

The Ontario Securities Commission

# OSC Bulletin

July 9, 2010

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

**The Ontario Securities Commission**

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## Chapter 1

# Notices / News Releases

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### 1.1 Notices

### SCHEDULED OSC HEARINGS

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

July 9, 2010

#### CURRENT PROCEEDINGS

#### BEFORE

#### ONTARIO SECURITIES COMMISSION

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

The Harry S. Bray Hearing Room  
Ontario Securities Commission  
Cadillac Fairview Tower  
Suite 1700, Box 55  
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Toronto, Ontario  
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#### CDS

#### TDX 76

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Lawrence E. Ritchie, Vice Chair	—	LER
Sinan Akdeniz	—	SA
James D. Carnwath	—	JDC
Mary G. Condon	—	MGC
Margot C. Howard	—	MCH
Kevin J. Kelly	—	KJK
Paulette L. Kennedy	—	PLK
Patrick J. LeSage	—	PJL
Carol S. Perry	—	CSP
Charles Wesley Moore (Wes) Scott	—	CWMS

July 12, 2010

10:00 a.m.

**TBS New Media Ltd., TBS New Media PLC, CNF Food Corp., CNF Candy Corp., Ari Jonathan Firestone and Mark Green**

s. 127

H. Craig in attendance for Staff

Panel: JEAT

July 12, 2010

10:30 a.m.

**Lehman Brothers & Associates Corp., Greg Marks, Michael Lehman (a.k.a. Mike Laymen), Kent Emerson Lounds and Gregory William Higgins**

s. 127

H. Craig in attendance for Staff

Panel: JEAT

July 13, 2010

10:00 a.m.

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

s. 127 and 127.1

H. Daley in attendance for Staff

Panel: JEAT

July 13, 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: TBA

July 13, 2010 2:00 p.m.	<b>Albert Leslie James, Ezra Douse and Dominion Investments Club Inc.</b>  s. 127 and 127.1  H. Daley in attendance for Staff  Panel: TBA	July 21, 2010 2:00 p.m.	<b>Brilliante Brasilcan Resources Corp., York Rio Resources Inc., Brian W. Aidelman, Jason Georgiadis, Richard Taylor and Victor York</b>  s. 127  H. Craig in attendance for Staff  Panel: MGC
July 15, 2010 10:00 a.m.	<b>Irwin Boock, Stanton Defreitas, Jason Wong, Saudia Allie, Alena Dubinsky, Alex Khodjiants Select American Transfer Co., Leasesmart, Inc., Advanced Growing Systems, Inc., International Energy Ltd., Nutrione Corporation, Pocketop Corporation, Asia Telecom Ltd., Pharm Control Ltd., Cambridge Resources Corporation, Compushare Transfer Corporation, Federated Purchaser, Inc., TCC Industries, Inc., First National Entertainment Corporation, WGI Holdings, Inc. and Enerbrite Technologies Group</b>  s. 127 and 127.1  H. Craig in attendance for Staff  Panel: MGC	August 4-6, 2010  October 4-8, 2010  October 13-15, 2010  10:00 a.m.	<b>Sextant Capital Management Inc., Sextant Capital GP Inc., Otto Spork, Robert Levack and Natalie Spork</b>  s. 127  T. Center in attendance for Staff  Panel: JDC/CSP
July 19, 2010 11:00 a.m.	<b>Paladin Capital Markets Inc., John David Culp and Claudio Fernando Maya</b>  s. 127  C. Price in attendance for Staff  Panel: JDC	August 10-13, 2010  10:00 a.m.	<b>Robert Joseph Vanier (a.k.a. Carl Joseph Gagnon)</b>  s. 127  S. Horgan in attendance for Staff  Panel: JEAT/PLK
July 21, 2010 2:00 p.m.	<b>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</b>  s. 127  H. Craig in attendance for Staff  Panel: MGC	August 13, 2010  10:00 a.m.	<b>Axcess Automation LLC, Axcess Fund Management, LLC, Axcess Fund, L.P., Gordon Alan Driver and David Rutledge, Steven M. Taylor and International Communication Strategies</b>  s. 127  Y. Chisholm in attendance for Staff  Panel: CSP
		September 1, 2010  1:00 p.m.	<b>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</b>  s. 127  H. Craig in attendance for Staff  Panel: JDC

September 1, 2010 1:00 p.m.	<b>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</b>  s. 37, 127 and 127.1  H. Craig in attendance for Staff  Panel: JDC	September 13, 15-24, 2010 10:00 a.m.	<b>New Life Capital Corp., New Life Capital Investments Inc., New Life Capital Advantage Inc., New Life Capital Strategies Inc., 1660690 Ontario Ltd., L. Jeffrey Pogachar, Paola Lombardi and Alan S. Price</b>  s. 127  M. Britton in attendance for Staff  Panel: TBA
September 2, 2010 10:00 a.m.	<b>Abel Da Silva</b>  s. 127  M. Boswell in attendance for Staff  Panel: TBA	September 15-17, 20-21 and 24, 2010  October 4, 6-8, 13-15, 18-19, 25 and 27-29, 2010	<b>Coventree Inc., Geoffrey Cornish and Dean Tai</b>  s. 127  J. Waechter in attendance for Staff  Panel: JEAT/MGC/PLK
September 7-10, 2010 10:00 a.m.	<b>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</b>  s. 127  M. Vaillancourt/T. Center in attendance for Staff  Panel: TBA	September 13-24;  October 4-8;  October 13-19, 2010  10:00 a.m.	<b>Sulja Bros. Building Supplies, Ltd., Petar Vucicevich, Kore International Management Inc., Andrew Devries, Steven Sulja, Pranab Shah, Tracey Banumas and Sam Sulja</b>  s. 127 and 127.1  J. Feasby in attendance for Staff  Panel: TBA
September 13, 2010 9:00 a.m.	<b>Irwin Boock, Stanton Defreitas, Jason Wong, Saudia Allie, Alena Dubinsky, Alex Khodjiants Select American Transfer Co., Leasesmart, Inc., Advanced Growing Systems, Inc., International Energy Ltd., Nutrione Corporation, Pocketop Corporation, Asia Telecom Ltd., Pharm Control Ltd., Cambridge Resources Corporation, Compushare Transfer Corporation, Federated Purchaser, Inc., TCC Industries, Inc., First National Entertainment Corporation, WGI Holdings, Inc. and Enerbrite Technologies Group</b>  s. 127 and 127.1  H. Craig in attendance for Staff  Panel: JEAT	September 22, 2010 9:00 a.m.	<b>Rezwealth Financial Services Inc., Pamela Ramoutar, Chris Ramoutar, Justin Ramoutar, Tiffin Financial Corporation, Daniel Tiffin, 2150129 Ontario Inc. and Sylvan Blackett</b>  s. 127(1) and (5)  A. Heydon in attendance for Staff  Panel: TBA
		September 27 – October 1, 2010 10:00 a.m.	<b>Chartcandle Investments Corporation, CCI Financial, LLC, Chartcandle Inc., PSST Global Corporation, Stephen Michael Chesnowitz and Charles Pauly</b>  s. 127 and 127.1  S. Horgan in attendance for Staff  Panel: TBA

October 13, 2010	<b>Ameron Oil and Gas Ltd. and MX-IV, Ltd.</b>	October 25-29, 2010	<b>IBK Capital Corp. and William F. White</b>
10:00 a.m.	s. 127 M. Boswell in attendance for Staff Panel: TBA	10:00 a.m.	s. 127 M. Vaillancourt in attendance for Staff Panel: TBA
October 13, 2010	<b>QuantFX Asset Management Inc., Vadim Tsatskin, Lucien Shtromvaser and Rostislav Zemlinsky</b>	November 15-18; November 24 – December 2, 2010	<b>Juniper Fund Management Corporation, Juniper Income Fund, Juniper Equity Growth Fund and Roy Brown (a.k.a. Roy Brown-Rodrigues)</b>
10:30 a.m.	s. 127 H. Craig in attendance for Staff Panel: TBA	10:00 a.m.	s. 127 and 127.1 D. Ferris in attendance for Staff Panel: TBA
October 18-25; October 27 – November 5, 2010	<b>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</b>	December 2, 2010	<b>Richvale Resource Corp., Marvin Winick, Howard Blumenfeld, Pasquale Schiavone, and Shafi Khan</b>
10:00 a.m.	s. 127 and 127.1 H. Craig in attendance for Staff Panel: TBA	9:30 a.m.	s. 127(7) and 127(8) H. Craig in attendance for Staff Panel: TBA
October 21, 2010	<b>Cicccone Group, Medra Corporation, 990509 Ontario Inc., Tadd Financial Inc., Cachet Wealth Management Inc., Vince Cicccone, Darryl Brubacher, Andrew J. Martin., Steve Haney, Klaudiusz Malinowski and Ben Giangrosso</b>	January 17-21, 2011	<b>Merax Resource Management Ltd. carrying on business as Crown Capital Partners, Richard Mellon and Alex Elin</b>
10:00 a.m.	s. 127 P. Foy in attendance for Staff Panel: TBA	10:00 a.m.	s. 127 H. Craig in attendance for Staff Panel: TBA
		January 31- February 7; February 9-18; February 23, 2011	<b>Anthony Ianno and Saverio Manzo</b>
		10:00 a.m.	s. 127 and 127.1 A. Clark in attendance for Staff Panel: TBA
		February 11, 2011	<b>Shallow Oil &amp; Gas Inc., Eric O'Brien, Abel Da Silva, Gurdip Singh Gahunia aka Michael Gahunia and Abraham Herbert Grossman aka Allen Grossman</b>
		10:00 a.m.	s. 127(7) and 127(8) M. Boswell in attendance for Staff Panel: TBA



Notices / News Releases

March 1-7; 9-11; 21; and 23-31, 2011	<b>Paul Donald</b> s. 127	TBA	<b>Gregory Galanis</b> s. 127
10:00 a.m.	C. Price in attendance for Staff Panel: TBA		P. Foy in attendance for Staff Panel: TBA
March 7, 2011	<b>Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Ciavarella and Michael Mitton</b> s. 127	TBA	<b>Biovail Corporation, Eugene N. Melnyk, Brian H. Crombie, John R. Miszuk and Kenneth G. Howling</b> s. 127(1) and 127.1
10:00 a.m.	H. Craig in attendance for Staff Panel: TBA		J. Superina, A. Clark in attendance for Staff Panel: TBA
March 30, 2011	<b>Oversea Chinese Fund Limited Partnership, Weizhen Tang and Associates Inc., Weizhen Tang Corp., and Weizhen Tang</b> s. 127 and 127.1	TBA	<b>Global Partners Capital, Asia Pacific Energy Inc., 1666475 Ontario Inc. operating as "Asian Pacific Energy", Alex Pidgeon, Kit Ching Pan also known as Christine Pan, Hau Wai Cheung, also known as Peter Cheung, Tony Cheung, Mike Davidson, or Peter McDonald, Gurdip Singh Gahunia also known as Michael Gahunia or Shawn Miller, Basis Marcellinius Toussaint also known as Peter Beckford, and Rafique Jiwani also known as Ralph Jay</b> s. 127
10:00 a.m.	M. Britton in attendance for Staff Panel: TBA		M. Boswell in attendance for Staff Panel: TBA
TBA	<b>Yama Abdullah Yaqeen</b> s. 8(2)		
	J. Superina in attendance for Staff Panel: TBA		
TBA	<b>Microsourceonline Inc., Michael Peter Anzelmo, Vito Curalli, Jaime S. Lobo, Sumit Majumdar and Jeffrey David Mandell</b> s. 127	TBA	<b>FactorCorp Inc., FactorCorp Financial Inc. and Mark Twerdun</b> s. 127
	J. Waechter in attendance for Staff Panel: TBA		C. Price in attendance for Staff Panel: TBA
TBA	<b>Frank Dunn, Douglas Beatty, Michael Gollogly</b> s. 127	TBA	<b>MRS Sciences Inc. (formerly Morningside Capital Corp.), Americo DeRosa, Ronald Sherman, Edward Emmons and Ivan Cavric</b> s. 127 and 127(1)
	K. Daniels in attendance for Staff Panel: TBA		D. Ferris in attendance for Staff Panel: TBA

TBA	<p><b>Imagin Diagnostic Centres Inc., Patrick J. Rooney, Cynthia Jordan, Allan McCaffrey, Michael Shumacher, Christopher Smith, Melvyn Harris and Michael Zelyony</b></p> <p>s. 127 and 127.1</p> <p>J. Feasby in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p><b>Borealis International Inc., Synergy Group (2000) Inc., Integrated Business Concepts Inc., Canavista Corporate Services Inc., Canavista Financial Center Inc., Shane Smith, Andrew Lloyd, Paul Lloyd, Vince Villanti, Larry Haliday, Jean Breau, Joy Statham, David Prentice, Len Zielke, John Stephan, Ray Murphy, Alexander Poole, Derek Grigor and Earl Switenky</b></p> <p>s. 127 and 127.1</p> <p>Y. Chisholm in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p><b>Gold-Quest International, Health and Harmony, Iain Buchanan and Lisa Buchanan</b></p> <p>s. 127</p> <p>H. Craig in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p><b>Nest Acquisitions and Mergers, IMG International Inc., Caroline Myriam Frayssignes, David Pelcowitz, Michael Smith, and Robert Patrick Zuk</b></p> <p>s. 37, 127 and 127.1</p> <p>C. Price in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p><b>Goldpoint Resources Corporation, Lino Novielli, Brian Moloney, Evanna Tomeli, Robert Black, Richard Wylie and Jack Anderson</b></p> <p>s. 127(1) and 127(5)</p> <p>M. Boswell in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p><b>Rene Pardo, Gary Usling, Lewis Taylor Sr., Lewis Taylor Jr., Jared Taylor, Colin Taylor and 1248136 Ontario Limited</b></p> <p>s. 127</p> <p>M. Britton/J.Feasby in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p><b>Lehman Cohort Global Group Inc., Anton Schnedl, Richard Unzer, Alexander Grundmann and Henry Hehlsinger</b></p> <p>s. 127</p> <p>H. Craig in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p><b>Uranium308 Resources Inc., Michael Friedman, George Schwartz, Peter Robinson, and Shafi Khan</b></p> <p>s. 127</p> <p>M. Boswell in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p><b>Goldbridge Financial Inc., Wesley Wayne Weber and Shawn C. Lesperance</b></p> <p>s. 127</p> <p>C. Johnson in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p><b>Innovative Gifting Inc., Terence Lushington, Z2A Corp., and Christine Hewitt</b></p> <p>s. 127</p> <p>M. Boswell in attendance for Staff</p> <p>Panel: TBA</p>

TBA	<p><b>Tulsiani Investments Inc. and Sunil Tulsiani</b></p> <p>s. 127</p> <p>M. Vaillancourt/T. Center in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p><b>Nelson Financial Group Ltd., Nelson Investment Group Ltd., Marc D. Boutet, Stephanie Lockman Sobol, Paul Manuel Torres, H.W. Peter Knoll</b></p> <p>s. 127</p> <p>P. Foy in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p><b>Agoracom Investor Relations Corp., Agora International Enterprises Corp., George Tsiolis and Apostolis Kondakos (a.k.a. Paul Kondakos)</b></p> <p>s. 127</p> <p>T. Center in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p><b>Peter Robinson and Platinum International Investments Inc.</b></p> <p>s. 127</p> <p>M. Boswell in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p><b>Gold-Quest International, 1725587 Ontario Inc. carrying on business as Health and Harmony, Harmony Club Inc., Donald Iain Buchanan, Lisa Buchanan and Sandra Gale</b></p> <p>s. 127</p> <p>H. Craig in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p><b>Paladin Capital Markets Inc., John David Culp and Claudio Fernando Maya</b></p> <p>s. 127</p> <p>C. Price in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p><b>Lyndz Pharmaceuticals Inc., James Marketing Ltd., Michael Eatch and Rickey McKenzie</b></p> <p>s. 127(1) &amp; (5)</p> <p>J. Feasby in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p><b>Sunil Tulsiani, Tulsiani Investments Inc., Private Investment Club Inc., and Gulfland Holdings LLC</b></p> <p>s. 127</p> <p>J. Feasby in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p><b>M P Global Financial Ltd., and Joe Feng Deng</b></p> <p>s. 127(1)</p> <p>M. Britton in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p><b>Shane Suman and Monie Rahman</b></p> <p>s. 127 and 127(1)</p> <p>C. Price in attendance for Staff</p> <p>Panel: JEAT/PLK</p>
		TBA	<p><b>Hillcorp International Services, Hillcorp Wealth Management, Suncorp Holdings, 1621852 Ontario Limited, Steven John Hill, Daryl Renneberg and Danny De Melo</b></p> <p>s. 127</p> <p>A. Clark in attendance for Staff</p> <p>Panel: TBA</p>

TBA                    **Global Energy Group, Ltd. and New  
Gold Limited Partnerships**

s. 127

H. Craig in attendance for Staff

Panel: TBA

**ADJOURNED SINE DIE**

**Global Privacy Management Trust and Robert  
Cranston**

**S. B. McLaughlin**

**Livent Inc., Garth H. Drabinsky, Myron I. Gottlieb,  
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**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**

**LandBankers International MX, S.A. De C.V.;  
Sierra Madre Holdings MX, S.A. De C.V.; L&B  
LandBanking Trust S.A. De C.V.; Brian J. Wolf  
Zacarias; Roger Fernando Ayuso Loyo, Alan  
Hemingway, Kelly Friesen, Sonja A. McAdam, Ed  
Moore, Kim Moore, Jason Rogers and Dave  
Urrutia**

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

1.1.2 CSA Staff Notice 51-332 – Continuous Disclosure Review Program Activities for the fiscal year ended March 31, 2010

**CSA STAFF NOTICE 51-332 – CONTINUOUS DISCLOSURE REVIEW PROGRAM ACTIVITIES FOR THE FISCAL YEAR ENDED MARCH 31, 2010**

**Purpose of this Notice**

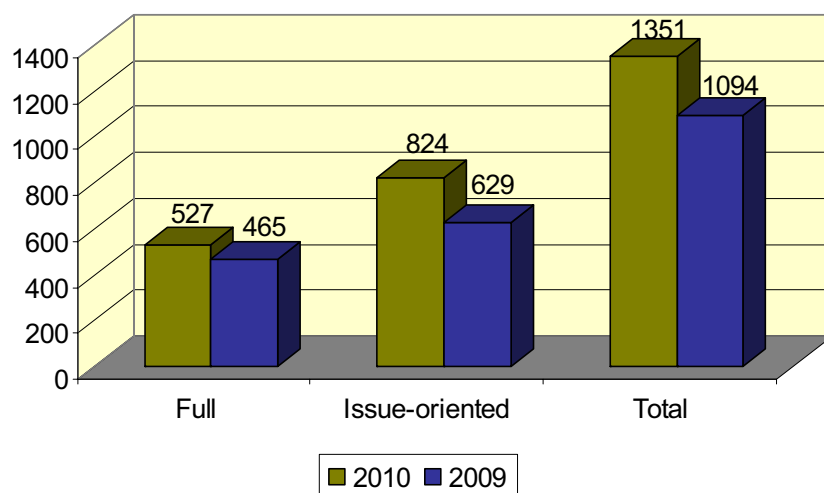
The Canadian Securities Administrators (CSA) continuous disclosure (CD) program is designed to identify material disclosure deficiencies that affect the reliability and accuracy of a reporting issuer's (issuers) disclosure record. Reliable and accurate information is critical to strengthen investor confidence and efficient capital markets. In any given year, issuers are affected by new accounting standards and regulatory changes and these are areas that we generally emphasize in our CD review program. The CD review program has two fundamental objectives: education and compliance. See CSA Staff Notice 51-312 – (Revised) *Harmonized Continuous Disclosure Review Program* for further details on the program.

