hearing dated December 7, 2006;

AND WHEREAS following a hearing, a decision on the merits was issued by the Commission on March 20, 2009;

AND WHEREAS following a subsequent hearing, a decision on sanctions and costs was issued by the Commission on June 4, 2010;

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

IT IS ORDERED that:

(a) pursuant to clause 2 of subsection 127(1) of the Act, each of Peter Sabourin ("Sabourin"), W. Jeffrey Haver ("Haver"), Greg Irwin ("Irwin"), Shane Smith ("Smith"), Andrew Lloyd ("Lloyd"), Sandra Delahaye ("Delahaye"), and Sabourin and Sun Inc., Sabourin and Sun (BVI) Inc., Sabourin and Sun Group of Companies Inc., Camdeton Trading Ltd. and Camdeton Trading S.A. (the "Corporate Respondents") shall cease trading in securities permanently, with the exception that each of Haver, Irwin, Smith, Lloyd and Delahaye are permitted to trade securities for the account of their respective registered retirement savings plans (as defined in the *Income Tax Act* (Canada)) in which they and/or their respective spouses 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 that is a reporting issuer;

(ii) they do not own legally or beneficially (in the aggregate, together with their respective spouses) more than one percent of the outstanding securities of the class or series of the class in question; and

(iii) they carry out any permitted trading through a registered dealer and through trading accounts opened in their respective names only (and they must close any trading accounts that are not in their respective names only);

(b) pursuant to clause 2.1 of subsection 127(1) of the Act, each of the Respondents is prohibited permanently from acquiring any securities, except in the case of Haver, Irwin, Smith, Lloyd and Delahaye, to allow the trading in securities permitted by and in accordance with paragraph (a) of this Order;

(c) pursuant to clause 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law shall not apply to each of the Respondents permanently;

(d) pursuant to clause 6 of subsection 127(1) of the Act, each of the Respondents is reprimanded;

(e) pursuant to clause 7 of subsection 127(1) of the Act, each of Sabourin, Haver, Irwin, Smith, Lloyd and Delahaye shall resign all positions he or she may hold as a director or officer of an issuer;

(f) pursuant to clause 8 of subsection 127(1) of the Act, each of Sabourin, Haver, Irwin, Smith, Lloyd and Delahaye is prohibited permanently from becoming or acting as a director or officer of any issuer;

(g) pursuant to clause 10 of subsection 127(1) of the Act, Sabourin and the Corporate Respondents shall jointly and severally disgorge to the Commission the amount of $27,900,000, to be allocated by the Commission in accordance with paragraph (p) of this Order;

(h) pursuant to clause 10 of subsection 127(1) of the Act, Smith shall disgorge to the Commission the amount of $1,000,000, to be allocated by the Commission in accordance with paragraph (p) of this Order;

(i) pursuant to clause 10 of subsection 127(1) of the Act, Haver shall disgorge to the Commission the amount of $345,000, to be allocated by the Commission in accordance with paragraph (p) of this Order;

(j) pursuant to clause 10 of subsection 127(1) of the Act, Lloyd shall disgorge to the Commission the amount of $266,000, to be allocated by the Commission in accordance with paragraph (p) of this Order;

(k) pursuant to clause 10 of subsection 127(1) of the Act, Delahaye shall disgorge to the Commission the amount of $70,000, to be allocated by the Commission in accordance with paragraph (p) of this Order;

(l) pursuant to clause 9 of subsection 127(1) of the Act, Sabourin and the Corporate Respondents shall pay to the Commission, on a joint and several basis, an administrative penalty of $1,200,000, to be allocated by the Commission in accordance with paragraph (p) of this Order;

(m) pursuant to clause 9 of subsection 127(1) of the Act, each of Haver and Smith shall pay to the Commission an administrative penalty of $150,000, on a several basis, to be allocated by the Commission in accordance with paragraph (p) of this Order;

(n) pursuant to clause 9 of subsection 127(1) of the Act, each of Lloyd and Delahaye shall pay to the Commission, on a several basis, an administrative penalty of $100,000, to be allocated by the Commission in accordance with paragraph (p) of this Order;

(o) pursuant to clause 9 of subsection 127(1) of the Act, Irwin shall pay to the Commission an administrative penalty of $50,000, to be allocated by the Commission in accordance with paragraph (p) of this Order;

(p) the amounts referred to in each of paragraphs (g) to (o) inclusive of this Order shall be allocated by the Commission to or for the benefit of third parties, including investors who lost money as a result of investing in the investment schemes that were the subject matter of this proceeding, in accordance with subsection 3.4(2)(b) of the Act; and

(q) pursuant to section 127.1 of the Act,

(i) Sabourin and the Corporate Respondents shall jointly and severally pay to the Commission, the Commission's costs of investigation and hearing of this matter in the amount of $130,000; and

(ii) each of Haver, Irwin, Smith, Lloyd and Delahaye shall pay to the Commission, on a several basis, the Commission's costs of investigation and hearing of this matter in the amount of $10,000.

Dated in Toronto, this 4th day of June, 2010.

"James E. A. Turner"
James E. A. Turner

"David L. Knight"
David L. Knight, F.C.A.

"Carol S. Perry"
Carol S. Perry

3.1.2 Counsel Portfolio Services Inc. – s. 26(3)

IN THE MATTER OF
COUNSEL PORTFOLIO SERVICES INC.

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

Date: June 7, 2010

Director: Marrianne Bridge, FCA
Deputy Director, Compliance
Ontario Securities Commission

Submissions:	Michael Denyszyn	–	For Ontario Securities Commission staff
	Frank Gawlina and Corrado Tiralongo	–	For Counsel Portfolio Services Inc. (CPSI)

Overview

Section 12.13 of National Instrument 31-103 *Registration Requirements and Exemptions* (NI 31-103) requires that annual financial statements be delivered to the Commission within 90 days after the end of a registered adviser's financial year. Section 12.10 of NI 31-103 requires that annual financial statements delivered to the Commission be audited.

CPSI filed its audited financial statements for the year ended December 31, 2009 on April 5, 2010, 2 business days after they were due. By letter dated April 21, 2010, staff recommended to the Director that terms and conditions be imposed on CPSI's registration. The terms and conditions had two parts. Part one required the filing of monthly year-to-date unaudited financial statements and capital calculations be imposed for a minimum period of six months. Part two required CPSI to review its procedures for compliance with Ontario securities law and to provide a report with the Commission no later than May 21, 2010.

Process for requesting an opportunity to be heard

Under section 31 of the Act, if a registrant wants to oppose staff's recommendation for terms and conditions, the registrant may request an opportunity to be heard. A registrant can choose to be heard either through written submissions to the Director or through a personal appearance before the Director. In either case, notice is required.

By letter dated May 3, 2010, CPSI requested a personal appearance before the Director. The opportunity to be heard occurred on June 1, 2010.

Submissions

Staff submits that the filing of annual audited financial statements by registrants is one of the most serious regulatory requirements in the Act. Financial solvency is one of the essential components of a portfolio manager's continued suitability for registration. Financial statements are the principal tool enabling staff to monitor a registrant's financial viability and its capital position. As a result, the late filing of audited financial statements raises serious potential regulatory concerns and needs to be addressed in serious fashion.

For these reasons, staff uniformly recommends the imposition of terms and conditions on the registration of registrants that don't file their financial statements on a timely basis. In staff's opinion, the filing of audited financial statements is a serious regulatory obligation that belongs with the registrant, and only with the registrant, and only in extremely rare circumstances would staff not recommend imposing terms and conditions on a registrant that filed its financial statements late.

CPSI argues that the late filing of its annual financial statements resulted from a clerical error. While I have some sympathy for CPSI's argument, my view is that it is solely the responsibility of the registrant and its registered individuals to ensure that the annual audited financial statements of CPSI are filed on a timely basis.

Decision and reasons

My decision is to impose part one of the recommended terms and conditions on the registration of CPSI for a period of six months starting April 30, 2010. However, I decided not to impose part two of the recommended terms and conditions on the registration of CPSI. In my view, CPSI clearly now understands its obligation to file annual financial statements on a timely

basis and no substantial additional regulatory benefit would be derived in these circumstances from requiring the preparation and filing of the report contemplated by part two of the recommended terms and conditions.

The terms and conditions imposed on CPSI's registration are as follows:

The Firm shall file on a monthly basis with the Registrant Conduct and Risk Analysis team of the Ontario Securities Commission, attention Financial Analyst, starting with the month ending April 30, 2010 the following information:

(a) year-to-date unaudited financial statements including a balance sheet and an income statement, both prepared in accordance with generally accepted accounting principles; and

(b) month end calculation of minimum required capital;

no later than three weeks after each month end.

It is staff's longstanding position that it is the responsibility of the registrant, and only the registrant, to ensure that its annual audited financial statements are filed on a timely basis. As set out above, staff's view is that the filing of annual audited financial statements is the most important of a registrant's ongoing filing obligations. Only in rare and extenuating circumstances will a registrant be permitted to file its financial statements late and not be placed on the recommended terms and conditions. In my view, these rare and extenuating circumstances are not present in this case.

June 7, 2010

"Marrianne Bridge, FCA"
Deputy Director, Compliance
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
ConjuChem Biotechnologies Inc.	09 Apr 10	21 Apr 10	21 Apr 10	04 June 10
Z-Gold Exploration Inc.	07 May 10	19 May 10	19 May 10	07 June 10
Azcar Technologies Incorporated	07 June 10	18 June 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
Echo Energy Canada Inc.	25 May 10	07 June 10	07 June 10		
Win-Eldrich Mines Limited	07 May 10	19 May 10	19 May 10	09 June 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		
Redline Communications Group Inc.	07 April 10	19 Apr 10	19 Apr 10		
Synergex Corporation	08 Apr 10	20 Apr 10	20 Apr 10		
Freeport Capital Inc.	05 May 10	17 May 10	17 May 10		
SonnenEnergy Corp.	06 May 10	18 May 10	18 May 10		
Newlook Industries Corp.	06 May 10	18 May 10	18 May 10		
TriNorth Capital Inc.	07 May 10	19 May 10	19 May 10		
Win-Eldrich Mines Limited	07 May 10	19 May 10	19 May 10	09 June 10	
Diamond International Exploration Inc.	14 May 10	26 May 10	26 May 10		
MedX Health Corp.	17 May 10	28 May 10	28 May 10		
Echo Energy Canada Inc.	25 May 10	07 June 10	07 June 10		