This notice summarizes the results of the CD review program of issuers other than investment funds for the fiscal year ended March 31, 2010 (fiscal 2010).

**Results for fiscal 2010**

There are approximately 4,200 reporting issuers (excluding issuers that have been cease-traded) other than investment funds in Canada. Staff of the jurisdictions of the CSA (we) use a risk-based approach to select issuers for review and to determine the type of review to conduct (full or issue-oriented). This allows us to address areas of particular concern and apply both qualitative and quantitative criteria in determining the level of review required. As market conditions change, our program adapts to incorporate new risk factors. Our risk-based approach focuses on accounting issues and disclosure areas where either non-compliance is probable or we foresee a need for increased compliance.

**Reviews Completed**



The above chart illustrates the composition of the type of reviews we conducted in fiscal 2010 compared to fiscal 2009. The number of full reviews conducted in fiscal 2010 increased by 13% from the previous year. The number of issue-oriented reviews increased by 31%. The majority of the increase in issue-oriented reviews is a result of International Financial Reporting Standards (IFRS) transition disclosure reviews and regulatory compliance reviews, including National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (Certification) and Form 51-102F6 (new) – *Statement of Executive Compensation (in respect of financial years ending on or after December 31, 2008)* of National Instrument 51-102 *Continuous Disclosure Obligations* (NI 51-102) (Executive Compensation).

**Outcomes for fiscal 2010**

Given our risk-based approach to the selection of issuers, we generally select issuers at higher risk of non-compliance. In 2010, 72% of issuers reviewed were required to take action to improve disclosure, compared to 80% in 2009.

We classify the outcomes of the full and issue-oriented reviews into the five categories identified below. A CD review could have more than one category of outcome. For example, an issuer could be required to refile certain documents as well as make certain changes on a prospective basis.

**Prospective Changes**

The issuer was informed that certain changes or enhancements are required in its next filing as a result of deficiencies identified.

**Education and Awareness**

The issuer was selected based on its particular risk profile and has received a proactive letter alerting it to certain disclosure enhancements that should be considered in its next filing.

**Refiling**

The issuer must amend and refile certain CD documents.

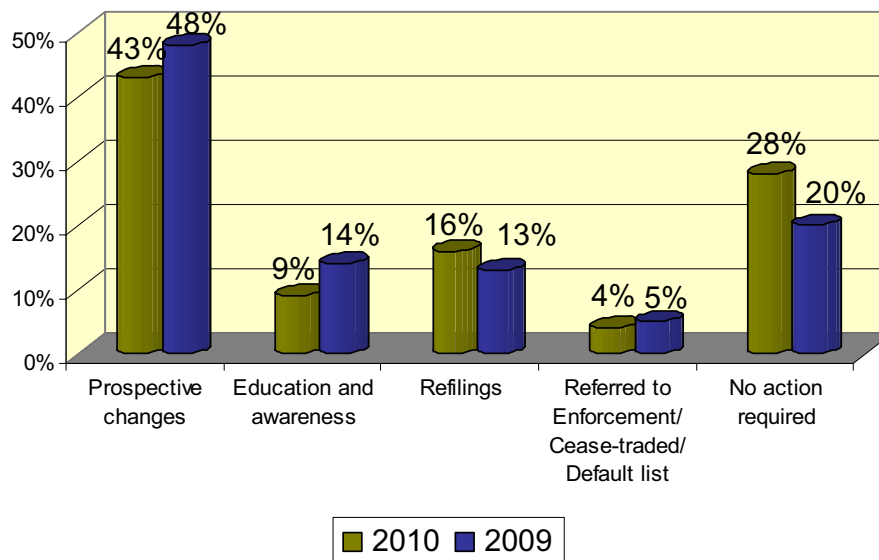
**Enforcement referral / Default list / Cease trade order**

If the issuer has critical CD deficiencies, we may add the issuer to our default lists, issue a cease trade order or refer the issuer to Enforcement.

**No action required**

The issuer does not need to make any changes or additional filings.

**Outcomes of continuous disclosure review fiscal 2010**



Generally, the outcomes have remained consistent with prior years as prospective changes continue to be the most dominant outcome (43% in 2010, 48% in 2009). Most of the prospective changes are a result of our focus on new disclosure requirements and our objective of educating issuers about those requirements.

In fiscal 2009, the category of education and awareness was created. This category captures review outcomes where issuers are contacted prior to their next CD filing to highlight areas where disclosure enhancement should be considered. This year the outcomes captured in this category were generally associated with the IFRS transition disclosure review. In 2009, the outcomes were associated with reviews related to market conditions.

**Common deficiencies identified in Full Reviews**

To assist issuers in avoiding the common pitfalls that we continue to see in disclosure documents, we have provided some examples of the more common deficiencies found in financial statements, Management’s Discussion and Analysis (MD&A) and

oil and gas disclosure. This is not an exhaustive list of examples of all common deficiencies, and issuers should be reminded that their CD record must comply with all relevant securities legislation.

### Financial statement deficiencies

Common problems identified within the financial statements generally relate to disclosure of accounting policies and measurement issues. A clear and concise description of the significant accounting policies of an issuer is considered an integral part of their financial statements as the policies provide a roadmap to investors for understanding the financial results.

There are four areas in which we continue to find measurement issues and see deficient disclosure in financial statements: financial instruments, revenue recognition, goodwill, and capital disclosure. For each area we provide examples of deficient disclosure contrasted against more robust, entity-specific disclosure.

#### *Financial instruments*

Many issuers continue to incorrectly measure financial instruments in accordance with appropriate standards and many issuers continue to omit disclosure of the following:

- methods and, when a valuation technique is used, the assumptions applied in determining fair values of each class of financial assets or financial liabilities;
- complete information on credit and liquidity risk;
- aging analysis of past due accounts receivable balances; and
- sensitivity analysis related to market risks.

Issuers should assess the valuation techniques used to measure financial instruments (e.g., fair value) to ensure that they are based on factors and assumptions appropriate in the current economic climate.

Appropriate measurement and disclosure about financial instruments enables investors to evaluate the significance of financial instruments for the issuer's financial position and performance and to evaluate the nature and extent of risks arising from financial instruments.

#### ***Example of Deficient Disclosure – Financial instruments***

Carrying value approximates fair value given the short term nature of financial assets held.

#### ***Example of Entity-Specific Disclosure – Financial instruments***

The Company has used a discounted cash flow approach to determine the fair value of investments, taking into account the expected risk and return profile of the notes in comparison to market returns. The Company also used a discount factor appropriate for a high yield instrument for Investment C. The Company used the following expected rates and discount factors at year end:

<b>Restructured Notes</b>	<b>Return</b>	<b>Market Discount Factor</b>
Investment A	BAs minus 50 basis points	BAs plus 545 basis points
Investment B	Nil	100% Provision
Investment C	BAs plus 30 basis points	BAs plus 1,183 basis points

The Company believes that the market discount factors shown above are reflective of functioning market returns for products with similar maturities and risk profiles to the investments.

**Example of Entity-Specific Disclosure – Financial instruments continued**

**Sensitivity**

The use of the discounted cash flow approach described above resulted in a carrying value for total investments of \$50 million on notes with a face value of \$100 million. The difference of \$50 million is composed of fair value adjustments due to the discounting of cash flows at market rates of \$40 million and an estimate of credit losses, net of the benefits of the agreement with a financial institution of \$10 million. A change of 50 basis points in the market discount factors would impact the fair value adjustment by approximately \$2 million. There is no assurance that the fair value of the Company's investments will not decline further. Accordingly, the estimated fair value of the Company's investments, including the estimate of expected credit losses, may change in subsequent periods. Any such changes could be material and would be reflected in the statement of operations as they occur.

*Revenue recognition*

An issuer's revenue recognition policy disclosure should be clear and concise. Revenue recognition generally has a significant impact on the financial results of an issuer. It is therefore important for investors to know how and when revenue is being recognized. Disclosure should clearly set out triggers for recognition and the basis for revenue from each product or service, including disclosure of any credit terms, rights of return, or conditions.

**Example of Deficient Disclosure – Revenue recognition**

The Company recognizes revenue at the time persuasive evidence of an agreement exists, price is fixed and the product is delivered.

**Example of Entity-Specific Disclosure – Revenue recognition**

The Company earns its revenue on the sale of merchandise. The Company also earns revenue on maintenance services provided for merchandise. The sale of merchandise and maintenance services are sold as separate arrangements and therefore do not require arrangements with multiple deliverables.

The Company enters into contracts for the sale of its merchandise with its customers. Revenue is recognized when a contract has been established with a customer, delivery has occurred or services have been rendered, the sales price is fixed or determinable, collection is reasonably assured and there are no remaining performance obligations.

The Company's policy is to bill the customer once the contract has been established with the customer. Billings are received prior to shipment or provision of services and are recorded as deferred revenue and recognized once the merchandise is shipped or service has been provided. There is no general right of return.

Revenue from the sale of merchandise is recognized upon delivery and title of the merchandise passes to the customer. Once the merchandise is delivered and the title passes to the customer, the Company has satisfied its performance obligations.

Revenues earned on maintenance service is recognized when the Company provides service to the customer and the Company has no further obligations to the customer.

*Goodwill*

Inadequate disclosure of the methodology used to conduct goodwill impairment testing is an ongoing issue. Impairment testing and the disclosure of the methodology used allow investors to consider the methodology and assumptions used. Current economic and market conditions are circumstances likely to affect the carrying value of assets.

**Example of Deficient Disclosure – Goodwill**

Goodwill is not amortized and is generally tested annually for impairment or more frequently if an event or circumstance occurs that more likely than not reduces the fair value of a reporting unit below its carrying amount.



**Example of Entity-Specific Disclosure – Goodwill**

During the fourth quarter, we performed our annual goodwill impairment assessment. Our goodwill balance prior to the impairment charge was \$100 million and was established primarily as a result of the acquisition in Subsidiary A.

We completed our step one analysis using a combination of valuation approaches including a market capitalization approach, a multiples approach and discounted cash flow. The market capitalization approach uses our publicly traded stock price to determine fair value. The multiples approach uses comparable market multiples to arrive at a fair value and the discounted cash flow method uses revenue and expense projections and risk-adjusted discount rates.

The process of determining fair value is subjective and requires management to exercise a significant amount of judgment in determining future growth rates, discount and tax rates and other factors. The current economic environment has impacted our ability to forecast future demand and has in turn resulted in our use of higher discount rates, reflecting the risk and uncertainty in current markets. The results of our step one analysis indicated potential impairment in our Location X reporting unit, which was corroborated by a combination of factors including a significant and sustained decline in our market capitalization, which is significantly below our book value, and the deteriorating macro environment, which has resulted in a decline in expected future demand.

We therefore performed the second step of the goodwill impairment assessment to quantify the amount of impairment. This involved calculating the implied fair value of goodwill, determined in a manner similar to a purchase price allocation, and comparing the residual amount to the carrying amount of goodwill. Based on our analysis incorporating the declining market capitalization, as well as the significant end market deterioration and economic uncertainties impacting expected future demand, we concluded that the entire goodwill balance was impaired.

*Capital disclosure*

Issuers are required to disclose information that enables investors to evaluate their objectives, policies and processes for managing capital. Issuers often fail to provide summary quantitative data about what they manage as capital and fail to discuss if they specifically have met their objectives for managing capital.

**Example of Deficient Disclosure – Capital disclosure**

The Company manages the capital structure and makes adjustments to it in light of changes in economic condition and the risk characteristics of the underlying assets. The capital structure of the Company consists of common shares, contributed surplus, warrants, deficits and accumulated other comprehensive income. The Company's objectives when managing capital are to: (i) preserve capital, and (ii) maintain liquidity. The Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents and investments.

**Example of Entity-Specific Disclosure – Capital disclosure**

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including replacement of production, funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, obtaining additional financing either through bank indebtedness or convertible debenture issuances, refinancing current debt, issuing other financial or equity-based instruments, declaring a dividend or adjusting the amount of dividends paid, implementing a dividend reinvestment plan, adjusting capital spending, or disposing of assets. The capital structure is reviewed by Management and the Board of Directors on an ongoing basis.

**Example of Entity-Specific Disclosure – Capital disclosure continued**

The Company's capital structure as at December 31, 2009 is as follows:

	(\$000s)
Bank indebtedness (long-term)	\$300
Working capital deficit	100
Net debt	400
Shares outstanding market value	1,200
Convertible debentures maturity value (long-term)	150
Capital lease obligations (long-term)	8
<b>Total capitalization</b>	<b>\$1,758</b>
<b>Debt to total capitalization</b>	<b>22%</b>

The Company's bank indebtedness is governed by a \$525 million credit facility agreement that contains standard commercial covenants for facilities of this nature. The only financial covenant is a requirement for the Company to maintain a minimum cash flow to interest expense ratio of 3.5:1, determined on a rolling four quarter basis. This covenant was met at December 31, 2009. The Company is in compliance with all other credit facility covenants.

The Company manages capital on the basis of the proportion of net debt to total capitalization, and targets to maintain the proportion to be in the range of 20-25%. In addition, management of the Company's capital structure is facilitated through its financial and operational forecasting processes. The forecast of the Company's future cash flows is based on estimates of production, commodity prices, forecast capital and operating expenditures, and other investing and financing activities. The forecast is regularly updated based on new commodity prices and other changes, which the Company views as critical in the current environment. Selected forecast information is frequently provided to the Board of Directors. The Company's capital management objectives, policies and processes have remained unchanged during the year ended December 31, 2009.

**MD&A deficiencies**

MD&A remains the area with the most compliance issues. The MD&A is a critical disclosure document for investors and should provide clear and concise disclosure of important risks and trends in addition to material information that may not be fully reflected in the financial statements. We often find boilerplate disclosure rather than entity-specific disclosure that would enable a reader to assess the current financial condition of the issuer and its future prospects.

There are five critical areas where we continue to see generic disclosure in the MD&A: operations, liquidity, risk, related parties, and critical accounting estimates. For each, we provide examples of deficient disclosure contrasted against more robust, entity-specific disclosure.

*Operations*

Common deficiencies in the MD&A continue to result from a lack of meaningful analysis and discussion of operating results, financial condition, and liquidity. In some circumstances issuers fail to provide a quantitative and qualitative explanation of material movements in the income statement. Issuers should describe the reasons behind material variances to assist investors in determining if past performance is indicative of future performance.

**Example 1: Deficient Disclosure – Results of operations**

Revenue increased from \$900,000 to \$1,080,000, a 20% increase. Gross margin increased from \$400,000 to \$408,000, a 2% increase.

**Example 1: Entity-Specific Disclosure – Results of operations**

Revenue increased by \$180,000 during the period due to several factors:

- increased sales volume of Product A – \$60,000;
- decreased unit price of Product A – (\$30,000); and
- the introduction of a new product during the quarter, Product B – \$150,000

In late 2009, we anticipated increased market competition for Product A and reduced the selling price to encourage the sale of Product A. The discounts on Product A resulted in reduced gross margin. In the current quarter, we expect to continue discounting Product A and expect the gross margin to improve as Product B replaces Product A.

**Example 2: Deficient Disclosure – Results of operations**

In fiscal 2009, the Company completed the first phase of its drilling program on the XYZ Lake property and the results suggested the existence of significant gold mineralization on the property. Additional drilling is necessary to fully test the potential of this property.

**Example 2: Entity-Specific Disclosure – Results of operations**

In fiscal 2009, the Company completed the first phase of its drilling program on the XYZ Lake property and the results suggested the existence of significant gold mineralization on the property. In the second half of 2010, the Company plans to complete additional 20 drill holes and further geological mapping. The Company has spent \$1,000,000 to date and will require \$2,000,000 to complete the additional work in 2010. The Company intends to obtain the funds from its recently negotiated undrawn revolving credit facility, which has an authorized limit of \$3,000,000.

*Liquidity – Working capital deficiency*

Issuers who have or expect to have a working capital deficiency are required to discuss their ability to meet obligations as they become due and how they expect to remedy the deficiency. The MD&A should provide an analysis of the ability to generate sufficient cash to allow investors to determine if adequate financial resources are available to meet operating needs. Many issuers who have a working capital deficiency fail to provide plans to remedy this deficiency.

**Example of Deficient Disclosure – Working capital deficiency**

At year end, the Company had cash of \$10,000, total current assets of \$200,000 and total current liabilities of \$500,000. This resulted in a working capital deficiency of \$300,000. The Company is actively seeking alternative sources of financing.

**Example of Entity-Specific Disclosure – Working capital deficiency**

At year end, the Company had cash of \$10,000, total current assets of \$200,000 and total current liabilities of \$500,000. This resulted in a working capital deficiency of \$300,000. Subsequent to year end, the Company has entered into discussions to borrow an additional \$350,000 from both private investors and shareholders to meet current and future working capital requirements. The Company is also exploring other financing alternatives, such as factoring accounts receivables and sale and leaseback of capital assets. In the short term, the Company will rely on advances from shareholders and the exercise of options to fund operating costs.

### *Risks*

Issuers are required to disclose material risks and uncertainties that could cause reported financial information to not be indicative of future operating results or future financial position. This information enables investors to analyze important trends and risks that are reasonably likely to impact an issuer. Issuers should include a discussion of the effects of the current economic environment on financial condition, operations and liquidity.