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Chapter 7

Insider Reporting

This chapter is available in the print version of the OSC Bulletin, as well as as in Carswell's internet service 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
02/12/2009 to 10/20/2009	18	Hillsdale Global Long/Short Equity Fund - Units	2,493,372.39	42,047.61
05/25/2010	2	Accretive Health Inc. - Common Shares	388,008.00	30,000.00
05/27/2010	2	Adventure Gold Inc. - Units	400,000.00	2,000,000.00
04/08/2010	29	American Consolidated Minerals Corp. - Units	590,000.00	N/A
05/21/2010	219	Antler Creek Energy Corp. - Common Shares	7,842,543.41	18,773,758.00
05/21/2010	8	Automated Benefits Corp. - Common Shares	287,432.86	2,874,330.00
05/12/2010	1	Axela Inc. - Debentures	125,250.00	N/A
03/04/2010	11	BacTech Mining Corporation - Receipts	850,000.00	1,000.00
05/20/2010	22	Bling Capital Corp. - Units	640,460.00	5,123,680.00
05/18/2010	9	Blueprint Software Systems Inc. - Units	9,299,997.37	N/A
04/13/2010	138	Brownstone Ventures Inc. - Units	11,000,000.00	20,000,000.00
05/10/2010	1	BTB Real Estate Investment Trust - Warrants	0.00	2,500,000.00
05/21/2010	36	CA Residential Opportunity Fund LP - Limited Partnership Interest	6,699,282.00	500,000.00
05/21/2010	1	Caelus Re II Limited - Notes	2,642,500.00	2,500,000.00
05/20/2010 to 05/21/2010	28	CareVest Blended Mortgage Investment Corporation - Preferred Shares	1,557,723.00	1,557,723.00
05/20/2010	5	CareVest Capital First Mortgage Investment Corp. - Preferred Shares	203,678.00	203,678.00
05/20/2010 to 05/21/2010	16	CareVest Second Mortgage Investment Corporation - Preferred Shares	193,416.00	193,416.00
05/31/2010	16	Centurion Apartment Real Estate Investment Trust - Units	571,580.00	N/A
05/19/2010	20	Champlain Resources Inc. - Common Shares	350,000.00	2,600,000.00
05/18/2010	45	Cortez Gold Corp. - Warrants	742,800.00	2,476,000.00
03/03/2010	18	Dejour Enterprises Ltd. - Flow-Through Shares	1,017,566.90	2,907,334.00
05/21/2010	1	Development Notes Limited Partnership - Units	50,000.00	50,000.00
12/15/2009 to 12/24/2009	45	Discovery Harbour Resources Corp. - Common Shares	719,000.00	7,190,000.00

Transaction Date	# of Purchasers	Issuer/Security	Total Purchase Price ($)	# of Securities Distributed
12/26/2009 to 01/04/2010	31	Discovery Harbour Resources Corp. - Common Shares	274,500.00	2,745,000.00
01/05/2010 to 01/13/2010	43	Discovery Harbour Resources Corp. - Common Shares	403,000.00	4,030,000.00
01/25/2010 to 01/28/2010	16	Discovery Harbour Resources Corp. - Common Shares	155,000.00	1,550,000.00
05/17/2010 to 05/20/2010	5	Eagle Landing Retail Limited Partnership - Units	475,000.00	475,000.00
04/21/2010 to 05/14/2010	125	Evolve Exploration Ltd. - Common Shares	12,381,957.00	24,763,914.00
05/26/2010	15	Excalibur Resources Ltd. - Units	351,918.75	N/A
05/20/2010	42	Exploration Obrbite V.S.P.A. Inc. - Units	1,690,000.00	N/A
05/18/2010	57	FairWest Energy Corporation - Common Shares	651,005.00	6,510,057.00
05/20/2010	2	First Leaside Fund - Trust Units	11,070.00	11,070.00
05/21/2010	61	Galena Capital Corp. - Units	1,228,250.00	24,565,000.00
03/10/2010	1	Genco Resources Ltd. - Common Shares	273,960.00	761,000.00
05/20/2010	2	GoldTrain Resources Inc. - Common Shares	20,000.00	400,000.00
12/24/2009	2	HedgeForum Paulson Advantage Offshore Ltd. - Units	1,094,415.00	N/A
11/28/2008 to 10/20/2009	32	Hillsdale Canadian Long/Short Equity Fund - Units	6,117,324.13	N/A
12/01/2008 to 11/17/2009	83	Hillsdale Canadian Performance Equity Fund - Units	57,162,807.16	N/A
12/12/2008 to 11/17/2009	5	Hillsdale Market Neutral Equity Fund - Units	3,251,246.68	234,721.61
12/09/2008	1	Hillsdale Suite - Units	150,000.00	19,116.07
12/12/2008 to 11/20/2009	29	Hillsdale US Performance Equity Fund - Units	12,187,645.58	N/A
05/17/2010 to 05/21/2010	6	IGW Real Estate Investments Trust - Units	356,510.32	356,510.32
03/31/2010	2	Irving Oil Limited - Notes	43,163,000.00	N/A
02/19/2010	38	Key Gold Holding Inc. - Units	470,000.00	47.00
05/19/2010	3	Kratos Defense & Security Solutions, Inc. - Notes	9,975,000.00	2.00
05/17/2010	16	Labrador Technologies Inc. - Units	575,000.00	3,600,000.00
04/07/2010	2	Manicouagan Minerals Inc. - Common Shares	200,000.00	4,000,000.00
05/10/2010	2	Merrill Lynch International & Co. C.V. - N/A	219,934.78	8,000,000.00
04/26/2010	1	MGIC Investment Corporation - Common Shares	1,613,951.25	150,000.00