#### ***Example of Deficient Disclosure – Risks***

The Company faces significant competition for Product A and B, both locally and internationally, including competition from other retail companies in the industry.

#### ***Example of Entity-Specific Disclosure – Risks***

The Company faces significant competition for Product A and B in Canada, including competition from other companies in the industry. Competition is based mainly on price and product quality. The product offerings of our competitors could impact our competitive position and may materially affect our business, operations and earnings. To mitigate competition risk, processes are in place to actively monitor and analyze demographic, consumer behaviour and competitive developments in Canada. On a monthly basis, executives from each product division meet to discuss and analyze the developments and adjust the Company's strategic, operational and investment plans. The Board of Directors has an oversight role in ensuring the Company's strategy takes into account shifts in competitive factors.

### *Related party transactions*

Many issuers do not disclose the business purpose of related party transactions as required in the MD&A, which is incremental to the disclosure requirements under Canadian generally accepted accounting principles. Disclosure of both the quantitative and qualitative aspects of related party transactions in the MD&A is necessary for investors to understand the economic substance and business purposes of the transactions.

#### ***Example of Deficient Disclosure – Related party transactions***

During the year, the Company paid \$200,000 in interest on a loan payable to a majority shareholder.

#### ***Example of Entity-Specific Disclosure – Related party transactions***

During the year, the Company paid \$200,000 in interest on a loan of \$2,000,000 received from the CEO, who is a majority shareholder. The unsecured loan bears interest at 10% per annum, and matures in five years with an option by the Company to extinguish the debt at any time without penalty. The Company entered into this related party transaction because alternate sources of financing were unavailable due to the Company's limited operating history, lack of collateral and limited access to public financing due to current global financial conditions.

### *Critical accounting estimates*

The MD&A should provide a discussion of the methodology and assumptions used in determining critical accounting estimates. This includes information such as assumptions underlying accounting estimates that relate to highly uncertain matters at the time the estimate was made, known trends, commitments, events or uncertainties that will materially affect the methodology or the assumptions used, why the accounting estimate is reasonably likely to change from period to period and why it may have a material impact on the financial presentation. This information allows investors to evaluate the significance of the critical accounting estimates.

#### ***Example of Deficient Disclosure – Critical accounting estimates (asset retirement obligation)***

Management calculates the asset retirement obligation based on estimated costs to abandon and reclaim its net ownership interest in all wells and facilities and the estimated timing of the costs to be incurred in future periods. The fair value estimate is capitalized to PP&E as part of the cost of the related asset and amortized over its useful life.

**Example of Entity-Specific Disclosure – Critical accounting estimates (asset retirement obligation)**

The asset retirement obligation is estimated based on existing laws, contracts or other policies and current technology and conditions. The fair value of the obligation is based on estimated future costs for abandonment and reclamation, discounted at a credit-adjusted risk-free rate. The costs are included in property, plant and equipment and amortized over their useful life. The liability is adjusted each reporting period to reflect the passage of time, with the accretion charged to earnings and for revisions to the estimated future cash flows. The estimates or assumptions required to calculate asset retirement obligation includes, among other items, abandonment and reclamation amounts, inflation rates, credit-adjusted discount rates and timing of retirement of assets. By their nature, these estimates are subject to measurement uncertainty and the impact on the financial statements could be material.

The following significant assumptions were assumed for the purpose of estimating asset retirement obligation:

	<u>2009</u>	<u>2008</u>
Undiscounted abandonment costs (\$000s)	<b>\$60,640</b>	\$52,960
Credit-adjusted risk-free rate	<b>6.50%</b>	6.80%
Inflation rate	<b>2%</b>	2.20%
Average years to reclamation	<b>11</b>	12

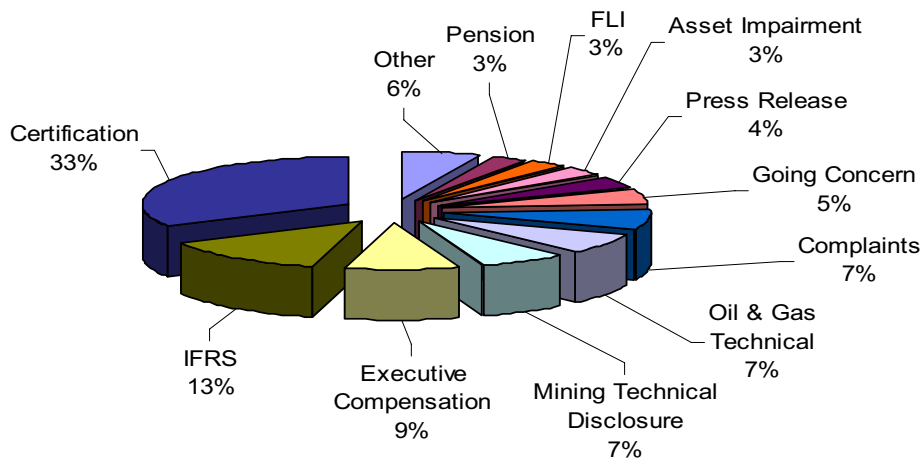
**Oil and Gas disclosure deficiencies**

*Oil and gas terminology*

We commonly see disclosure of in-place volumes described as Original Oil in Place (OOIP) or Original Gas in Place (OGIP). OOIP and OGIP are not terms recognized by the Canadian Oil and Gas Evaluation Handbook (COGEH) and should not be used for disclosure purposes by issuers. Total Petroleum Initially in Place, Discovered Petroleum Initially in Place or Undiscovered Petroleum Initially in Place are terms recognized by COGEH that could be used to disclose in place volumes, as appropriate.

Another common problem we see is the combining of terms which results in potentially misleading disclosure such as volumes described as contingent reserves or prospective reserves. It is important to use terminology and categories as presented in Section 5 of COGEH and to not modify these terms. It should also be noted that using the term reserve when describing resource volumes other than reserves is inappropriate and potentially misleading.

**Issue-oriented reviews**



Of the 1,351 reviews that were completed in fiscal 2010, 61% of the reviews (as compared to 57% of the reviews last year) were issue-oriented reviews completed either as a CSA coordinated initiative or by local jurisdictions. Some jurisdictions did not conduct certain issue-oriented reviews but incorporated specific procedures in their full reviews to address topics or concerns identified in the issue-oriented reviews. The following issue-oriented reviews were completed this year by one or more of the jurisdictions:

- **Certification** – see CSA Staff Notice 52-325 *Certification Compliance Review* issued September 11, 2009.
- **IFRS Transition Disclosure** – see OSC Staff Notice 52-718 *IFRS Transition Disclosure Review and Notice of Autorité des marchés financiers related to disclosure by reporting issuers on changeover to international financial reporting standards* issued February 5, 2010.
- **Executive Compensation** – see CSA Staff Notice 51-331 *Report on Staff's Review of Executive Compensation Disclosure* issued on November 20, 2009.
- **Mining Technical Disclosure** – Issue-oriented reviews are regularly conducted on mining technical disclosure. The following problem areas remain consistent with prior years:
  - the name of the qualified person was not always included in documents containing scientific and technical information;
  - required disclosure for historical estimates, such as the source and date of the estimate was not included;
  - certificates or consents for the qualified person were not included; and
  - corporate presentations or other content on the website did not comply with National Instrument 43-101 *Standards of Disclosure for Mineral Projects*.
- **Oil and Gas Technical Disclosure** – We conducted reviews on issuers engaged in oil and gas activities to assess compliance with requirements set out in National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* (NI 51-101). While there was general compliance among issuers, common issues identified include:
  - all of the information required under NI 51-101 was not provided and the information provided was not consistent throughout the oil and gas disclosure;
  - terminology set out in the COGEH was not properly used; and
  - disclosure of important economic factors or significant uncertainties that affect particular components of the reserves data was not provided.
- **Going Concern** – We conducted a review to assess disclosure in financial statements and MD&A of the risk that an issuer will not be able to continue as a going concern. The majority of issuers reviewed did not provide complete disclosure of this risk in their financial statements and MD&A. The review was extended to examine the going concern disclosure of issuers that recently went bankrupt and similar rates of non-compliance were found.
- **Asset Impairment** – In light of market conditions at the time, we completed a targeted review of issuers in certain industries with a higher risk of triggering an asset impairment. The review focused on the timing of recording impairments, the completeness of the methodology used in the impairment analysis, and disclosure of accounting policies relating to impairment. Generally we found that issuers complied with the requirements. The main deficiency identified was insufficient disclosure of asset impairments, specifically disclosure of critical accounting estimates used in the impairment analysis.
- **Forward-Looking Information (FLI)** – see CSA Staff Notice 51-330 *Guidance Regarding the Application of Forward-looking Information Requirements under NI 51-102 Continuous Disclosure Obligations* issued November 20, 2009 (the FLI notice).
- **Press Releases** – Press releases, websites, corporate presentations and other promotional materials are regularly reviewed to assess compliance with NI 51-101 and COGEH disclosure requirements, FLI

requirements in NI 51-102 and the press release requirement in section 11.5 of NI 51-102 announcing a refiling or restatement. Common issues identified include non-compliant reserve and resource classification and disclosure, non-compliant use of oil and gas terminology and the common issues identified in the FLI notice.

- **Defined Benefit Pension Plans** – These reviews were conducted as a response to the market turmoil that impacted the pension funding obligations of many issuers. The market turmoil impacted the pension funding obligations of several issuers that we identified as having material defined benefit pension plans. We conducted issue-oriented reviews of these issuers requesting enhanced disclosure of the risks related to the issuer’s funding status and of the impact of the pension funding obligation on the issuer’s capital, liquidity and financial position.
- **Complaints** – Staff followed up on complaints referred by other areas of their respective Commissions. Complaints were also received from investors and other external stakeholders regarding specific disclosure issues. Generally, issue-oriented reviews were conducted to consider the issues raised and assess the potential impact to investors. In some circumstances, such complaints lead to further action being taken against an issuer.

**Areas of focus for fiscal year 2011**

In addition to our full review program, we will also conduct issue-oriented reviews in fiscal 2011. The number and type of reviews conducted during the year may change depending on current economic and market conditions. The following issue-oriented reviews are currently planned for 2011:

- IFRS transition disclosure;
- Material contracts;
- Corporate governance; and
- Follow-up review of Certification.

**Results by jurisdiction**

The Alberta Securities Commission, the Ontario Securities Commission and the Autorité des marchés financiers publish reports summarizing the results of the CD review program in their jurisdictions. See the individual regulator’s website for a copy of its report:

- [www.albertasecurities.com](http://www.albertasecurities.com)
- [www.osc.gov.on.ca](http://www.osc.gov.on.ca)
- [www.lautorite.qc.ca](http://www.lautorite.qc.ca)

**For more information**

For more information, contact any of the following people:

Allan Lim Manager, Corporate Finance British Columbia Securities Commission 604-899-6780 Toll-free 800-373-6393 (in BC and Alberta) <a href="mailto:alim@bcsc.bc.ca">alim@bcsc.bc.ca</a>	Lisa Enright Manager, Corporate Finance Ontario Securities Commission 416-593-3686 <a href="mailto:lenright@osc.gov.on.ca">lenright@osc.gov.on.ca</a>  Ritu Kalra Senior Accountant, Corporate Finance Ontario Securities Commission 416-593-8083 <a href="mailto:rkalra@osc.gov.on.ca">rkalra@osc.gov.on.ca</a>
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<p>Jonathan Taylor Manager, CD Compliance &amp; Market Analysis Alberta Securities Commission 403-297-4770 <a href="mailto:jonathan.taylor@asc.ca">jonathan.taylor@asc.ca</a></p>	<p>Johanne Boulerice Manager, Continuous Disclosure Autorité des marchés financiers 514-395-0337 ext. 4331 Toll-free: 1-877-525-0337, ext. 4331 <a href="mailto:johanne.boulerice@lautorite.qc.ca">johanne.boulerice@lautorite.qc.ca</a></p>
<p>Ian McIntosh Deputy Director, Corporate Finance Saskatchewan Financial Services Commission 306-787-5867 <a href="mailto:ian.mcintosh@gov.sk.ca">ian.mcintosh@gov.sk.ca</a></p>	<p>Kevin Redden Director, Corporate Finance Nova Scotia Securities Commission 902-424-5343 <a href="mailto:reddenkg@gov.ns.ca">reddenkg@gov.ns.ca</a></p> <p>Junjie (Jack) Jiang Securities Analyst, Corporate Finance Nova Scotia Securities Commission 902-424-7059 <a href="mailto:jiangjj@gov.ns.ca">jiangjj@gov.ns.ca</a></p>
<p>Bob Bouchard Director, Corporate Finance Manitoba Securities Commission 204-945-2555 <a href="mailto:bob.bouchard@gov.mb.ca">bob.bouchard@gov.mb.ca</a></p>	<p>Kevin Hoyt Director, Regulatory Affairs &amp; Chief Financial Officer New Brunswick Securities Commission 506-643-7691 <a href="mailto:kevin.hoyt@nbsc-cvmnb.ca">kevin.hoyt@nbsc-cvmnb.ca</a></p>

July 9, 2010



**1.1.3 Magna International Inc. et al. – s. 127 – Notice of Correction**

In the decision and order in this matter, published in Chapter 3 at (2010) 33 OSCB 6013, there is a typographical error in a name on page 6014. "David De Paolo" should read "David Di Paolo".

**1.2 Notices of Hearing**

**1.2.1 L. Jeffrey Pogachar 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  
L. JEFFREY POGACHAR, PAOLA LOMBARDI,  
ALAN S. PRICE, NEW LIFE CAPITAL CORP.,  
NEW LIFE CAPITAL INVESTMENTS INC.,  
NEW LIFE CAPITAL ADVANTAGE INC.,  
NEW LIFE CAPITAL STRATEGIES INC.,  
1660690 ONTARIO LTD., 2126375 ONTARIO INC.,  
2108375 ONTARIO INC., 2126533 ONTARIO INC.,  
2152042 ONTARIO INC., 2100228 ONTARIO INC.,  
AND 2173817 ONTARIO INC.**

**AMENDED NOTICE OF HEARING  
Section 127 and Section 127.1**

**WHEREAS** the Ontario Securities Commission (the "Commission") issued a temporary cease trade order on August 6, 2008 (the "Temporary Order") in respect of 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 ("Pogachar"), Paola Lombardi ("Lombardi") and Alan S. Price ("Price") (the "Respondents");

**AND WHEREAS** the Temporary Order ordered that (1) pursuant to clause 2 of section 127(1) and section 127(5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), trading in securities of and by the Respondents shall cease; (2) pursuant to clause 3 of section 127(1) and section 127(5) of the Act, any exemptions contained in Ontario securities law not do not apply to any of the Respondents; and (3) the Order shall not prevent or prohibit any future payments in the way of premiums owing from time to time in respect of insurance policies which were purchased by the Respondents on or before the date of the Temporary Order;

**AND WHEREAS** a Notice of Hearing was issued by the Commission and a Statement of Allegations was filed and delivered to the Respondents by Staff of the Commission ("Staff") on August 7, 2008;

**AND WHEREAS** the Commission has continued the Temporary Order from time to time and on December 5, 2008, the Commission ordered that the Temporary Order be continued until the completion of the Hearing on the Merits in this matter or until further order of the Commission;

**AND WHEREAS** on February 16, 2010, the Commission ordered that the Hearing on the Merits in the matter of New Life Capital Corp., New Life Capital Investments Inc., New Life Capital Advantage Inc., New Life Capital Strategies Inc., L. Jeffrey Pogachar, Paola

Lombardi, Alan S. Price and 1660690 Ontario Ltd. be adjourned to the weeks of September 13 and 20, 2010 with the exception of September 14, 2010 when the Commission will not sit;

**AND WHEREAS** the Commission added 2126375 Ontario Inc., 2108375 Ontario Inc., 2126533 Ontario Inc., 2152042 Ontario Inc., 2100228 Ontario Inc. and 2173817 Ontario Inc. as respondents (now included when referring to the "Respondents"), by filing with the Commission an Amended Statement of Allegations on June 23, 2010;

**AND WHEREAS** the Commission will also consider whether to make orders pursuant to paragraphs 2.1, 8.1 and 8.2 pursuant to section 127(1) of the Act as stated in subparagraphs 1(b), (i) and (j) of this Amended Notice of Hearing.

**TAKE NOTICE** that the Commission will hold a hearing pursuant to sections 127 and 127.1 of the Act at its offices at 20 Queen Street West, 17th Floor Hearing Room commencing on Monday, the 13th day of September, 2010 at 10:00 a.m. or as soon thereafter as the hearing can be held so as to consider whether it is in the public interest for the Commission to make an order that:

- a. trading in any securities of or by the Respondents cease permanently or for such period as is specified by the Commission, pursuant to paragraph 2 of section 127(1);
- b. the acquisition of any securities by the Respondents shall be prohibited permanently or for such period as is specified by the Commission, pursuant to paragraph 2.1 of section 127(1);
- c. any exemptions contained in Ontario securities law do not apply to the Respondents permanently or for such period as is specified by the Commission, pursuant to paragraph 3 of section 127(1);
- d. the corporate Respondents submit to a review of their practices and procedures and institute such changes as may be ordered by the Commission, pursuant to paragraph 4 of section 127(1);
- e. the Respondents provide any document specified by the Commission to shareholders of or other investors in the corporate Respondents or to such other persons as specified by the Commission, pursuant to paragraph 5 of section 127(1);
- f. the Respondents be reprimanded, pursuant to paragraph 6 of section 127(1);

- g. the respondents L. Jeffrey Pogachar Paola Lombardi and Alan S. Price resign as directors and/or officers of any or all of the corporate Respondents, pursuant to paragraph 7 of section 127(1);
- h. the respondents L. Jeffrey Pogachar, Paola Lombardi and Alan S. Price are prohibited from becoming or acting as director or officer of any issuer, pursuant to paragraph 8 of section 127(1)
- i. the respondents L. Jeffrey Pogachar and Paola Lombardi resign any position they hold as an officer or director of a registrant, pursuant to paragraph 8.1 of section 127(1);
- j. the respondents L. Jeffrey Pogachar and Paola Lombardi are prohibited from becoming or acting as a director or officer of a registrant, pursuant to paragraph 8.2 of section 127(1);
- k. the Respondents pay an administrative penalty for failing to comply with Ontario securities law, pursuant to paragraph 9 of section 127(1);
- l. the Respondents disgorge to the Commission any amounts obtained as a result of non-compliance with Ontario securities law, pursuant to paragraph 10 of section 127(1);
- m. the Respondents be ordered to pay the costs of the investigation and hearing, pursuant to section 127.1; and
- n. to make any such further orders as the Commission considers appropriate.