Transaction Date	# of Purchasers	Issuer/Security	Total Purchase Price ($)	# of Securities Distributed
04/26/2010	2	MGIC Investment Corporation - Notes	2,101,890.00	2,100,000.00
05/17/2010	9	Morrison Laurier Mortgage Corporation - Preferred Shares	1,156,000.00	115,600.00
04/12/2010	1	Murgor Resources Inc. - Common Shares	33,900.00	300,000.00
01/26/2010 to 02/08/2010	4	N-able Technologies International, Inc. - Preferred Shares	1,450,005.00	1,450,005.00
12/12/2009 to 12/23/2009	5	N-able Technologies International, Inc. - Preferred Shares	1,200,004.00	1,200,004.00
04/29/2010	1	N-able Technologies International, Inc. - Preferred Shares	50,000.00	50,000.00
04/12/2010	26	New Range Resources Ltd. - Common Shares	300,000.00	0.00
05/18/2010	1	New Solutions Financial (II) Corporation - Debentures	500,000.00	1.00
03/03/2010 to 03/10/2010	24	Newport Canadian Equity Fund - Units	302,296.68	2,428.52
03/01/2010 to 03/05/2010	39	Newport Fixed Income Fund - Units	1,950,179.98	18,361.49
03/01/2010 to 03/08/2010	8	Newport Global Equity Fund - Units	97,000.00	1,674.20
02/26/2010	12	Newport Strategic Yield Fund - Units	901,385.26	78,947.00
03/01/2010 to 03/10/2010	58	Newport Yield Fund - Units	1,561,066.96	13,898.35
04/07/2010	30	North American Energy Partners Inc. - Debentures	225,000,000.00	N/A
05/19/2010	1	Northern Star Mining Corp. - Units	330,000.00	1,000,000.00
02/19/2010	11	Novadaq Technologies Inc. - Units	7,409,572.25	3,049,207.00
05/17/2010	6	Pembrook Mining Corp. - Common Shares	389,600.00	194,800.00
05/21/2010	21	Playfair Mining Ltd. - Common Shares	500,000.00	5,000,000.00
03/25/2010	157	Plazacorp Retail Properties Ltd. - Debentures	17,970,000.00	N/A
03/31/2010 to 04/08/2010	20	Plazacorp Retail Properties Ltd. - Debentures	2,325,000.00	N/A
03/02/2010	1	Progress Energy Resources Corp. - Receipts	350,028,000.00	27,780,000.00
05/14/2010	25	PurGenesis Technologies Inc. - Special Shares	2,102,472.30	N/A
02/22/2010	4	Range Gold Corp. - Notes	239,750.00	N/A
05/19/2010	34	Redwater Energy Corp. - Common Shares	583,286.75	1,738,820.00
05/27/2010	30	Reliable Energy Ltd. - Warrants	15,022,500.00	30,000,000.00
05/21/2010	4	RIO Plata Exploration Corp. - Common Shares	15,999.90	63,333.00
04/15/2010	32	Rockhaven Resources Ltd. - Units	2,073,999.80	N/A