**BY REASON OF** the allegations set out in the Amended Statement of Allegations dated June 23, 2010 and such further additional allegations as counsel may advise and the Commission may permit;

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

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

**DATED** at Toronto this 30th day of June, 2010.

"Daisy Aranha"  
Per: John Stevenson  
Secretary to the Commission

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

**AND**

**IN THE MATTER OF  
L. JEFFREY POGACHAR, PAOLA LOMBARDI,  
ALAN S. PRICE, NEW LIFE CAPITAL CORP.,  
NEW LIFE CAPITAL INVESTMENTS INC.,  
NEW LIFE CAPITAL ADVANTAGE INC.,  
NEW LIFE CAPITAL STRATEGIES INC.,  
1660690 ONTARIO LTD., 2126375 ONTARIO INC.,  
2108375 ONTARIO INC., 2126533 ONTARIO INC.,  
2152042 ONTARIO INC., 2100228 ONTARIO INC.,  
AND 2173817 ONTARIO INC.**

**AMENDED NOTICE OF HEARING  
Section 127 and Section 127.1**

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

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

**I. OVERVIEW**

1. The Respondents, L. Jeffrey Pogachar ("Pogachar") and Paola Lombardi ("Lombardi"), perpetrated a fraud upon investors. Between 2005 and 2008, they incorporated New Life Capital Corp. ("NLCC"), New Life Capital Investments Inc. ("NLCI"), New Life Capital Advantage Inc. ("NLCA"), New Life Capital Strategies Inc. ("NLCS"), 2126375 Ontario Inc., 2108375 Ontario Inc., 2126533 Ontario Inc., 2152042 Ontario Inc., 2100228 Ontario Inc., and 2173817 Ontario Inc. ("the Numbered Companies"). In July, 2005, Pogachar incorporated 1660690 Ontario Ltd. ("1660690"). These companies (collectively the "corporate Respondents") were created to carry on business in the life settlements industry. The life settlements industry involves the purchase of life insurance policies from policy holders. Upon the purchase of the policy, the purchaser becomes entitled to the benefits paid under the policy as well as being responsible for the payment of the premiums. The purchaser's profit equals the amount of the benefit paid under the policy upon the death of the insured less the amount paid for the life settlement including the amount paid in premiums.

2. From 2006 to 2008, Pogachar and Lombardi caused certain of the corporate Respondents to issue and sell their securities to the public. Approximately \$22 million was raised from the sale of these securities. These funds were to be used in carrying on business including purchasing life settlements and paying premiums on policies.

3. Each of the Respondents engaged in trades or engaged in acts in furtherance of the trades of these securities.

4. In order to entice investors to purchase these securities, Pogachar and Lombardi caused one of the corporate Respondents to pay dividends to investors. These dividends were paid using funds from the sale of securities and not from profits earned from carrying on business.

5. The funds raised from investors were not used exclusively for the purpose of carrying on business. Instead, Pogachar and Lombardi used certain of these funds for their own personal purposes.

6. As directors and officers of the corporate Respondents, Pogachar and Lombardi authorized, permitted or acquiesced in the breaches of Ontario securities law by the corporate Respondents.

7. As a director of NLCI, Alan S. Price ("Price") authorized, permitted or acquiesced in the breach of Ontario securities law by NLCI.

**II. THE RESPONDENTS**

**(a) The individual Respondents**

8. Pogachar and Lombardi were and are married to each other. They were directors and officers of the corporate Respondents at all material times. Pogachar and Lombardi were registered with the Commission as the trading officers of NLCC since July 30, 2007. Neither of them has been registered with the Commission with any other entity in any other capacity.

9. Price is a lawyer. He was a director of NLCI from December 22, 2005 until he resigned on November 27, 2008.

**(b) The corporate Respondents**

10. NLCC is a holding company which owns, directly or indirectly, the other corporate Respondents. NLCC does not carry on any active operations, although from time to time it paid expenses related to its subsidiaries. It was incorporated in Ontario on November 7, 2005. NLCC registered with the Commission as a limited market dealer on July 30, 2007. Investor money flowed to it from NLCI.

11. NLCI issued and sold its securities to the public and purchased life insurance policies from US residents. It was incorporated in Ontario on December 22, 2005. It is a subsidiary of NLCC. NLCI has never been registered with the Commission in any capacity.

12. NLCA and the Numbered Companies issued and sold their securities to the public and purchased life insurance policies from US residents. NLCA was incorporated in Ontario on December 19, 2005. It is a subsidiary of NLCC. The Numbered Companies were incorporated on various dates between 2006 and 2008. NLCA and the Numbered Companies have never been registered with the Commission in any capacity.

13. NLCS sourced life insurance policies through use of US brokerage systems or financial planners. It was incorporated in Ontario on January 4, 2006. It is a subsidiary of NLCC. NLCS has never been registered with the Commission in any capacity. NLCS did not issue and sell its own securities. Investor money, however, flowed to it from NLCI.

14. 1660690 served an administrative purpose in connection with NLCI's insurance policies. Either 1660690 or NLCI purchased the life insurance policies making up NLCI's portfolio of life settlements and made the premium payments on those policies. Generally, 1660690 owns the policies and NLCI is named as beneficiary. 1660690 was incorporated in Ontario on July 29, 2005. It is a subsidiary of NLCI. It has never been registered with the Commission in any capacity. Investor money flowed to it from NLCI.

### III. OTHER RELEVANT ENTITY

#### Lexington Consulting Inc.

15. In August 2005, Pogachar and Lombardi incorporated Lexington Consulting Inc. ("Lexington") in Nassau in the Commonwealth of the Bahamas. Pogachar and Lombardi are Lexington's sole shareholders and are the only authorized signatories to Lexington's bank account at FirstCaribbean International Bank (Bahamas) Ltd. ("FirstCaribbean") in the Bahamas. The stated purpose for Lexington was to facilitate personal wealth building for Pogachar and Lombardi.

### IV. THE ALLEGATIONS

16. Staff specifically allege that:

- (a) The Respondents, Pogachar and Lombardi, perpetrated a fraud on investors by using funds raised from the sale of securities for their own personal purposes contrary to section 126.1(1)(b) of the *Securities Act*, R.S.O. 1990, c. S.5 as amended (the "Act");
- (b) Each of the Respondents traded securities without being registered to trade securities in accordance with Ontario securities law contrary to section 25(1)(a) of the Act;
- (c) The Respondents, Pogachar and Lombardi, being officers and directors of the corporate Respondents, authorized, permitted or acquiesced in the breaches of Ontario securities law by the corporate Respondents contrary to section 129.2 of the Act; and,
- (d) The Respondent Price, being a director of NLCI, authorized, permitted or acquiesced in the breach of Ontario securities law by NLCI contrary to section 129.2 of the Act.

### V. PARTICULARS

#### Pogachar and Lombardi perpetrated fraud on investors

17. Pogachar and Lombardi had sole signing authority over the bank accounts of the corporate Respondents. Pogachar and Lombardi used the money in these bank accounts which had been raised from investors from the sale of securities for their own personal purposes.

#### (a) *Pogachar and Lombardi transfer funds to Lexington*

18. Between October 2007 and July 2008, Pogachar and Lombardi caused over US\$6.5 million to be transferred from bank accounts of the corporate Respondents in Toronto to Lexington's bank account at FirstCaribbean in the Bahamas.

19. Pogachar and Lombardi used these funds for personal purposes, including transferring the funds to a second holding company and purchasing luxury cars, real estate in the Caribbean and Ontario and various personal effects.

#### (b) *Shareholder Loans to Pogachar and Lombardi*

20. The amounts of approximately CAD 1.1 million and USD 43,500 were paid to Pogachar and Lombardi, together, in the form of shareholder loans.

21. These shareholder loans were never repaid.

#### (c) *Payment of Pogachar and Lombardi Credit Card Debt*

22. NLCC and NLCI, together, paid \$1.1 million of credit card debt on personal Royal Bank of Canada VISA credit cards held by Pogachar and Lombardi.

#### Trading without registration

23. In February 2006, NLCI began issuing class A common shares to investors by way of an Offering Memorandum. NLCI continued selling shares until August 6, 2008.

24. NLCI marketed its shares publicly and sold them to investors in Ontario and elsewhere in Canada. Through the sale and distribution of its shares, NLCI raised more than \$21 million from approximately 600 investors in Canada.

25. NLCA and the Numbered Companies sold shares of the Numbered Companies from at least as early as April, 2006, until August 6, 2008. They marketed those shares publicly and sold them to investors on incorporation of each new subsidiary. A new subsidiary was incorporated for each unique insurance policy to hold a specific policy (as opposed to the pooled life settlements held by NLCI). NLCA and the Numbered Companies raised over \$600,000 from approximately ten investors in Canada.

26. NLCI, NLCA and the Numbered Companies were market intermediaries as defined in section 204(1) of the Regulation to the Act, as it was in force from 2006 to 2008. Exemptions from registration requirements were not available to market intermediaries. As such, NLCI, NLCA and the Numbered Companies were required to be registered to trade in securities.

27. Pogachar and Lombardi engaged in acts in furtherance of trades of securities of NLCI, NLCA and the Numbered Companies and Price engaged in acts in furtherance of trades of NLCI, and, as a result, were required to be registered in accordance with Ontario securities law to trade in those securities.

28. Through their actions, all of the corporate Respondents engaged in trades or in acts in furtherance of trades in the securities of NLCI and the Numbered Companies.

#### **Declaration of Dividends without Earnings**

29. Despite having no profit or retained earnings, NLCI's directors (Pogachar, Lombardi and Price) declared dividends for NLCI's class A common shares in the amount of at least \$1,106,660.61 and paid out at least \$670,000 in respect of those dividends.

30. Without any profit or retained earnings, NLCI did not have any funds other than its stated capital and any amounts declared as dividends were in fact paid out of that stated capital.

Pogachar, Lombardi and Price liable as directors and officers

31. At all material times, Pogachar and Lombardi were directors and officers of the corporate Respondents. They authorized, permitted or acquiesced in the breaches of Ontario securities law by the corporate Respondents. At all material times, Price was a director of NLCI. He authorized, permitted or acquiesced in the breach of Ontario securities law by NLCI.

#### **Conduct Contrary to Ontario Securities Law and the Public Interest**

32. By their actions, the Respondents breached Ontario securities law and acted contrary to the public interest.

Dated at Toronto this 23rd day of June, 2010.

#### **1.2.2 TBS New Media Ltd. 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 TBS NEW MEDIA LTD., TBS NEW MEDIA PLC, CNF FOOD CORP., CNF CANDY CORP., ARI JONATHAN FIRESTONE AND MARK GREEN**

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

**WHEREAS** on June 29, 2010, the Ontario Securities Commission (the "Commission") issued a temporary order pursuant to sections 127(1) and 127(5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") ordering the following (the "Temporary Order"):

- (i) that TBS New Media Ltd. ("TBS"), TBS New Media PLC ("TBS PLC"), CNF Food Corp. ("CNF Food"), CNF Candy Corp. ("CNF Candy"), Ari Jonathan Firestone ("Firestone") and Mark Green ("Green") cease trading in all securities; and
- (ii) that any exemptions contained in Ontario securities law do not apply to TBS, TBS PLC, CNF Food, CNF Candy, Firestone and Green (the "Temporary Order");

**TAKE NOTICE THAT** the Commission will hold a hearing pursuant to subsections 127(7) and (8) of the Act at the offices of the Commission, 20 Queen Street West, 17th Floor, commencing on July 12, 2010 at 10:00 a.m., or as soon thereafter as the hearing can be held;

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

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

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

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

**AND TAKE FURTHER NOTICE** that upon failure of any party to attend at the time and place aforesaid, the

hearing may proceed in the absence of that party and such party is not entitled to further notice of the proceeding.

**DATED** at Toronto this 5th of July, 2010.

“Daisy Aranha”

Per: John Stevenson  
Secretary to the Commission

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

**1.4.1 Oversea Chinese Fund Limited Partnership et al.**

**FOR IMMEDIATE RELEASE  
June 30, 2010**

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

**AND**

**IN THE MATTER OF  
OVERSEA CHINESE FUND LIMITED  
PARTNERSHIP, WEIZHEN TANG AND  
ASSOCIATES INC., WEIZHEN TANG CORP.  
AND WEIZHEN TANG**

**TORONTO** – The Commission issued an Extension of Temporary Order in the above named matter which provides that (1) the Temporary Order is extended until March 31, 2011; and (2) the Hearing in this matter is adjourned to March 30, 2011 at 10:00 a.m.

A copy of the Extension of Temporary Order dated June 29, 2010 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

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

1.4.2 L. Jeffrey Pogachar et al.

FOR IMMEDIATE RELEASE  
June 30, 2010

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

AND

IN THE MATTER OF  
L. JEFFREY POGACHAR, PAOLA LOMBARDI,  
ALAN S. PRICE, NEW LIFE CAPITAL CORP.,  
NEW LIFE CAPITAL INVESTMENTS INC.,  
NEW LIFE CAPITAL ADVANTAGE INC.,  
NEW LIFE CAPITAL STRATEGIES INC.,  
1660690 ONTARIO LTD., 2126375 ONTARIO INC.,  
2108375 ONTARIO INC., 2126533 ONTARIO INC.,  
2152042 ONTARIO INC., 2100228 ONTARIO INC.,  
AND 2173817 ONTARIO INC.

**TORONTO** – The Office of the Secretary issued an Amended Notice of Hearing dated June 30, 2010 setting the matter down to be heard on September 13, 2010 at 10:00 a.m. or as soon thereafter as the hearing can be held in the above named matter.

A copy of the Amended Notice of Hearing dated June 30, 2010 and the Amended Statement of Allegations of Staff of the Ontario Securities Commission dated June 23, 2010 are available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
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1.4.3 Cliffs Natural Resources Inc and Spider Resources Inc

FOR IMMEDIATE RELEASE  
July 2, 2010

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

AND

IN THE MATTER OF  
CLIFFS NATURAL RESOURCES INC  
AND SPIDER RESOURCES INC

**TORONTO** – Following a hearing held on June 30, 2010 in the above named matter, the Commission issued an Order today.

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

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

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1.4.4 Abel Da Silva

FOR IMMEDIATE RELEASE  
July 2, 2010

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

AND

IN THE MATTER OF  
ABEL DA SILVA

**TORONTO** – The Commission issued an Order in the above named matter which provides that the hearing with respect to the Notice of Hearing dated October 21st, 2008 and Staff's Statement of Allegations dated October 20th, 2008 be adjourned to September 2, 2010 at 10:00 a.m.

A copy of the Order dated June 30, 2010 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

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1.4.5 Uranium308 Resources Inc. et al.

FOR IMMEDIATE RELEASE  
July 2, 2010

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

AND

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

**TORONTO** – The Commission issued an Order in the above named matter which provides that (1) pursuant to subsection 127(8) of the Act, the Temporary Order is extended until the completion of the hearing on the merits; and (2) the hearing with respect to this matter is adjourned to July 22, 2010, at 10:00 a.m. at which time the pre-hearing conference will be continued.

A copy of the Order dated June 30, 2010 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

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

**FOR IMMEDIATE RELEASE  
July 2, 2010**

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

**AND**

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

**TORONTO** – The Commission issued an Order in the above named matter which provides that (1) the hearing with respect to this matter is adjourned to July 22, 2010, at 11:00 a.m. at which time the pre-hearing conference will be continued.

A copy of the Order dated June 30, 2010 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

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**1.4.7 Sulja Bros. Building Supplies, Ltd.**

**FOR IMMEDIATE RELEASE  
July 6, 2010**

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

**AND**

**IN THE MATTER OF  
SULJA BROS. BUILDING SUPPLIES, LTD.,  
PETAR VUCICEVICH, KORE INTERNATIONAL  
MANAGEMENT INC., ANDREW DE VRIES,  
STEVEN SULJA, PRANAB SHAH,  
TRACEY BANUMAS, AND SAM SULJA**

**TORONTO** – Take notice that the pre-hearing motions scheduled to be heard on July 8, 2010 at 10:00 a.m. in the above named matter has been rescheduled to be heard on July 30, 2010 at 10:00 a.m. in Hearing Room B.

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

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1.4.8 TBS New Media Ltd. et al.

FOR IMMEDIATE RELEASE  
July 6, 2010

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

AND

IN THE MATTER OF  
TBS NEW MEDIA LTD., TBS NEW MEDIA PLC,  
CNF FOOD CORP., CNF CANDY CORP.,  
ARI JONATHAN FIRESTONE AND MARK GREEN

**TORONTO** – The Office of the Secretary issued a Notice of Hearing setting the matter down to be heard on July 12, 2010 at 10:00 a.m. in Hearing Room B to consider whether it is in the public interest for the Commission: (1) to extend the Temporary Order pursuant to subsections 127(7) and (8) of the Act until the conclusion of the hearing, or until such further time as considered necessary by the Commission; and (2) to make such further orders as the Commission considers appropriate.

A copy of the Notice of Hearing dated July 5, 2010 and Temporary Order dated June 29, 2010 are available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
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1.4.9 Sunil Tulsiani et al.

FOR IMMEDIATE RELEASE  
July 7, 2010

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

AND

IN THE MATTER OF  
SUNIL TULSIANI, TULSIANI INVESTMENTS INC.,  
PRIVATE INVESTMENT CLUB INC., AND  
GULFLAND HOLDINGS LLC

**TORONTO** – The Commission issued an Order in the above named matter which provides that this matter is adjourned to a confidential pre-hearing conference to be held on August 16, 2010, at 10:00 am.

A copy of the Order dated June 30, 2010 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

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## Chapter 2

# Decisions, Orders and Rulings

## 2.1 Decisions

### 2.1.1 National Bank Securities Inc.

#### Headnote

NP 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – exemption granted to permit National Bank Securities Inc. and any other registered dealer that trades in securities of the mutual funds managed from time to time by National Bank Securities Inc., to satisfy the requirement under securities legislation to send or deliver a simplified prospectus of a mutual fund by delivering a tailored simplified prospectus on or before the effective date of a Proposed Change to a client's Strategic Portfolio, which is a model portfolio of funds selected by the client as part of an optional asset allocation service offered by the Filer. – the exemption is required because the tailored simplified prospectus does not comply with the Form Requirement.

#### Applicable Legislative Provisions

National Instrument 81-101 Mutual Fund Prospectus Disclosure, ss. 3.2(2), 6.1.

May 31, 2010

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

AND

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

AND

IN THE MATTER OF  
NATIONAL BANK SECURITIES INC.  
(the Filer)

DECISION

#### Background

The securities regulatory authority or regulator of each of the Jurisdictions (the **Decision Makers**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) exempting the Filer and any other registered dealer (collectively with the Filer, the **Dealers**) that trades in securities of the mutual funds managed from time to time by the Filer from the requirement in subsection 3.2(2) of National Instrument

81-101 *Mutual Fund Prospectus Disclosure (NI 81-101)* to deliver or send a simplified prospectus of a mutual fund filed under NI 81-101 and prepared in accordance with Form 81-101F1 to permit delivery of a Tailored Simplified Prospectus (as defined below) each time that the Filer, as manager of the Funds, proposes to make a change to its asset allocation service (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 (the **Principal Regulator**),
- (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, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Northwest Territories, Nunavut and Yukon Territories, 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* have the same meanings if used in this decision. Certain other defined terms have the meanings given to them above or below.

**Affected Clients** means those Clients (as defined below) who are affected by a Proposed Change (as defined below) to the Strategic Portfolio Service that affects the Funds held in the Client's Strategic Portfolio (as defined below);

**Form 81-101F1** means Form 81-101F1 *Contents of Simplified Prospectus* of NI 81-101;

**Funds** means the mutual funds currently managed by the Filer and any mutual funds that are managed by the Filer in the future; and

**Latest Simplified Prospectus** means the simplified prospectus of the Funds last received by the regulator or securities regulatory authority in the applicable province and/or territory of Canada and any amendment thereto.

#### Representations

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

1. The Filer is a corporation governed by the Canada Business Corporations Act, with its head office in Montreal, Quebec.
2. The Filer is registered as a mutual fund dealer in each province and territory of Canada.
3. The Filer is not in default of securities legislation in any province or territory of Canada.
4. The Filer is the manager and principal distributor of each of the Funds and may be the manager of other mutual funds in the future.
5. The Funds are either open-ended mutual fund trusts established under the laws of Ontario or mutual fund corporations governed under the laws of Canada.
6. As manager of the Funds, the Filer offers an optional asset allocation service (the **Strategic Portfolio Service**) by which clients (collectively, the **Clients** and individually, a **Client**) match their risk profile and investment objectives to a model portfolio of Funds (the **Strategic Portfolio**) and then instruct the Filer to allocate their investment into such Funds and rebalance such investments on a pre-determined periodic basis.
7. The Filer proposes to change certain of the Funds and revise the target allocation of each Fund in the Strategic Portfolios and may, in the future, make other changes to the Strategic Portfolios that require the delivery of a simplified prospectus of a Fund to a Client (each, a **Proposed Change**). Pursuant to the terms of the Strategic Portfolio Service, the Filer will provide at least 60 days advance written notification to the Affected Clients describing the Proposed Change. The notice will specify that if an Affected Client does not provide his or her objection to the Proposed Change, then the Filer will take this non-objection as consent to make the Proposed Change to the Affected Client's Strategic Portfolio on the effective date.
8. The Dealers who sell securities of the Funds using the Strategic Portfolio Service are, pursuant to securities legislation in each province and territory of Canada, required to send by prepaid mail or deliver to each Client the Latest Simplified Prospectus either before the rebalancing trades to effect a Proposed Change or no later than two days following the trades, if the Affected Client has not previously received a copy of the prospectus (the **Prospectus Delivery Requirement**).
9. Subsection 3.2(2) of NI 81-101 specifies that the requirement to deliver or send a prospectus of a mutual fund to a person or company is satisfied by delivering or sending a simplified prospectus filed under NI 81-101 and prepared in accordance with Form 81-101F1, either with or without the documents incorporated by reference (the **Form Requirement**).
10. As a result of the Prospectus Delivery Requirement, the Dealers must send to each Affected Client a copy of the Latest Simplified Prospectus of each new Fund that is being introduced into the Client's Strategic Portfolio as a result of a Proposed Change (collectively, the **Relevant Funds** and individually, the **Relevant Fund**), on or before the effective date of the Proposed Change.
11. The Filer believes that Affected Clients only require information about the Relevant Funds to be added to their Strategic Portfolio and do not require information about all the Funds contained in the Latest Simplified Prospectus.
12. The Latest Simplified Prospectus qualifies a large number of Funds in addition to the Relevant Funds. Most of the Funds in the Latest Simplified Prospectus are not relevant to Affected Clients in connection with a Proposed Change.
13. To fulfil the Prospectus Delivery Requirement for a Proposed Change, the Filer, on behalf of each Dealer, proposes to send or deliver a tailored simplified prospectus (the **Tailored Simplified Prospectus**), consisting of Part A of the Latest Simplified Prospectus and Part B(s) of the Latest Simplified Prospectus of the Relevant Fund(s), to Affected Clients in the Strategic Portfolio Service, instead of delivering the Latest Simplified Prospectus containing all the Funds to such Clients.
14. The Filer will keep records of the Dealers relying on this decision and will deliver a list of such Dealers to the Principal Regulator within 10 business days of the mailing of any Tailored Simplified Prospectus.
15. The Tailored Simplified Prospectus delivered or sent by the Filer as a result of a Proposed Change to the Funds offered under the Strategic Portfolio Service may differ in the following respects from the Form Requirement:
  - (a) The simplified prospectus will be tailored into a document which consists of Part A of the Latest Simplified Prospectus and Part B(s) of the Latest Simplified Prospectus of the Relevant Fund(s) (the **Excerpted Document**);
  - (b) The Tailored Simplified Prospectus will contain no colour regardless of whether there was colour in the Latest Simplified Prospectus;
  - (c) The pages of the Part B portion of the Tailored Simplified Prospectus will have

different page numbers from the Latest Simplified Prospectus as the pagination will reflect only those pages of the Part B(s) of the Relevant Fund(s); and

- (d) The Tailored Simplified Prospectus will have a table of contents that reflects only the contents of the Excerpted Document rather than the complete contents of the Latest Simplified Prospectus.

16. In the Filer's view, an Affected Client is more likely to read the material, and is more likely to make an informed decision about a Proposed Change, if he or she is furnished with the relevant information, rather than inundated with extraneous information.

17. In the Filer's view, permitting Dealers to send a Tailored Simplified Prospectus to fulfill the Prospectus Delivery Requirement would reduce the costs of delivery as it would cost more to mail the complete Latest Simplified Prospectus compared to the Tailored Simplified Prospectus.

**Decision**

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

The decision of the Decision Makers under the Legislation is that the Requested Relief is granted provided that:

- (i) the simplified prospectus delivered or sent to an Affected Client in respect of a Proposed Change to the Strategic Portfolio complies with the terms of NI 81-101, other than:
  - (a) The simplified prospectus will be tailored into a document which consists of Part A of the Latest Simplified Prospectus and Part B(s) of the Latest Simplified Prospectus of the Relevant Fund(s);
  - (b) The Tailored Simplified Prospectus will contain no colour, regardless of whether there was colour in the Latest Simplified Prospectus;
  - (c) The pagination of the Tailored Simplified Prospectus will reflect only the pages of Part A of the Latest Simplified Prospectus and those pages of the Part B(s) of the Relevant Fund(s);
  - (d) The Tailored Simplified Prospectus will have a table of contents that reflects only the contents of the Excerpted Document, as set out in (a) above, rather than the complete contents of the Latest Simplified Prospectus; and

- (ii) this decision shall cease to be of effect with the coming into force of any legislation or rule of the Decision Makers relating to the preparation, delivery, binding or ordering of disclosure documents of mutual funds subject to this decision.

“Josée Deslauriers”  
Director, Investment Funds and Continuous Disclosure  
Autorité des marchés financiers

**2.1.2 SFK Pulp Fund – s. 1(10)**

“Alida Gualtieri”  
Manager, Continuous Disclosure  
Autorité des marchés financiers

**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).

July 5, 2010

SFK Pulp Fund  
1010 de Sérigny Street, Suite 100  
Longueuil, Québec  
J4K 5G7

Dear Sirs/Mesdames:

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

The Applicant has applied to the local securities regulatory authority or regulator (the "Decision 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 Regulation 21-101 respecting Marketplace Operation;
- (c) the Applicant is applying for a decision that it is not a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer; and
- (d) the Applicant is not in default of any of its obligations under the Legislation as a reporting issuer.

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

### 2.1.3 Solium Capital Inc.

#### Headnote

National Policy 11-203 Process for Exemptive Relief in Multiple Jurisdictions – Plan Sponsors, CAP Members, and a named service provider exempted from the dealer registration and prospectus requirements in the Legislation in respect of trades in securities of mutual funds to tax-assisted capital accumulation plans, subject to certain terms and conditions.

#### Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 25, 53, 74(1).

#### Rules Cited

National Instrument 81-102 Mutual Funds.  
National Instrument 45-106 Prospectus and Registration Exemptions.

#### Published Documents Cited

Amendments to NI 45-106 – Registration and Prospectus Exemption for Certain Capital Accumulation Plans, October 21, 2005 (2005), 25 OSCB 8681.

June 29, 2010

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

**AND**

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

**AND**

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

**DECISION**

#### Background

The principal regulator in the Jurisdiction (the **Decision Maker**) has received an application from the Filer for a decision, on behalf of the Filer, (including its respective directors, officers, representatives and employees acting on its behalf), any plan sponsor (a **Plan Sponsor**) of a CAP (as defined below) that uses the services of the Filer in respect of its CAP and any Fund (as defined below) under the securities legislation of the Jurisdiction (the **Legislation**) for a ruling that the dealer registration and prospectus requirements contained in the Legislation shall not apply to the Filer (including its respective directors, officers, representatives and employees acting on its behalf) or any Plan Sponsor that uses the services of the Filer in respect of its CAP in respect of trades in the securities of any mutual funds selected for the CAPs sponsored by the Plan Sponsors (each, a **Fund**, collectively, the **Funds**), subject to certain terms and conditions (collectively, the **Exemption Sought**).

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

- (a) the Ontario Securities Commission is the principal regulator for this application, 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 Quebec, Newfoundland and Labrador, Yukon Territory and Nunavut (the **Passport 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.

"**Dealer Registration Relief**" means the relief requested from the dealer registration requirements the Legislation; and

"**Prospectus Relief**" means the relief requested from the prospectus requirements in the Legislation.

## Representations

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

1. The Filer was incorporated under the laws of Alberta on September 16, 1999.
2. The head and principal office of the Filer is 205, 805 - 8th Avenue S.W., Calgary Alberta T2P 1H7.
3. The Filer is a reporting issuer listed on the TSX with the trading symbol "SUM".
4. The Filer is not in default of the securities legislation of any jurisdiction of Canada.
5. The Filer's principal business is acting as a service provider providing web based record-keeping and administrative services to issuers in connection with equity based incentive plans sponsored by such issuers. The Filer currently administers the following equity based incentive plans:
  - (a) grant based plans such as employee stock option plans, performance share plans, restricted share unit plans and other types of grant based awards; and
  - (b) tax assisted investment or savings plans, such as employee profit sharing plans, registered retirement savings plans, deferred profit sharing plans, non-registered savings plans and employee benefit plans; and
  - (c) other types of non-tax assisted contributory savings plans that enable employees and other plan participants to allocate a portion of their employment income into the issuer's sponsored plan, whereby the issuer at its discretion, and guided by the terms and conditions of the plan text, may match a portion of the employee's contribution based on a predefined formula.
6. The sole investment alternative under the plans currently administered by the Filer is securities of the applicable plan sponsor for such plans which consist of common shares of such plan sponsor and securities that are exercisable, exchangeable or convertible into common shares of such plan sponsor.
7. One of the services provided by the Filer in administering plans is assistance in executing trade orders placed by plan participants (**Operational Services**). Orders for the purchase or sale of securities by participants in existing plans administered by the Filer are provided by plan participants either online through the Filer's proprietary "Shareworks" platform or by telephone through the Filer's call centre. The instructions received are transmitted electronically by the Shareworks platform to a plan broker appointed by the Plan Sponsor (a **Plan Broker**) for execution on the applicable market. The Plan Broker executes the trade and provides details of the execution of the transaction to the Filer who enters the details in the Shareworks platform. Plan participants have online access to their accounts on a 24/7 basis.
8. In providing Operational Services, neither the Filer nor its officers or staff nor the Plan Broker provide investment advice to plan participants.
9. The Filer has received significant interest from its existing and potential customers to expand the investment alternatives available to plan participants under investment or savings plans it administers to include investment alternatives other than securities of the plan sponsors. Customers have requested this expanded service offering because limiting participants to investing in only the plan sponsor's securities does not provide participants with a diversified savings portfolio.
10. A CAP or Capital Accumulation Plan is a tax-assisted investment or savings plans, including a defined contribution registered pension plan, a group registered retirement savings plan, a group registered education savings plan, or a deferred profit sharing plan, established by a Plan Sponsor that permits a member to make investment decisions among two or more investment options offered within the plan and in Quebec and Manitoba, includes a simplified pension plan.



## Decisions, Orders and Rulings

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11. Plan Sponsors to which the Filer provides or will provide Operational Services may be employers, trustees, trade unions, associations or a combinations of these that establish a CAP.
12. A Plan Sponsor establishes a CAP for the benefit of individual members of a CAP (each, a **CAP Member**). CAP Members may include current or former employees, or a person who belongs, or did belong to a trade union or association, or
  - (a) his or her spouse;
  - (b) a trustee, custodian or administrator who is acting on his or her behalf, or for his or her benefit, or on behalf of, of for the benefit of, his or her spouse; or
  - (c) his or her holding entity, or a holding entity of his or her spouse,that have assets in a Capital Accumulation Plan, and includes a person that is eligible to participate in a Capital Accumulation Plan.
13. The Filer seeks to include mutual funds as additional investment alternatives for CAP Members so that CAP Members will have the alternative to invest in either securities of the Plan Sponsor or mutual funds.
14. The Filer, the Plan Sponsors and the Funds intend to trade within CAPs or to CAP Members in accordance with the conditions set out in proposed amendments to National Instrument 45-106 *Prospectus and Registration Exemptions* related to CAPs, which were published by the Canadian Securities Administrators (the **CSA**) on October 21, 2005 (the **CSA Notice**) and adopted in the form of a blanket exemption by the securities regulatory authorities in all provinces and territories of Canada, other than the Passport Jurisdictions (the **CAP Blanket Orders**). The CSA Notice and the CAP Blanket Orders contemplate both dealer registration and prospectus exemptions in respect of the distribution of, and trading in, securities of mutual funds pursuant to CAPs subject to certain terms and conditions.
15. The securities regulatory authorities in the Passport Jurisdictions have not granted blanket exemptions from the prospectus and dealer registration requirements of the applicable securities legislation in respect of certain CAPs, however, the CSA Notice states that these jurisdictions will use the terms set out in the CSA Notice as a template of standard conditions and terms of relief for applicants who apply for an exemption in respect of certain CAPs from the dealer registration requirement and/or prospectus requirement in the legislation of such jurisdictions.
16. As a service provider to CAPs (a **Service Provider**), the Filer may provide services to Plan Sponsors with respect to the design, establishment or operation of a CAP. These services include Operational Services, providing investment education and communication to CAP Members and providing administration and reporting as required. The Filer may also carry out responsibilities of a Plan Sponsor that are delegated to it (all of the above services, including the Operational Services, are collectively, the **Administrative Services**).
17. The Filer wishes to provide Administrative Services to Plan Sponsors with respect to the establishment and operation of Capital Accumulation Plans, in accordance with the CAP Guidelines and in accordance with the terms and conditions contemplated by the CSA Notice. Accordingly, the Filer is seeking an exemption on behalf of the Filer, the Plan Sponsors and the Funds as applicable, from the prospectus and registration requirements of the securities legislation of the Passport Jurisdictions in respect of the distribution of or trading in mutual fund securities to Capital Accumulation Plans or CAP Members.
18. Each Plan Broker in respect of a CAP will be appointed by a Plan Sponsor to process orders for the purchase and sale of securities pursuant to a CAP. Each Plan Broker is or will be a registered dealer in all provinces and territories of Canada in which CAPs administered by the Filer exist and CAP Members are resident, and each Plan Broker is or will be a member of the Investment Industry Regulatory Organization of Canada (**IIROC**).
19. The Filer will not recommend, select or advise on the selection of mutual funds to be made available to CAP Members of any Capital Accumulation Plan or provide investment advice to CAP Members on which investment alternatives to invest in. The Filer anticipates that a small number of mutual funds will be made available to CAP Members as investment alternatives under any CAP. The mutual funds to be included in any Capital Accumulation Plan will be selected by the Plan Sponsor in its sole discretion.