Transaction Date	# of Purchasers	Issuer/Security	Total Purchase Price ($)	# of Securities Distributed
03/10/2010	5	Romios Gold Resources Inc. - Common Shares	120,000.00	N/A
05/31/2010	3	Sanderson Farms Inc. - Common Shares	2,960,474.00	55,000.00
05/28/2010	45	Solara Exploration Ltd. - Units	764,250.00	5,095,000.00
03/04/2010	1	Solutions 21 Whitby Limited Partnership - Limited Partnership Units	50,000.00	50.00
03/02/2010	1	Spectral Diagnostics Inc. - Common Shares	1,156,250.00	2,890,625.00
05/17/2010	20	Sun Country Well Servicing Inc. - Common Shares	2,300,000.00	1,840,000.00
04/15/2010	12	Taranis Resources Inc. - Units	1,000,000.00	5,000,000.00
04/09/2010	39	The Futura Loyalty Group Inc. - Units	325,000.00	N/A
05/27/2010	29	Titan Trading Analytics Inc. - Units	902,250.00	4,511,250.00
05/18/2010	1	Touchdown Resources Inc. - Common Shares	260,000.00	2,163,269.00
05/20/2010 to 05/21/2010	7	Touchstone Resources Ltd. - Receipts	2,624,443.00	48,700,000.00
11/09/2009 to 02/10/2010	2	Tweedy, Browne Fund Inc. - Common Shares	2,129,109.04	215,322.04
04/13/2010	14	Valgold Resources Ltd. - Units	306,850.00	1,805,000.00
05/17/2010	14	Victory Resources Corporation - Units	1,445,000.00	5,780,000.00
05/21/2010	18	Walton AZ Verona Investment Corporation - Common Shares	341,380.00	34,138.00
05/21/2010	20	Walton AZ Verona Limited Partnership - Limited Partnership Units	768,138.94	71,508.00
05/21/2010	52	Walton Southern U.S. Land Investment Corporation - Common Shares	1,106,350.00	110,635.00
05/21/2010	11	Walton Southern U.S. Land LP - Units	1,785,384.85	166,206.00
04/08/2010	3	Western Areas NL - Bonds	3,255,700.00	N/A
05/19/2010	1	Wimberly Apartments Limited Partnership - Units	27,338.37	37,142.00
05/25/2010	1	Wimberly Fund - Trust Units	369,378.00	369,378.00
05/19/2010 to 05/25/2010	5	Wimberly Fund - Trust Units	111,000.00	111,000.00
05/13/2010	7	Woulfe Mining Corp. - Common Shares	4,407,500.00	29,383,333.00
05/25/2010	1	Zions Bancorporation - Warrants	894,875.78	100,000.00

Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
Biovest Corp. I
Principal Regulator - Ontario
Type and Date:
Preliminary CPC Prospectus dated June 4, 2010
NP 11-202 Receipt dated June 7, 2010
Offering Price and Description:
$500,000.00 - 2,500,000 Common Shares Price: $0.20 per Common Share
Underwriter(s) or Distributor(s):
Loewen, Ondaatje, McCutcheon Limited
Promoter(s):
Gerald Slemko
Project #1594014

Issuer Name:
EarthRenew Corporation
Principal Regulator - Alberta
Type and Date:
Amended and Restated Preliminary Long Form Prospectus dated June 4, 2010
NP 11-202 Receipt dated June 7, 2010
Offering Price and Description:
$50,000,000.00 - * Units Price: * per Unit
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
BMO Nesbitt Burn Inc.
Canaccord Genuity Corp.
Jacob Securities Inc.
Thomas Weisel Partners Canada Inc.
Promoter(s):
Christianne Carin
Project #1572170

Issuer Name:
Gazit America Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated June 2, 2010
NP 11-202 Receipt dated June 2, 2010
Offering Price and Description:
12,847,876 RIGHTS TO SUBSCRIBE FOR UP TO 6,423,938 WARRANTS TO PURCHASE COMMON SHARES AT A PRICE OF $ * PER WARRANT(upon the exercise of two Rights)
Underwriter(s) or Distributor(s):
-
Promoter(s):
First Capital Realty Inc.
Project #1592869

Issuer Name:
Imaging Dynamics Company Ltd.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated June 3, 2010
NP 11-202 Receipt dated June 3, 2010
Offering Price and Description:
$ * - * Offering of Rights to Subscribe for Common Shares at a purchase price of $* per Common Share
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1593417

Issuer Name:
Lorus Therapeutics Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated June 2, 2010
NP 11-202 Receipt dated June 3, 2010
Offering Price and Description:
Up to US$17,500,000.00 - * Units (consisting of Common Shares and Warrant) Price: US$ * per Unit
Underwriter(s) or Distributor(s):
D&D Securities Inc.
Promoter(s):
-
Project #1593101

Issuer Name:
Mala Noche Resources Corp.
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated June 7, 2010
NP 11-202 Receipt dated June 7, 2010
Offering Price and Description:
$ * - * Subscription Receipts each representing the right to receive one common share Price: $* per Subscription Receipt
Underwriter(s) or Distributor(s):
Canaccord Genuity Corp.
Promoter(s):
-
Project #1594144

Issuer Name:
Oncolytics Biotech Inc.
Principal Regulator - Alberta
Type and Date:
Preliminary Base Shelf Prospectus dated June 2, 2010
NP 11-202 Receipt dated June 2, 2010
Offering Price and Description:
$150,000,000.00:
Common Shares
Subscription Receipts
Warrants
Units

Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1592706

Issuer Name:
Reliable Energy Ltd. (formerly Ceres Capital Corp.)
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated June 4, 2010
NP 11-202 Receipt dated June 4, 2010
Offering Price and Description:
$ 9,000,000.00 - 30,000,000 Common Shares issuable on exercise of outstanding Special Warrants
Price: $0.30 per Special Warrant
Underwriter(s) or Distributor(s):
Raymond James Ltd.
Canaccord Genuity Corp.
Acumen Capital Finance Partners Limited
Clarus Securities Inc.
Promoter(s):
-
Project #1593699

Issuer Name:
Richmont Mines Inc.
Principal Regulator - Quebec
Type and Date:
Amended and Restated Preliminary Short Form Prospectus dated June 2, 2010
NP 11-202 Receipt dated June 2, 2010
Offering Price and Description:
$15,000,000.00 - 3,000,000 Common Shares Price: $5.00 per Common Share
Underwriter(s) or Distributor(s):
Desjardins Securities Inc.
CIBC World Markets Inc.
Dundee Securities Corporation
National Bank Financial Inc.
Promoter(s):
-
Project #1592271

Issuer Name:
Select Income Advantage Managed Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated June 4, 2010
NP 11-202 Receipt dated June 7, 2010
Offering Price and Description:
Class I Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
CI Investments Inc.
Project #1593781

Issuer Name:
Select Income Advantage Managed Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated June 4, 2010
NP 11-202 Receipt dated June 7, 2010
Offering Price and Description:
Class C Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
CI Investments Inc.
Project #1593784

Issuer Name:
Student Transportation Inc. (formerly, Student Transportation of America Ltd.)
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated June 7, 2010
NP 11-202 Receipt dated June 7, 2010
Offering Price and Description:
$50,000,000.00 - 6.75% Convertible Subordinated Unsecured Debentures Price: $1,000 per Debenture
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
TD Securities Inc.
Wellington West Capital Markets Inc.
Raymond James Ltd.
Cormark Securities Inc.
Promoter(s):
-
Project #1594129

Issuer Name:
Acker Finley Canada Focus Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus dated June 8, 2010
NP 11-202 Receipt dated June 8, 2010
Offering Price and Description:
Mutual Fund Units @ Net Asset Value
Underwriter(s) or Distributor(s):
Acker Finley Asset Management Inc.
Promoter(s):
-
Project #1572375

Issuer Name:
American Manganese Inc.
Principal Regulator - British Columbia
Type and Date:
Final Short Form Prospectus dated June 4, 2010
NP 11-202 Receipt dated June 7, 2010
Offering Price and Description:
$882,522.00 - 2,757,880 Units Per Unit $0.32
Underwriter(s) or Distributor(s):
Pope & Company Limited
Promoter(s):
-
Project #1563778

Issuer Name:
CRITERION GLOBAL DIVIDEND FUND
CRITERION WATER INFRASTRUCTURE FUND
(Class A, Class B, Class D, Class F, Class L, Class M, Class O and Class P units)
CRITERION GLOBAL CLEAN ENERGY FUND
(Class H, Class F, Class U and Class P units)
CANADIAN CONVERTIBLE BOND FUND
CRITERION REIT INCOME FUND
(Class A and Class F units)
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated June 4, 2010
NP 11-202 Receipt dated June 7, 2010
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
Criterion Investments Inc.
Project #1574727

Issuer Name:
Series A, Series B and Series F Shares of:
Creststreet Resource Class (also 2010 Series Shares)
Creststreet Managed Equity Index Class
Creststreet Alternative Energy Class
(Classes of Shares of Creststreet Mutual Funds Limited)
Principal Regulator - Ontario
Type and Date:
Amended and Restated Simplified Prospectuses and Annual Information Form dated May 20, 2010 (the amended prospectus), amending and restating the Amended and Restated Simplified Prospectuses and Annual Information Form dated October 8, 2009, amending and restating the Simplified Prospectuses and Annual Information Form dated September 24, 2009
NP 11-202 Receipt dated June 3, 2010
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
Creststreet Asset Management Limited
Project #1473049

Issuer Name:
Crocodile Gold Corp.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated June 8, 2010
NP 11-202 Receipt dated June 8, 2010
Offering Price and Description:
$20,020,000.00 - 15,400,000 Common Shares Price: $1.30 per Offered Share
Underwriter(s) or Distributor(s):
Macquarie Capital Markets Canada Ltd.
Cormark Securities Inc.
GMP Securities L.P.
Raymond James Ltd.
Fraser Mackenzie Limited
Promoter(s):
-
Project #1592291

Issuer Name:
Dejour Enterprises Ltd.
Principal Regulator - British Columbia
Type and Date:
Final Base Prospectus dated June 8, 2010
NP 11-202 Receipt dated June 8, 2010
Offering Price and Description:
US$25,000,000.00 - Common Shares Preferred Shares Debt Securities Warrants Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1544775

Issuer Name:
FAMILY MEMORIALS INC.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated June 4, 2010
NP 11-202 Receipt dated June 7, 2010
Offering Price and Description:
Maximum Offering: $1,600,000.00 (20,000,000 Common Shares); Minimum Offering: $800,000.00 (10,000,000 Common Shares)
Underwriter(s) or Distributor(s):
Macquarie Private Wealth Inc.
Promoter(s):
Scott C. Kellaway
Project #1569415