### Decision

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

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

**1. for the Dealer Registration Relief:**

- (a) the Plan Sponsor selects the mutual funds that CAP Members will be able to invest in under the CAP;
- (b) the Plan Sponsor establishes a policy, and provides CAP Members with a copy of the policy and any amendments to it, describing what happens if a CAP Member does not make an investment decision;
- (c) in addition to any other information that the Plan Sponsor believes is reasonably necessary for a CAP Member to make an investment decision within the CAP, and unless that information has previously been provided, the Plan Sponsor provides the CAP Member with the following information about each mutual fund the CAP Member may invest in:
  - (i) the name of the mutual fund;
  - (ii) the name of the manager of the mutual fund and its portfolio adviser;
  - (iii) the fundamental investment objective of the mutual fund;
  - (iv) the investment strategies of the mutual fund or the types of investments the mutual fund may hold;
  - (v) a description of the risks associated with investing in the mutual fund;
  - (vi) where a CAP Member can obtain more information about each mutual fund's portfolio holdings; and
  - (vii) where a CAP Member can obtain more information generally about each mutual fund, including any continuous disclosure;
- (d) the Plan Sponsor provides CAP Members with a description and amount of any fees, expenses and penalties relating to the CAP that are borne by the CAP Members, including:
  - (i) any costs that must be paid when the mutual fund is bought or sold;
  - (ii) the costs associated with accessing or using any of the investment information, decision-making tools or investment advice provided by the Plan Sponsor;
  - (iii) mutual fund management fees;
  - (iv) mutual fund operating expenses;
  - (v) record keeping fees;
  - (vi) any costs of transferring among investment options, including penalties, book and market value adjustments and tax consequences;
  - (vii) account fees; and
  - (viii) fees for services provided by Service Providers,provided that the Plan Sponsor may disclose the fees, penalties and expenses on an aggregate basis, if the Plan Sponsor discloses the nature of the fees, expenses and penalties, and the aggregated fees do not include fees that arise because of a choice that is specific to a particular CAP Member;
- (e) the Plan Sponsor has, within the past year, provided the CAP Members with performance information about each mutual fund the CAP Members may invest in, including:
  - (i) the name of the mutual fund for which the performance is being reported;
  - (ii) the performance of the mutual fund, including historical performance for one, three, five and ten years if available;
  - (iii) a performance calculation that is net of investment management fees and mutual fund expenses;

- (iv) the method used to calculate the mutual fund's performance return calculation, and information about where a CAP Member could obtain a more detailed explanation of that method;
  - (v) the name and description of a broad-based securities market index, selected in accordance with National Instrument 81-106 – *Investment Fund Continuous Disclosure*, for the mutual fund, and corresponding performance information for that index; and
  - (vi) a statement that past performance of the mutual fund is not necessarily an indication of future performance;
- (f) the Plan Sponsor has, within the past year, informed CAP Members whether there were any changes in the choice of mutual funds that CAP Members could invest in and where there was a change, provided information about what CAP Members needed to do to change their investment decision, or make a new investment;
  - (g) the Plan Sponsor provides CAP Members with investment decision-making tools that the Plan Sponsor reasonably believes are sufficient to assist them in making an investment decision within the CAP;
  - (h) the Plan Sponsor must provide the information required by paragraphs (b), (c), (d) and (g) prior to the CAP Member making an investment decision under the Capital Accumulation Plan;
  - (i) if the Plan Sponsor makes investment advice from a registrant available to CAP Members, the Plan Sponsor must provide CAP Members with information about how they can contact the registrant;

**2. for the Prospectus Relief**

- (a) the conditions set forth in paragraph 1 above are met;
  - (b) the Funds comply with Part 2 of National Instrument 81-102 *Mutual Funds*;
- 3. this Decision, as it relates to the jurisdiction of a Decision Maker with respect to the Dealer Registration Relief will terminate upon the coming into force in securities rules of a registration exemption for trades in a security of a mutual fund to a CAP or 90 days after the Decision Maker publishes in its Bulletin a notice or statement to the effect that it does not propose to make such a rule; and
  - 4. this Decision, as it relates to the jurisdiction of a Decision Maker with respect to the Prospectus Relief will terminate upon the coming into force in securities rules of a prospectus exemption for the distribution of a security of a mutual fund to a CAP or 90 days after the Decision Maker publishes in its Bulletin a notice or statement to the effect that it does not propose to make such a rule.

“Paulette L. Kennedy”  
Commissioner  
Ontario Securities Commission

“Mary G. Condon”  
Commissioner  
Ontario Securities Commission

**2.1.4 Boralex Power Income Fund and 7503679 Canada Inc.**

**Headnote**

National Policy 11-203 Process For Exemptive Relief Applications in Multiple Jurisdictions – Take-over bid and subsequent business combination – Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions requires sending of information circular and holding of meeting in connection with second step business combination – target’s trust agreement provides that a resolution in writing executed by unitholders holding at least 66 2/3% of the outstanding units is as valid as if such voting rights had been exercised at a meeting of unitholders – relief granted from requirement that an information circular be sent and a unitholder meeting be held – minority approval required under MI 61-101 effectively obtained in writing rather than at a meeting.

**Applicable Legislative Provisions**

Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions.

June 23, 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  
THE TAKE-OVER BID FOR  
BORALEX POWER INCOME FUND BY  
7503679 CANADA INC.  
(the Filer)**

**DECISION**

**Background**

The securities regulatory authority or regulator in each of the Jurisdictions (Decision Maker) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation), in connection with a take-over bid for all of the issued and outstanding trust units of Boralex Power Income Fund (the Fund), including Units issuable upon the conversion, exchange or exercise of any securities that are convertible into or exchangeable or exercisable for Units (collectively, the Units), except for Units issuable upon the exchange of the outstanding Class B limited partnership units (collectively, the Class B LP Units) of Boralex Power Limited Partnership (the Partnership) (together with the

Special Trust Unit (as defined below) associated therewith), on the basis of 0.05 of a \$100 principal amount of 6.25% convertible unsecured subordinated debentures (Convertible Debentures) of Boralex Inc. (Boralex) for each Unit of the Fund (the Offer), that the following requirements of section 4.2 of *Regulation 61-101 respecting Protection of Minority Security Holders in Special Transactions* (Regulation 61-101) be waived (the Exemption Sought):

1. a Compulsory Acquisition or Subsequent Acquisition Transaction (each as defined below), be approved at a meeting of the holders of Units (the Unitholders) and special trust units of the Fund (the Special Trust Units); and
2. an information circular be sent to the Unitholders in connection with either a Compulsory Acquisition or Subsequent Acquisition Transaction.

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

1. the Autorité des marchés financiers is the principal regulator for this application; and
2. 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 respecting passport system 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 Fund is an unincorporated, open-ended limited purpose trust established under the Laws of the Province of Québec on December 20, 2001 by a trust indenture (the Trust Agreement). The business of the Fund is administered through Boralex Power Inc., a wholly-owned subsidiary of Boralex, and it has no employees. The registered office of the Fund is located at 36 Lajeunesse Street, Kingsey Falls, Québec, J0A 1B0, and its principal office is located at 772 Sherbrooke Street West, Suite 200, Montréal, Québec, H3A 1G1.
2. The Fund is a reporting issuer in each of the provinces of Canada and is authorized to issue an unlimited number of Units which are listed on the Toronto Stock Exchange (the TSX) under the trading symbol “BPT.UN” and an unlimited number of Special Trust Units.
3. The capital of the Fund is composed of 45,300,002 issued and outstanding Units and one

- Special Trust Unit (representing an interest in the Fund held through 13,767,990 issued and outstanding Class B LP Units of the Partnership).
4. Boralex is a corporation existing under the laws of Canada. The head office and principal place of business of Boralex is located at 36 Lajeunesse Street, Kingsey Falls, Québec, J0A 1B0. Boralex also has administrative offices located at 772 Sherbrooke Street West, Montréal, Québec, H3A 1G1.
  5. Boralex is a reporting issuer in each of the provinces of Canada and is authorized to issue an unlimited number of Class A shares, which are listed on the TSX under the trading symbol "BLX" and an unlimited number of preferred shares.
  6. The Filer is a corporation incorporated under the *Canada Business Corporations Act*. The Filer was formed and organized solely for the purpose of making the Offer and has not carried on any activities other than those incidental to its formation and those relating to the making of the Offer. The registered office of the Filer is located at 772 Sherbrooke Street West, Suite 200, Montréal, Québec, H3A 1G1. The Filer is a wholly-owned subsidiary of Boralex. The Filer is not a reporting issuer in any of the provinces or territories of Canada.
  7. Neither the Filer, nor Boralex, is in default of securities legislation in any jurisdiction.
  8. On May 3, 2010, Boralex, Boralex Power Inc. and the Fund entered into a support agreement (the Support Agreement) pursuant to which Boralex, directly or through a wholly-owned direct or indirect subsidiary, agreed to make the Offer and the Fund agreed to recommend that Unitholders accept the Offer.
  9. As provided in the Support Agreement, the Filer has prepared the take-over bid circular (the Circular) and the related letter(s) of transmittal with respect to the Offer in both English and French and mailed the Circular, along with the Fund's trustees' circular, to all Unitholders.
  10. The Offer is for all of the outstanding Units, except for Units issuable upon the exchange of the Class B LP Units, on the basis of 0.05 of a \$100 principal amount of Convertible Debentures for each Unit, subject to certain adjustments.
  11. The Offer is conditional upon, among other things, there shall have been deposited under the Offer that number of Units constituting (a) at least a majority of the total number of Units issued and outstanding the votes to which would be included in the minority approval of a second step business combination under Regulation 61-101, and (b) together with the Units issuable upon the exchange of Class B LP Units held by Boralex and its joint actors, at least 66 2/3% of the Units (calculated on a fully-diluted basis) (the Minimum Tender Condition). The Support Agreement provides that Boralex and the Filer cannot waive the Minimum Tender Condition without the prior written consent of the Fund. In addition, if the Offer is accepted by holders of not less than 90% of the issued and outstanding Units, excluding Units held at the date of the Offer by or on behalf of Boralex, the Filer, or an affiliate or an associate of either Boralex or the Filer, the Filer may complete a compulsory acquisition as soon as practicable (the Compulsory Acquisition) as provided by Section 6.29 of the Trust Agreement.
  12. Boralex currently holds 13,767,990 Class B LP Units which are exchangeable on a one-for-one basis for 13,767,990 Units. Boralex does not currently have the intention to exercise its right to exchange any of the Class B LP Units into Units but such Class B LP Units will be counted in determining the Minimum Tender Condition.
  13. In connection with either a Compulsory Acquisition, if available and if the Filer elects to proceed thereunder, or a Subsequent Acquisition Transaction (as defined below), the Filer intends to cause the Fund to amend the provisions of Section 6.29 of the Trust Agreement to provide that (i) Unitholders who do not deposit their Units under the Offer (Dissenting Offerees) will be deemed to have transferred their Units to the Filer immediately on the giving of the Filer's notice (and not on the expiry of the 20 day period after the sending of the Filer's notice) and (ii) the Dissenting Offerees will cease to have any rights as Unitholders from and after that time, other than the right to be paid the same consideration per Unit that the Filer would have paid to the Dissenting Offerees if they had deposited those Units under the Offer (the Notice Amendment). If the Filer elects to proceed by way of Compulsory Acquisition or Subsequent Acquisition Transaction, it is the current intention of the Filer to provide the Filer's notice immediately following the take up and payment of Units deposited under the Offer with the result that the Filer would, at that time, acquire all of the Units.
  14. If a Compulsory Acquisition as permitted under the Trust Agreement is not available to the Filer or the Filer elects not to proceed under those provisions, the Filer currently intends to acquire the Units not acquired under the Offer (a Subsequent Acquisition Transaction) by, among other means:
    - i. amending, by Unitholders' resolution, Section 6.29 of the Trust Agreement to provide that a Subsequent Acquisition Transaction may be effected if the Filer, after take up and payment of Units

deposited under the Offer, holds not less than 66 2/3% of the outstanding Units calculated on a fully-diluted basis; provided that notwithstanding that this resolution has been passed by the Unitholders, the Filer is authorized without further notice to, or approval of, the Unitholders not to proceed with a Subsequent Acquisition Transaction if for whatever reason the Filer determines it not appropriate to do so;

- ii. approving any Subsequent Acquisition Transaction that may be undertaken by the Filer under the Trust Agreement, as amended in accordance with the foregoing; and
- iii. amending the Trust Agreement to permit the Filer, notwithstanding anything to the contrary contained therein, to vote, execute and deliver any instruments of proxy, authorizations, requisitions, resolutions, consents or directions in respect of the Units taken up under the Offer which are at the time beneficially owned by the Filer, if determined necessary or appropriate by the Filer, and authorizing the Filer to execute any such amendment to the Trust Agreement in connection therewith;

(collectively referred to as the Subsequent Acquisition Amendments).

- 15. In order to effect either a Compulsory Acquisition, if available and if the Filer elects to proceed thereunder, or a Subsequent Acquisition Transaction in accordance with the foregoing, rather than seeking the Unitholders' approval at a special meeting to be called for such purpose, the Filer intends to rely on Section 7.8 of the Trust Agreement, which specifies that a resolution in writing circulated to all Unitholders and executed by Unitholders holding at least 66 2/3% of the outstanding Units on a fully-diluted basis entitled to be voted on such resolution, if such resolution is a special resolution, is as valid and binding as if such resolution had been passed at a meeting of Unitholders. Such special written resolution (the Special Written Resolution) will approve, among other things, the Notice Amendment and/or the Subsequent Acquisition Amendments and the Subsequent Acquisition Transaction undertaken in accordance therewith, as applicable.
- 16. A Compulsory Acquisition or a Subsequent Acquisition Transaction would be a "business combination" under Regulation 61-101.
- 17. Notwithstanding the fact that Section 7.8 of the Trust Agreement permits certain actions of the Fund to be authorized by written resolution,

Section 4.2 of Regulation 61-101 may require, in certain circumstances, that the Compulsory Acquisition or Subsequent Acquisition Transaction be approved at a meeting of Unitholders called for that purpose.

- 18. To carry out either a Compulsory Acquisition or a Subsequent Acquisition Transaction, the Filer will, in effect, obtain the minority approval in accordance with Part 8 of Regulation 61-101 (Minority Approval) by way of Special Written Resolution rather than at a Unitholders' meeting.
- 19. The Circular provided to Unitholders in connection with the Offer contains all disclosure required by applicable securities laws, including without limitation, the disclosure required under the take-over bid provisions and form requirements of applicable securities legislation and the provisions of Regulation 61-101 relating to the disclosure required to be included in information circulars distributed in respect of business combinations. The Circular contains disclosure substantially to the same effect as that set out in paragraphs 10 to 15 above.

**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) Minority Approval shall have been obtained by way of Special Written Resolution, and (b) the Filer has taken up and paid for the required number of Units under the Offer.

"Jean Daigle"  
Director, Corporate Finance

2.1.5 QLT Inc.

**Headnote**

National Policy 11-203 Process For Exemptive Relief Applications in Multiple Jurisdictions – issuer conducting a normal course issuer bid through the facilities of the TSX and NASDAQ – the issuer can acquire up to 10% of its public float during the course of the TSX normal course issuer bid, but is restricted to acquiring 5% of its outstanding shares through the NASDAQ bid in compliance with s.101.2(2) of the Act – relief granted provided that any purchases made through NASDAQ are part of a normal course issuer bid that complies with the TSX normal course issuer bid rules.

**Applicable Ontario Statutory Provisions**

Securities Act, R.S.O. 1990, c. S.5, as am., s. 101.2, 104(2)(c).

June 9, 2010

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

**AND**

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

**AND**

**IN THE MATTER OF  
QLT INC.  
(the Filer)**

**DECISION**

**Background**

1 The securities regulatory authority or regulator in each of the Jurisdictions (Decision Maker) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) that the requirements contained in the Legislation relating to issuer bids (the Issuer Bid Requirements) does not apply to purchases of the Filer's common shares (the Shares) made by the Filer through the facilities of the NASDAQ Stock Market (the NASDAQ) (the Requested Relief).

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

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

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

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

**Interpretation**

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

**Representations**

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

1. the Filer is a corporation organized under the *Business Corporations Act* (British Columbia) and its head office is located in Vancouver, British Columbia;
2. the Filer is a reporting issuer in each of the Jurisdictions and the Filer is not in default of any requirements of any applicable securities legislation in any of the Jurisdictions;
3. the Filer is a registrant with the United States Securities and Exchange Commission and is subject to the requirements of the United States Securities Act of 1934;
4. the Shares are listed for trading on the Toronto Stock Exchange (the TSX) and the NASDAQ;
5. as at October 28, 2009, the Filer had 54,630,692 Shares issued and outstanding;
6. on October 28, 2009, the TSX accepted the Filer's Notice of Intention to Make a Normal Course Issuer Bid, as amended May 20, 2010, permitting the Filer to make normal course issuer bid purchases of its Shares through the facilities of the TSX and NASDAQ;
7. the rules of the TSX relating to normal course issuer bids (the TSX NCIB Rules) allow normal course issuer bid purchases of up to 10% of the public float (as defined in the TSX NCIB Rules) of the

- class of securities subject to such a bid to be made through the facilities of the TSX over a 12-month period;
8. issuer bid purchases made through the facilities of the TSX in accordance with the TSX NCIB Rules are exempt from the Issuer Bid Requirements under the "designated exchange exemption" contained in the Legislation (the Designated Exchange Exemption), while purchases through the facilities of the NASDAQ are not exempt pursuant to such exemption because the Decision Makers recognize the TSX as a "designated exchange" for the purpose of the Designated Exchange Exemption, but not the NASDAQ;
  9. issuer bid purchases made through the facilities of the NASDAQ are exempt from the Issuer Bid Requirements under the "normal course issuer bid exemption" contained in the Legislation (the NCIB Exemption), which limits the aggregate number of securities which may be purchased during a 12-month period to 5% of the securities of that class issued and outstanding at the commencement of that period;
  10. purchases of the Shares by the Filer of up to 10% of the public float through the facilities of the NASDAQ would be permitted under the rules of the NASDAQ and under United States federal securities law;
  11. no other exemptions exist under the Legislation that would otherwise permit the Filer to make purchases through the NASDAQ on an exempt basis where the purchases exceed the 5% limitation in the NCIB Exemption; and
  12. the Filer may from time to time in the future file a renewal or new Notice of Intention to Make a Normal Course Issuer Bid with the TSX to make purchases of Shares through the facilities of both the TSX and the NASDAQ where the purchases fall within the 10% limit under the TSX NCIB Rules but exceed the 5% limitation in the NCIB Exemption.

provided that the purchases of Shares made by the Filer through the facilities of the NASDAQ are part of a normal course issuer bid that complies with the TSX NCIB Rules.

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

**Decision**

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

The decision of the Decisions Makers under the Legislation is that the Requested Relief is granted



**2.1.6 Enerchem International Inc. – s. 1(10)**

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

**Headnote**

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

**Ontario Statutes**

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

June 30, 2010

Burshall Winger LLP  
Suite 1600 Dome Tower  
333 - 7th Avenue SW  
Calgary, AB T2P 2Z1

**Attention: Benjamin J. Rootman**

Dear Sir:

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

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

As the Applicant has represented to the Decision Makers that:

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

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

2.2 Orders

2.2.1 Oversea Chinese Fund Limited Partnership et al. – ss. 127(7), 127(8)

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

AND

IN THE MATTER OF  
OVERSEA CHINESE FUND LIMITED  
PARTNERSHIP, WEIZHEN TANG AND  
ASSOCIATES INC., WEIZHEN TANG CORP.  
AND WEIZHEN TANG

EXTENSION OF TEMPORARY ORDER  
Subsections 127(7) and (8)

**WHEREAS** on the 17th day of March, 2009, pursuant to subsections 127(1) and (5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), the Ontario Securities Commission (the "Commission") made the following temporary orders (the "Temporary Order") against Oversea Chinese Fund Limited Partnership ("Oversea"), Weizhen Tang and Associates Inc. ("Associates"), Weizhen Tang Corp. ("Corp.") and Weizhen Tang, (collectively the "Respondents"):

1. that all trading in securities of Oversea, Associates and Corp. shall cease;
2. that all trading by the Respondents shall cease; and
3. that the exemptions contained in Ontario securities law do not apply to the Respondents.