Issuer Name:
MIDDLEFIELD CANADIAN GROWTH CLASS
MIDDLEFIELD EQUITY INDEX CLASS
MIDDLEFIELD INCOME PLUS CLASS
MIDDLEFIELD URANIUM FOCUSED METALS CLASS
MIDDLEFIELD INCOME AND GROWTH CLASS (formerly MIDDLEFIELD CANADIAN BALANCED CLASS)
MIDDLEFIELD SHORT-TERM INCOME CLASS
MIDDLEFIELD PRECIOUS METALS CLASS
MIDDLEFIELD GLOBAL AGRICULTURE CLASS
GROPPE TACTICAL ENERGY CLASS
Series F Shares of:
MIDDLEFIELD CANADIAN GROWTH CLASS
MIDDLEFIELD PRECIOUS METALS CLASS
GROPPE TACTICAL ENERGY CLASS
Principal Regulator - Alberta
Type and Date:
Final Simplified Prospectuses and Annual Information Forms dated June 4, 2010
NP 11-202 Receipt dated June 4, 2010
Offering Price and Description:
Series A Shares and Series F Shares @ Net Asset Value
Underwriter(s) or Distributor(s):
Middlefield Capital Corporation
Promoter(s):
MIDDLEFIELD LIMITED
Project #1568674

Issuer Name:
Harvest Canadian Income & Growth Fund
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated May 31, 2010
NP 11-202 Receipt dated June 3, 2010
Offering Price and Description:
Maximum: $100,000,008.00 - 8,333,334 Units @ $12.00 per Unit; Minimum: $20,000,004.00 - 1,666,667 Units @ $12.00 per Unit
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
RBC Capital Markets
Scotia Capital Inc.
HSBC Securities (Canada) Inc.
Dundee Securities Corporation
Raymond James Ltd.
Canaccord Financial Ltd.
Macquarie Capital Markets (Canada) Ltd.
Wellington West Capital Markets Inc.
Desjardins Securities Inc.
Industrial Alliance Securities Inc.
Promoter(s):
Harvest Portfolios Group Inc.
Project #1569934

Issuer Name:
Homeland Energy Group Ltd.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated May 31, 2010
NP 11-202 Receipt dated June 2, 2010
Offering Price and Description:
$8,750,000.00 - OFFERING OF 302,115,756 RIGHTS TO SUBSCRIBE FOR 175,000,000 COMMON SHARES AT A SUBSCRIPTION PRICE OF $0.05 PER COMMON SHARE
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1533068

Issuer Name:
Kaizen Capital Corp.
Principal Regulator - British Columbia
Type and Date:
Final CPC Prospectus dated June 1, 2010
NP 11-202 Receipt dated June 2, 2010
Offering Price and Description:
$240,000.00 - (1,200,000 COMMON SHARES) Price: $0.20 per Common Share
Underwriter(s) or Distributor(s):
Leede Financial Markets Inc.
Promoter(s):
Ionic Securities Ltd.
Project #1577630

Issuer Name:
Mineral Mountain Resources Ltd.
Principal Regulator - British Columbia
Type and Date:
Final Long Form Prospectus dated June 2, 2010
NP 11-202 Receipt dated June 3, 2010
Offering Price and Description:
$2,750,000.00 - 5,000,000 Units at $0.25 per Unit
5,000,000 Flow-Through Shares at $0.30 per Share
Underwriter(s) or Distributor(s):
Canaccord Financial Ltd.
Promoter(s):
-
Project #1565811

Issuer Name:
Qwest Energy Canadian Resource Class
(Series A shares)
Principal Regulator - British Columbia
Type and Date:
Final Simplified Prospectus dated June 3, 2010
NP 11-202 Receipt dated June 3, 2010
Offering Price and Description:
Series A shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
Qwest Investment Fund Management Ltd.,
Project #1560066

Issuer Name:
Terra Firma Resources Inc.
Principal Regulator - British Columbia
Type and Date:
Final Long Form Prospectus dated June 7, 2010
NP 11-202 Receipt dated June 7, 2010
Offering Price and Description:
$600,000.00 - 4,000,000 Common Shares Price: $0.15 per Share
Underwriter(s) or Distributor(s):
Mackie Research Capital Corporation
Promoter(s):
Peter Smith
Project #1535115

Issuer Name:
The Churchill Corporation
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated June 8, 2010
NP 11-202 Receipt dated June 8, 2010
Offering Price and Description:
$100,500,000.00 - 6,000,000 Subscription Receipts, each representing the right to receive one Common Share - and - $75,000,000.00 - 6.00% Convertible Extendible Unsecured Subordinated Debentures Due June 30, 2015
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
Raymond James Ltd.
National Bank Financial Inc.
CIBC World Markets Inc.
TD Securities Inc.
Canaccord Genuity Corp.
GMP Securities L.P.
Macquarie Capital Markets Canada Ltd.
HSBC Securities (Canada) Inc.
Paradigm Capital Inc.
Stonecap Securities Inc.
Promoter(s):
-
Project #1592444

Issuer Name:
TMX Group Inc.
Principal Regulator - Ontario
Type and Date:
Final Base Shelf Prospectus dated June 3, 2010
NP 11-202 Receipt dated June 4, 2010
Offering Price and Description:
CDN $1,000,000,000.00:
Common Shares
Preference Shares
Debt Securities
Subscription Receipts
Warrants
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1585726