**AND WHEREAS** on March 17, 2009, pursuant to subsection 127(6) of the Act 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 18, 2009 the Commission issued a Notice of Hearing to consider, among other things, the extension of the Temporary Order, to be held on April 1, 2009 at 2:00 p.m.;

**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 such further time as considered necessary by the Commission;

**AND WHEREAS** prior to the April 1, 2009 Hearing date, Staff of the Commission ("Staff") served the Respondents with copies of the Temporary Order, Notice of Hearing, and Staff's supporting materials;

**AND WHEREAS** on April 1, 2009, counsel for the Respondents advised the Commission that the Respondents did not oppose the extension of the Temporary Order;

**AND WHEREAS** on April 1, 2009, the Commission considered the evidence and submissions before it and the Commission was of the opinion that it was in the public interest to extend the Temporary Order until September 10, 2009;

**AND WHEREAS** on April 1, 2009, the Commission ordered that the Temporary Order be extended, pursuant to section 127(8) of the Act, to September 10, 2009 and the Hearing be adjourned to September 9, 2009;

**AND WHEREAS** on September 8, 2009 the Commission ordered, on consent, that the Temporary Order be extended until September 26, 2009 and the Hearing be adjourned until September 25, 2009 at 10:00 a.m. as counsel for the Respondents requested that the Hearing be adjourned as he required more time to file materials for the Hearing;

**AND WHEREAS** on September 24, 2009 the Commission ordered, on consent, that the Temporary Order be extended until October 23, 2009 and the Hearing be adjourned until October 22, 2009 at 10:00 a.m.;

**AND WHEREAS** on October 22, 2009, the Commission ordered, on consent, that the Temporary Order be extended until November 16, 2009 and the Hearing be adjourned until November 13, 2009 at 10:00 a.m.;

**AND WHEREAS** on November 13, 2009, the Respondents brought a motion before the Commission to have the Temporary Order varied to allow Weizhen Tang to trade (the "Tang Motion") and Staff opposed this motion;

**AND WHEREAS** on November 13, 2009, Staff sought an extension of the Temporary Order until after the conclusion of the charges before the Ontario Court of Justice against Oversea, Associates and Weizhen Tang;

**AND WHEREAS** on November 13, 2009, the Commission considered the materials filed by the parties, the evidence given by Weizhen Tang, and the submissions of counsel for Staff and counsel for the Respondents;

**AND WHEREAS** on November 13, 2009, the Commission was of the opinion: that, pursuant to section 127(8) of the Act, satisfactory information had not been provided to the Commission by any of the Respondents; it was in the public interest to order that the Tang Motion is denied; the Temporary Order is extended until June 30, 2010; and the Hearing be adjourned to June 29, 2010 at 10:00 a.m.;

**AND WHEREAS** on June 29, 2010, Staff sought an extension of the Temporary Order until after the

conclusion of the charges before the Ontario Court of Justice against Oversea, Associates and Weizhen Tang;

**AND WHEREAS** on June 29, 2010, the Respondents and Staff filed materials, including the Affidavit of Jeff Thomson, sworn on June 23, 2010;

**AND WHEREAS** on June 29, 2010, the Commission considered the materials filed by the parties, the submissions of counsel for Staff and counsel for the Respondents, and the submissions of Tang;

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

**AND WHEREAS** pursuant to section 127(8) of the Act, satisfactory information has not been provided to the Commission by any of the Respondents at this time;

**IT IS HEREBY ORDERED** that the Temporary Order is extended until March 31, 2011; and

**IT IS FURTHER ORDERED** that the Hearing in this matter is adjourned to March 30, 2011 at 10:00 a.m.

**DATED** at Toronto this 29th day of June 2010.

“Mary G. Condon”

**2.2.2 Redline Communications Group Inc. – s. 144**

**Headnote**

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

**Applicable Legislative Provisions**

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

**IN THE MATTER OF  
THE SECURITIES ACT,**

**R.S.O. 1990, c. S.5, AS AMENDED  
(the “Act”)**

**AND**

**IN THE MATTER OF  
REDLINE COMMUNICATIONS GROUP INC.**

**ORDER  
(Section 144)**

**WHEREAS** the securities of Redline Communications Group Inc. (the “**Applicant**”) are subject to a temporary cease trade order made by the Director dated June 11, 2010 under paragraph 2 of subsection 127(1) and subsection 127(5) of the Act and a further cease trade order issued by the Director on June 23, 2010 pursuant to subsection 127(1) of the Act (together, the “**Cease Trade Order**”) directing that the trading in securities of the Applicant cease until further order by the Director;

**AND WHEREAS** the Applicant has applied (the “**Application**”) to the Ontario Securities Commission (the “**Commission**”) pursuant to section 144 of the Act for a partial revocation of the Cease Trade Order;

**AND WHEREAS** the Applicant has represented to the Commission that:

1. The Applicant was incorporated under the laws of Canada on September 14, 2007.
2. The Applicant’s registered office and principal place of business is located at 302 Town Centre Boulevard, Suite 100, Markham, Ontario, Canada, L3R 0E8.
3. As at the date hereof, the authorized capital of the Applicant consists of an unlimited number of common shares (the “**Common Shares**”) of which 17,540,542 are issued and outstanding. As at the date hereof, 3,741,067 of Class A Common Stock in the capital of Redline Communications, Inc., a subsidiary of the Applicant, are exchangeable on a one-for-one basis for no additional consideration for an additional 3,741,067 Common Shares.
4. The Applicant is a reporting issuer or the equivalent thereof in each province and territory of Canada.
5. The Applicant does not have any securities listed or quoted on any exchange or market in Canada or elsewhere, other than the Common Shares which are listed for trading on the Toronto Stock Exchange under the symbol “RDL”.
6. The Cease Trade Order was issued as a result of the failure of the Applicant to file, in accordance with applicable securities laws, audited annual financial statements and related management’s discussion and analysis for the period ending December 31, 2009 (the “**2009 Annual Filings**”), interim financial statements and related management’s discussion and analysis for the three-month period ended March 31, 2010 (the “**2010 Q1 Interim Filings**”) and certification of the foregoing filings as required by National Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings* (collectively with the 2009 Annual Filings and the 2010 Q1 Interim Filings, the “**Required Documents**”).

## Decisions, Orders and Rulings

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7. The Applicant's failure to file the Required Documents is a result of an internal review which revealed the Applicant may not have been following proper revenue recognition accounting principles. If the Applicant cannot proceed with the Financing (as defined below), it is likely that the Applicant will not be able to continue its operations.
8. In addition to the Cease Trade Order, the securities of the Applicant are subject to the following cease trade orders:
- (a) an order issued by the Autorité des marchés financiers on June 11, 2010;
  - (b) an order issued by the British Columbia Securities Commission on June 15, 2010; and
  - (c) an order issued by the Manitoba Securities Commission on June 18, 2010.
9. The Applicant intends to pursue a private placement of convertible securities (the "**Financing**") to raise up to \$5 million to allow the Applicant to fund operations, and to satisfy certain outstanding debts, filing fees and other expenses as described more fully in paragraph 13 below. The Financing will be conducted on a prospectus exempt basis with subscribers who are accredited investors (as such term is defined in National Instrument 45-106 *Prospectus and Registration Exemptions*) resident in Quebec and Ontario only (each a "**Potential Investor**").
10. The Financing will entail a private placement of convertible debentures (the "**Securities**") for aggregate proceeds of up to \$5 million on terms that will be negotiated with the subscribers who are interested in participating in the Financing.
11. Prior to the issuance of the Cease Trade Order, Telemedia Ventures Inc., an insider of the Applicant, had indicated to the Applicant its willingness to participate in any financing of the Applicant should one be necessary to fund the short-term working capital requirements.
12. If a related party, such as Telemedia Ventures Inc., participates in the Financing, the Financing would constitute a related party transaction within the meaning of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**") and the Applicant intends to rely on the financial hardship exemption under MI 61-101.
13. The proceeds of the Financing are estimated to be applied as follows:
- |    |   |             |
|----|---|-------------|
| a. | Fees and penalties for past late filing of Required Documents   | \$25,000    |
| b. | Employee salaries   | \$1,900,000 |
| c. | Professional fees related to the internal review of revenue recognition issues  | \$750,000   |
| d. | Amounts payable to suppliers and other costs of day-to-day operations   | \$2,000,000 |
| e. | Professional fees related to the restatement of financial statements  | \$250,000   |
| f. | Professional fees related to the Financing and application for revocation of the cease trade orders applicable to the Applicant | \$75,000    |
|    | Total   | \$5,000,000 |
14. The Applicant believes that the proceeds of the Financing will be sufficient to bring its continuous disclosure obligations up to date and pay all related outstanding fees.
15. As the Financing would involve a trade of securities and acts in furtherance of trades, the Financing could not be completed without a partial revocation of the Cease Trade Order.
16. The Financing will be completed in accordance with all applicable laws.
17. Prior to the completion of the Financing, each Potential Investor resident in Ontario will:
- (a) receive:
    - i. a copy of the Cease Trade Order; and

- ii. a copy of the order for the partial revocation of the Cease Trade Order for which this application has been made;
  - (b) provide signed and dated acknowledgements which clearly state that all of the Applicant's securities, including the Securities issued in connection with the Financing, will remain subject to the Cease Trader Order, and that the issuance of a partial revocation order does not guarantee the issuance of a full revocation order in the future.
18. The Applicant is not in default of any requirements of the Cease Trade Order or the Act or the rules and regulations made pursuant thereto, subject to the deficiencies outlined in paragraph 6 above.
19. Upon issuance of this Order, the Applicant will issue a press release announcing this Order and will issue a press release and file a material change report upon consummation of a Financing.
20. The Applicant intends to file the Required Documents on SEDAR within a reasonable time following the completion of the Financing to bring its continuous disclosure record up to date.
21. Following the filing of the Required Documents, the Applicant intends to apply to Commission and to the other applicable securities regulatory authorities for a full revocation of, respectively, the Cease Trade Order and the cease trade orders described in paragraph 8 above.
22. The Applicant is taking all necessary actions to obtain relief for failure to hold its 2010 annual general meeting within the time periods required by the *Canada Business Corporations Act*.
23. The Applicant is not considering, nor is it involved in any discussion relating to a reverse take-over, merger, amalgamation or other form of combination or transaction similar to any of the foregoing.

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

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

**IT IS ORDERED** that the Cease Trade Order is partially revoked solely to permit trades and acts in furtherance of trades in securities of the Applicant that are necessary for and in connection with the Financing, provided that:

1. prior to the completion of the Financing, each Potential Investor resident in Ontario will:
- (a) receive:
    - i. a copy of the Cease Trade Order; and
    - ii. a copy of the order for the partial revocation of the Cease Trade Order for which this application has been made;
  - (b) provide signed and dated acknowledgements which clearly state that all of the Applicant's securities, including the Securities issued in connection with the Financing, will remain subject to the Cease Trader Order, and that the issuance of a partial revocation order does not guarantee the issuance of a full revocation order in the future;
2. the Applicant undertakes to make available copies of the written acknowledgements referred to in paragraph 1(b) to staff of the Commission on request; and
3. this Order will terminate on the earlier of the closing of the Financing and 60 days from the date hereof.

**DATED** June 29, 2010

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

2.2.3 Cliffs Natural Resources Inc. and Spider Resources Inc. – s. 127

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

AND

IN THE MATTER OF  
CLIFFS NATURAL RESOURCES INC.  
AND SPIDER RESOURCES INC.

and

IN THE MATTER OF  
A HEARING UNDER SECTION 127  
OF THE SECURITIES ACT,  
R.S.O. 1990, CHAPTER S. 5, AS AMENDED

ORDER  
(Section 127)

**WHEREAS** on June 22, 2010, Cliffs Natural Resources Inc. (“**Cliffs**” or the “**Applicant**”) applied to the Ontario Securities Commission (the “**Commission**”) for an order pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “**Act**”) in respect of a take-over bid (the “**Cliffs Offer**”) to purchase all of the issued and outstanding common shares of Spider Resources Inc. (“**Spider**” or the “**Respondent**”);

**AND WHEREAS** the Applicant seeks the following relief:

- (a) a permanent order pursuant to paragraph 127(1) of the Act that trading cease in respect of any securities issued, or to be issued, under or in connection with the shareholder rights plan of Spider dated May 8, 2009 (the “**Spider Rights Plan**”), including without limitation, in respect of rights issued under the Spider Rights Plan (the “**Rights**”) and any common shares of Spider to be issued upon the exercise of the Rights;
- (b) a permanent order removing prospectus exemptions in respect of the distribution of the Rights on the occurrence of the Separation Time (as defined in the Spider Rights Plan) and in respect of the exercise of the Rights;
- (c) to the extent necessary, a temporary order pursuant to subsection 127(5) of the Act suspending the operation of the Spider Rights Plan, or providing that any rights that have been or may be issued thereunder shall not separate from the Spider common shares or become exercisable or trade separately from the Spider common shares until such time as

the matters raised in this request for a hearing have finally been disposed of by the Commission; and

- (d) such further and other relief as the Commission deems appropriate in the public interest;

**AND WHEREAS** the Applicant submits that it is in the public interest to cease trade the Spider Rights Plan to allow Spider shareholders to decide for themselves whether to accept the Cliffs Offer or the proposed merger transaction with KWG Resources Inc. (“**KWG**”);

**AND WHEREAS** by response dated June 25, 2010, Spider submits that maintaining the Spider Rights Plan in place encourages Cliffs to remove what Spider alleges are coercive elements of the Cliffs Offer and allows Spider shareholders to choose between the two competing transactions, namely the Cliffs Offer and the proposed merger with KWG (the “**KWG Merger**”);

**AND WHEREAS** on June 29, 2010, Cliffs filed and served reply submissions and a Supplementary Application Record;

**AND WHEREAS** on June 29, 2010, Staff of the Commission (“**Staff**”) submitted that the Commission should cease trade the Spider Rights Plan, or, alternatively, make a cease trade order conditional upon Cliffs extending the Cliffs Offer for 10 days following initial take-up;

**AND WHEREAS** a hearing of the Application was held on June 30, 2010 (the “**Hearing**”), attended by Cliffs, Spider and Staff;

**AND WHEREAS** the affidavit of Cynthia Thomas, a Director of KWG and Chair of the KWG Special Committee, sworn June 29, 2010 (the “**Thomas Affidavit**”), was filed with the Commission in advance of the Hearing, and whereas Cliffs objected to the admission of the Thomas Affidavit but consented to KWG making submissions on the issue, and whereas the Commission, having considered the submissions of Cliffs, Spider and KWG, admitted the Thomas Affidavit into evidence;

**AND WHEREAS** the Cliffs Offer, as amended (the “**Amended Cliffs Offer**”), expires on July 6, 2010, at 12:01 a.m., and KWG has undertaken to deliver to Spider its offer, if any, to amend the Combination Agreement entered into by Spider and KWG (the “**Combination Agreement**”) to match the Amended Cliffs Offer by July 2, 2010, at 10:00 a.m. (“**Amended KWG Offer**”), on the basis that Spider will use its best efforts to advise KWG by July 5, 2010, at 10:00 a.m., whether any Amended KWG Offer matches the Amended Cliffs Offer;

**AND WHEREAS** the Special Meeting of Spider shareholders is scheduled to be held on July 8, 2010 (the “**Special Meeting**”), and the KWG Merger must be approved by 66 2/3 percent of Spider shareholders present in person or by proxy at the Special Meeting;

**AND WHEREAS** it appears to the Commission that the Application is premature considering all the circumstances, and in particular, the ongoing auction between Cliffs and KWG for Spider;

**AND WHEREAS**, having considered the evidence and submissions presented at the Hearing, the Commission is not persuaded that it is in the public interest to cease trade the Spider Rights Plan at this time;

**IT IS ORDERED THAT** the Application is dismissed.

**DATED AT TORONTO** this 2nd day of July, 2010.

“Mary G. Condon”

“Paulette L. Kennedy”

**2.2.4 Abel Da Silva**

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

**AND**

**IN THE MATTER OF  
ABEL DA SILVA**

**ORDER**

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

**AND WHEREAS** on April 12th, 2010, a panel of the Commission considered the submissions of Staff and was of the opinion that it was in the public interest to order that the hearing with respect to the Notice of Hearing dated October 21st, 2008 and Staff's Statement of Allegations dated October 20th, 2008 be adjourned to June 30, 2010 at 9:30 a.m.;

**AND WHEREAS** on June 30, 2010, a hearing was held and DaSilva did not attend before the panel of the Commission despite being made aware of the hearing date;

**AND WHEREAS** on June 30, 2010, a panel of the Commission considered the submissions of Staff;

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

**IT IS ORDERED** that the hearing with respect to the Notice of Hearing dated October 21st, 2008 and Staff's Statement of Allegations dated October 20th, 2008 be adjourned to September 2, 2010 at 10:00 a.m.

**DATED** at Toronto this 30th day of June, 2010.

"Mary G. Condon"

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

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

**AND**

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

**ORDER  
(Section 127)**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**AND WHEREAS** on April 12, 2010, the Commission was of the opinion that it was in the public interest to order that, pursuant to subsection 127(8) of the Act, the Temporary Order is extended as against U308 Inc., Friedman, Schwartz, Robinson, and U308 Plc. to July 2, 2010 and that the hearing with respect to the Notice of Hearing dated March 2, 2010 and with respect to the Temporary Order is adjourned to June 30, 2010, at 10:00 a.m. at which time a pre-hearing conference will be held;

**AND WHEREAS** on June 30, 2010, a hearing was held and Khan, counsel for Staff, counsel for Friedman, and counsel for Robinson appeared before the Commission. Schwartz was not present but he had provided information to counsel for Staff which was relayed to the Commission;

**AND WHEREAS** on June 30, 2010, Staff sought to have the Temporary Order, as amended, extended until the completion of the hearing on the merits in this matter. Khan, and counsel for Robinson consented to the extension of the Temporary Order and counsel for Friedman did not oppose the extension of the Temporary Order;

**AND WHEREAS** on June 30, 2010, the pre-hearing conference was commenced and the parties present made submissions to the Commission;

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

**IT IS ORDERED** that, pursuant to subsection 127(8) of the Act, the Temporary Order is extended until the completion of the hearing on the merits; and

**IT IS FURTHER ORDERED** that the hearing with respect to this matter is adjourned to July 22, 2010, at 10:00 a.m. at which time the pre-hearing conference will be continued.