Issuer Name:
Whiterock Real Estate Investment Trust
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated June 8, 2010
NP 11-202 Receipt dated June 8, 2010
Offering Price and Description:
$34,020,000.00 - 2,430,000 Units Price: $14.00 per Unit
Underwriter(s) or Distributor(s):
TD Securities Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
Canaccord Genuity Corp.
National Bank Financial Inc.
Dundee Securities Corporation
Promoter(s):
-
Project #1592339

Issuer Name:
PENDER SMALL CAP OPPORTUNITIES FUND
PENDER CORPORATE BOND FUND
(Class A, Class F and Class I Units)
Principal Regulator – British Columbia
Type and Date:
Final Simplified Prospectuses dated June 1, 2010
NP 11-202 Receipt dated June 3, 2010
Offering Price and Description:
-
Underwriter(s) or Distributor(s):

Promoter(s):
PenderFund Capital Management Limited
Project #: 1569517

Issuer Name:
Prudential plc.
Type and Date:
Rights Offering Circular dated April 29, 2010
Accepted on April 21, 2010
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project # P30668

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Name Change	Timbercreek Investment Management Inc.	Exempt Market Dealer, Portfolio Manager, and Investment Fund Manager	May 27, 2010
Voluntary Surrender of Registration	Genuity Capital Markets	Investment Dealer	June 2, 2010
Voluntary Surrender of Registration	NorthRoad Capital Management LLC	International Adviser	June 3, 2010
Change of Registration Category	Invesco Trimark Ltd.	From: Exempt Market Dealer & Portfolio Manager To: Exempt Market Dealer, Portfolio Manager & Commodity Trading Manager	June 3, 2010
Voluntary Surrender of Registration	Numeric Investors LLC	International Adviser	June 3, 2010
Consent to Suspension (s. 30 of the Act)	SD Baker & Associates Inc.	Portfolio Manager	June 3, 2010
New Registration	Linkgate Capital Corp.	Exempt Market Dealer, Portfolio Manager, and Investment Fund Manager	June 7, 2010
Change of Registration Category	Marathon Asset Management LLP	From: International Adviser, Exempt Market Dealer To: International Adviser-Exemption, Exempt Market Dealer	June 8, 2010

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Chapter 25

Other Information

25.1 Approvals

25.1.1 G.I. Capital Corp. – s. 213(3)(b) of the LTCA

Headnote:

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

Statutes Cited

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

May 28, 2010

Fogler Rubinoff LL P
95 Wellington Street West
Suite 1200
Toronto-Dominion Centre
Toronto, ON M5J 2Z9

Attention: Eric Roblin

Dear Sirs/Mesdames:

Re: G.I. Capital Corp. (the "Applicant")
Application pursuant to clause 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario) for approval to act as trustee
Application No. 2010/0234

Further to your application dated April 6, 2010 (the "Application") filed on behalf of the Applicant, and based on the facts set out in the Application and the representation by the Applicant that the assets of G.I. Capital Alternative Income Fund and any other future mutual fund trusts that the Applicant will establish and manage from time to time will be held in the custody of a trust company incorporated and licensed or registered under the laws of Canada or a jurisdiction, or a bank listed in Schedule I, II or III of the Bank Act (Canada), or an affiliate of such bank or trust company, the Ontario Securities Commission (the "Commission") makes the following order.

Pursuant to the authority conferred on the Commission in clause 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario), the Commission approves the proposal that the Applicant act as trustee of G.I. Capital Alternative Income Fund and any other future mutual fund trusts which may be established and managed by the Applicant from time to time, the securities of which will be offered pursuant to prospectus exemptions.

Yours truly,

"Paulette L. Kennedy"

"Margot C. Howard"

25.1.2 Growth Works Capital Ltd. – s. 213(3)(b) of the LTCA

Headnote

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

Statutes Cited

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

May 28, 2010

Irwin, White & Jennings
2620 Royal Centre,
1055 West Georgia Street
P.O. Box

Attention: Tamara L. Howarth

Dear Sir/Madam:

Re: Growth Works Capital Ltd. (the "Applicant")
Application pursuant to clause 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario) for approval to act as trustee
Application No. 2010/0344

Further to your application dated May 21, 2010 (the "Application") filed on behalf of the Applicant, and based on the facts set out in the Application and the representation by the Applicant that the assets of Mavrix Strategic Small Cap Fund will be held in the custody of a trust company incorporated and licensed or registered under the laws of Canada or a jurisdiction, or a bank listed in Schedule I, II or III of the Bank Act (Canada), or an affiliate of such bank or trust company, the Ontario Securities Commission (the "Commission") makes the following order.

Pursuant to the authority conferred on the Commission in clause 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario), the Commission approves the proposal that the Applicant act as trustee of Mavrix Strategic Small Cap Fund, the securities of which will be offered pursuant to a prospectus exemption.

Yours truly,

"Paulette L. Kennedy"

"Margot C. Howard"

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