**DATED** at Toronto this 30th day of June, 2010.

“Mary G. Condon”

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

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

**AND**

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

**ORDER**

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

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

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

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

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

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

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

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

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

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

**AND WHEREAS** on February 3, March 5, 2010 and April 12, 2010, hearings were held before the Commission and the Commission ordered that the Temporary Cease Trade Order be extended and that the hearing be adjourned for the purpose of having a pre-hearing conference on June 10, 2010;

**AND WHEREAS** on June 10, 2010, the pre-hearing conference was commenced and Staff and counsel for Robinson attended before the Commission and made submissions;

**AND WHEREAS** on June 10, 2010, at the request of Staff and counsel for Robinson, the Commission ordered that the hearing is adjourned to June 30, 2010 at 11:00 a.m. at which time the pre-hearing conference would be continued;

**AND WHEREAS** on June 10, 2010, the Commission also ordered that the Temporary Cease Trade Order be extended until the completion of the hearing on the merits;

**AND WHEREAS** on June 30, 2010, Staff and counsel for Robinson attended before the Commission for the continuation of the pre-hearing conference;

**AND WHEREAS** on June 30, 2010, Staff and counsel for Robinson made submissions and requested that the pre-hearing conference be continued on July 22, 2010 at 11:00 a.m.;

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

**IT IS ORDERED** that the hearing with respect to this matter is adjourned to July 22, 2010, at 11:00 a.m. at which time the pre-hearing conference will be continued.

**DATED** at Toronto this 30th day of June, 2010.

"Mary G. Condon"

2.2.7 TBS New Media Ltd. et al. – ss. 127(1), 127(5)

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

**AND**

**IN THE MATTER OF  
TBS NEW MEDIA LTD., TBS NEW MEDIA PLC,  
CNF FOOD CORP., CNF CANDY CORP.,  
ARI JONATHAN FIRESTONE AND MARK GREEN**

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

**WHEREAS** it appears to the Ontario Securities Commission (the “Commission”) that:

1. CNF Candy Corp. (“CNF Candy”) is a corporation incorporated pursuant to the laws of Canada;
2. CNF Food Corp. (“CNF Food”) was a corporation incorporated pursuant to the laws of Canada in 2007 and was dissolved under section 212 of the *Canada Business Corporations Act* in March of 2010;
3. CNF Candy and CNF Food had the same business address, the same management, and their names appear to be used interchangeably to refer to the same company;
4. TBS New Media Ltd. (“TBS”) is a corporation incorporated pursuant to the laws of Ontario;
5. TBS New Media PLC (“TBS PLC”) appears to be a company created pursuant to the laws of the United Kingdom for the purpose of facilitating the listing of TBS securities on the Frankfurt Stock Exchange.;
6. From 2004 to 2008, securities in TBS and TBS PLC were distributed to investors in Ontario and throughout Canada;
7. Ari Jonathan Firestone (“Firestone”) is a director of CNF Candy, CNF Food (collectively, “CNF”), TBS and TBS PLC and appears to have been the sole directing minds of all of these companies from their inception to the present day;
8. In 2008 and 2009, representatives of TBS and CNF solicited TBS/TBS PLC shareholders in Ontario and elsewhere in Canada, offering the opportunity to purchase securities in CNF for additional funds and the exchange of their TBS/TBS PLC securities;
9. As a result, some TBS shareholders acquired securities of CNF by transferring additional funds to a bank account in the name of CNF Food and returning their TBS/TBS PLC securities;

10. Mark Green (“Green”) purportedly held the position of Investor Relations Representative with CNF and, in most cases, was the only contact TBS shareholders had with either TBS or CNF;
11. At this point in their investigation, Staff have not been able to ascertain whether Green actually exists;
12. A preliminary prospectus or a prospectus have not been filed for the TBS or CNF securities and the Director has not issued a receipt in respect of TBS or CNF securities;
13. TBS, CNF and Firestone are not registered with the Commission in any capacity;
14. Staff are conducting an investigation into the trading of TBS and CNF securities, and it appears that TBS, CNF and their representatives including Firestone, may have engaged in the following conduct:
  - (i) trading in TBS and CNF securities without proper registration or appropriate exemption from the registration requirements under the Act, contrary to section 25 of the Act; and
  - (ii) trading in securities of CNF in a manner that would be a distribution of those securities where no preliminary prospectus or prospectus has been filed and no receipt has been issued by the Director, contrary to section 53 of the Act.

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

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

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

**IT IS ORDERED** pursuant to clause 2 of subsection 127(1) of the Act that all trading in the securities of TBS New Media Ltd., TBS New Media PLC, CNF Food Corp. and CNF Candy Corp. shall cease;

**IT IS FURTHER ORDERED** pursuant to clause 2 of subsection 127(1) of the Act that TBS New Media Ltd., TBS New Media PLC, CNF Food Corp., CNF Candy Corp., Ari Jonathan Firestone, and Mark Green cease trading in all securities;

**IT IS FURTHER ORDERED** pursuant to clause 3 of subsection 127(1) of the Act that any exemptions contained in Ontario securities law do not apply to TBS New Media Ltd., TBS New Media PLC, CNF Food Corp., CNF Candy Corp., Ari Jonathan Firestone, and Mark Green; and

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

Dated at Toronto this 29th day of June, 2010

“David Wilson”

## 2.2.8 Alliance Financing Group Inc. - s. 144

### Headnote

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

### Statutes Cited

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

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

**AND**

**IN THE MATTER OF  
ALLIANCE FINANCING GROUP INC.  
(the “Applicant”)**

**ORDER  
(Section 144)**

**WHEREAS** the securities of the Applicant are subject to a temporary order made by the Director dated August 5, 2009 under paragraph 2 and paragraph 2.1 of subsection 127(1) and subsection 127(5) of the Act and a further cease trade order made by the Director dated August 17, 2009 under paragraph 2 and paragraph 2.1 of subsection 127(1) of the Act (collectively, the “**Cease Trade Order**”) directing that trading in and acquisitions of the securities of the Applicant, whether direct or indirect, cease until the order is revoked by the Director;

**AND WHEREAS** the Cease Trade Order was made on the basis that the Applicant was in default of certain filing requirements under Ontario securities law as described in the Cease Trade Order;

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

**AND UPON** the Applicant having represented to the Commission that:

1. The Applicant was amalgamated on May 26, 2000 pursuant to the *Business Corporations Act* (Ontario).
2. The Applicant’s registered and head office is located at 55 Administrative Drive, Unit 11, Vaughan, Ontario, L4K 4G9.

3. The Applicant is a reporting issuer under the Act, the *Securities Act* (Alberta) (the “**Alberta Act**”) and the *Securities Act* (British Columbia) (the “**BC Act**”). The Applicant is not a reporting issuer or equivalent under the securities legislation of any other jurisdiction in Canada.
4. The Applicant’s authorized share capital consists of an unlimited number of common shares (the “**Common Shares**”), of which 14,477,314 Common Shares are issued and outstanding. Other than its Common Shares, the Applicant has no securities, including debt securities, outstanding.
5. The Cease Trade Order was issued as a result of the Applicant’s failure to file when due its audited annual financial statements and related management’s discussion and analysis for the fiscal year ended March 31, 2009 due to lack of funds necessary to engage its auditor. Subsequently, the Applicant failed to file when due its interim financial statements for the three-month period ended June 30, 2009 and the six-month period ended September 30, 2009 and related management discussion and analysis.
6. The Applicant is also subject to cease trade orders issued by the British Columbia Securities Commission and Alberta Securities Commission dated August 7, 2009 and November 16, 2009, respectively. The Applicant has applied for a revocation of the cease trade orders issued by the British Columbia Securities Commission and Alberta Securities Commission concurrent with its application to the Commission.
7. The Applicant has filed on SEDAR its: (i) audited financial statements for the fiscal year ended March 31, 2009, together with management’s discussion and analysis and officers’ certificates relating thereto, (ii) interim financial statements for the three-month period ended June 30, 2009, the six-month period ended September 30, 2009 and the nine-month period ended December 31, 2009, each together with related management’s discussion and analysis and officers’ certificates, and (iii) Form 51-102F6 *Statement of Executive Compensation*.
8. On June 16, 2010, the Applicant restated and re-filed its interim financial statements for the six-month period ended September 30, 2009 and the nine-month period ended December 31, 2009 to reflect the write-off of goodwill and also revised and re-filed its management’s discussion and analysis for these periods and for the fiscal year ended March 31, 2009 and three-month period ended June 30, 2009 to provide more comprehensive disclosure.
9. The Applicant is up-to-date with its all of its continuous disclosure filings and has paid all outstanding fees.
10. Except for the Applicant’s failure to file the continuous disclosure documents described in paragraph 5 above when due, the Applicant is not in default of any requirements of the Act or the rules and regulations thereunder.
11. The Applicant has filed an undertaking with the Commission to hold an annual meeting of shareholders within 90 days of the revocation of the Cease Trade Order.
12. The Common Shares of the Applicant are listed on the TSX Venture Exchange but have been suspended from trading as a result of the imposition of the Cease Trade Order. The Common Shares are not listed or quoted on any other exchange or market in Canada or elsewhere.
13. The Applicant’s SEDAR and SEDI profiles are up-to-date.
14. The Applicant is not considering, nor is it involved in any discussions relating to a reverse take-over, merger, amalgamation or other form of business combination or transaction similar to any of the foregoing.
15. Upon the issuance of this order, the Applicant will issue and file a news release and material change report on SEDAR that announces the revocation of the Cease Trade Order, identifies the re-filings described in paragraph 8 above, and outlines the Applicant’s future plans.

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

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

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

**DATED** on this 6th day of July, 2010.

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

2.2.9 Sunil Tulsiani et al.

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

**AND**

**IN THE MATTER OF  
SUNIL TULSIANI, TULSIANI INVESTMENTS INC.,  
PRIVATE INVESTMENT CLUB INC., AND  
GULFLAND HOLDINGS LLC**

**ORDER**

**WHEREAS** on May 27, 2010, the Commission issued a Notice of Hearing and Statement of Allegations in this matter;

**AND WHEREAS** on June 30, 2010, a hearing was held;

**AND WHEREAS** all parties were properly served with the Notice of Hearing and Statement of Allegations;

**AND WHEREAS** counsel appeared for Sunil Tulsiani ("Tulsiani") and Tulsiani Investments Inc. ("Tulsiani Investments") and made submissions;

**AND WHEREAS** the Respondents, Private Investment Club Inc. and Gulfland Holdings LLC, did not appear;

**AND UPON RECEIVING** submissions from counsel for Staff of the Commission, and upon consent of counsel for Tulsiani and Tulsiani Investments;

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

**IT IS ORDERED THAT** this matter is adjourned to a confidential pre-hearing conference to be held on August 16, 2010, at 10:00 am.

**DATED** at Toronto this 30th day of June, 2010.

"James E. A. Turner"

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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
Sheen Resources Ltd.	18 June 10	30 June 10	30 June 10	
Sterling Mining Company	21 June 10	02 July 10	02 July 10	
Newlook Industries Corp.	02 July 10	14 July 10		
Echo Energy Canada Inc.	02 July 10	14 July 10		
BioSyntech, Inc.	07 July 10	19 July 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
SonnenEnergy Corp.	06 May 10	18 May 10	18 May 10	06 July 10	
Newlook Industries Corp.	06 May 10	18 May 10	18 May 10	02 July 10	02 July 10
TriNorth Capital Inc.	07 May 10	19 May 10	19 May 10	06 July 10	
Diamond International Exploration Inc.	14 May 10	26 May 10	26 May 10	06 July 10	
MedX Health Corp.	17 May 10	28 May 10	28 May 10	06 July 10	
Echo Energy Canada Inc.	25 May 10	07 June 10	07 June 10	02 July 10	02 July 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		
Freeport Capital Inc.	05 May 10	17 May 10	17 May 10		
SonnenEnergy Corp.	06 May 10	18 May 10	18 May 10	06 July 10	
Newlook Industries Corp.	06 May 10	18 May 10	18 May 10	02 July 10	02 July 10
TriNorth Capital Inc.	07 May 10	19 May 10	19 May 10	06 July 10	
Diamond International Exploration Inc.	14 May 10	26 May 10	26 May 10	06 July 10	
MedX Health Corp.	17 May 10	28 May 10	28 May 10	06 July 10	
Echo Energy Canada Inc.	25 May 10	07 June 10	07 June 10	02 July 10	02 July 10

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## Chapter 7

# Insider Reporting

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

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

To obtain Insider Reporting information, please visit the SEDI website ([www.sedi.ca](http://www.sedi.ca)).



## Chapter 8

# Notice of Exempt Financings

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

Transaction Date	# of Purchasers	Issuer/Security	Total Purchase Price (\$)	# of Securities Distributed
06/18/2010	101	824239 B.C. Ltd. - Receipts	2,149,027.50	4,298,055.00
01/01/2009 to 12/31/2009	176	Acom Diversified Trust - Trust Units	14,985,035.78	1,511,195.60
06/17/2010	1	AgriMarine Holdings Inc. - Units	500,000.00	N/A
06/09/2010	11	Alto Ventures Ltd. - Flow-Through Shares	1,102,000.00	N/A
05/03/2010	1	Amadeus IT Holdings S.A. - Common Shares	1,231,843.44	150,000.00
06/10/2010	11	Angus Mining (Namibia) Ltd. - Receipts	737,500.00	2,950,000.00
02/10/2010	4	Arctic Glacier Income Fund - Warrants	0.00	3,000,000.00
01/29/2010	19	Augen Gold Corp. - Units	470,000.00	4,700,000.00
06/02/2010	61	Aurion Resources Ltd. - Units	1,550,000.00	6,200,000.00
06/02/2010	71	Avion Tequila LLC - Units	6,135,045.00	119.00
05/28/2010	22	AXEA Capital Corp. - Units	250,000.00	1,000,000.00
06/11/2010	1	Axela Inc. - Debentures	150,300.00	N/A
06/14/2010	8	AzTech Minerals Inc. - Common Shares	371,987.60	N/A
06/18/2010	9	Azumah Resources Limited - Common Shares	6,232,800.00	17,500,000.00
02/18/2010 to 03/11/2010	1	BAB Trust - Units	40,914,830.00	N/A
06/16/2010	2	Base Oil & Gas Ltd. - Common Shares	231,000.00	770,000.00
06/11/2010	36	Bi-optic Ventures Inc. - Units	600,000.00	6,000,000.00
06/10/2010	10	Blue River Resources Ltd. - Common Shares	85,000.00	850,000.00
06/25/2010	14	BTI Systems Inc. - Debentures	2,051,552.54	2.00
06/15/2010	8	BTI Systems Inc. - Warrants	583,642.36	N/A
06/21/2010	1	Capella Healthcare, Inc. - Notes	755,286.95	750.00
06/18/2010	5	CBOE Holdings, Inc. - Common Shares	115,791.00	11,700,000.00
08/15/2007 to 05/17/2010	43	CDR Minerals Inc. - Common Shares	7,641,989.00	310,708.00
06/15/2010	2	CentrePoint Energy, Inc. - Common Shares	5,573,400.00	22,000,000.00
06/30/2010	18	Centurion Apartment Real Estate Investment Trust - Units	1,126,760.00	92,676.00

**Notice of Exempt Financings**

<b>Transaction Date</b>	<b># of Purchasers</b>	<b>Issuer/Security</b>	<b>Total Purchase Price (\$)</b>	<b># of Securities Distributed</b>
02/05/2010	108	CGA Mining Limited - Common Shares	86,020,000.00	39,100,000.00
06/15/2010	1	Chai Cha Na Mining Inc. - Common Shares	4,950.00	61,875.00
05/06/2010 to 05/07/2010	45	Colonnade Capital Corp. - Units	628,000.00	4,186,664.00
01/22/2010	1	Condor Resources Inc. - Common Shares	182,500.00	500,000.00
06/18/2010	12	CSS (FSCC) Partnership - Bonds	190,267,649.00	19,002,676.49
06/24/2010	1	Cypress Sharpridge Investments, Inc. - Common Shares	3,240,625.00	250,000.00
06/10/2010 to 06/14/2010	3	Development Notes Limited Partnership - Units	361,256.00	61,256.00
06/16/2010 to 06/21/2010	2	Development Notes Limited Partnership - Units	100,000.00	100,000.00
06/17/2010	1	Edgeworth Mortgage Investment Corporation - Preferred Shares	72,480.00	7,248.00
06/09/2010	4	Edmonton CY Lodging Company et. al - Loans	14,150,000.00	14,150,000.00
06/24/2010	18	Endurance Energy Ltd. - Flow-Through Shares	2,470,000.00	2,470,000.00
06/23/2010	151	EquiGenesis 2003-II Preferred Investment LP - Units	52,403,071.00	3,046.69
06/23/2010	178	EquiGenesis 2004-II Preferred Investment LP - Units	72,047,360.00	4,188.80
06/08/2010	57	Estevan Hospitality Endeavors LP - Limited Partnership Units	3,227,000.00	N/A
06/08/2010	11	Excel Gold Mining Inc. - Units	230,000.00	4,600,000.00
06/14/2010	158	Excelsior Energy Limited - Units	25,999,759.50	N/A
06/21/2010	1	Fifth Street Finance Corp. - Common Shares	1,466,106.25	125,000.00
06/14/2010	1	First Leaside Expansion Limited Partnership - Units	100,000.00	100,000.00
06/22/2010	1	First Leaside Expansion Limited Partnership - Units	100,000.00	100,000.00
06/07/2010	28	Foundation Resources Inc. - Flow-Through Shares	557,909.80	859,190.00
05/31/2010	346	FT Capital Fund II - Units	6,100,000.00	12,200.00
06/10/2010	1	Fuel Transfer Technologies Inc. - Preferred Shares	50,000.00	N/A
06/15/2010	40	GDC Investments Inc. - Common Shares	919,600.00	9,196.00
02/12/2010	2	Genco Resources Ltd. - Common Shares	2,494,484.40	6,928,290.00
06/14/2010	9	Genesis Genomics Inc. - Common Shares	914,499.20	571,562.00
06/21/2010	26	GMV Minerals Inc. - Units	2,941,759.80	N/A
06/01/2010	6	Gold Reach Resources Ltd. - Units	1,000,000.00	2,000,000.00

**Notice of Exempt Financings**

<b>Transaction Date</b>	<b># of Purchasers</b>	<b>Issuer/Security</b>	<b>Total Purchase Price (\$)</b>	<b># of Securities Distributed</b>
06/18/2010	7	Golden Chalice Resources Inc. - Common Shares	18,625.00	175,000.00
01/17/2010 to 02/01/2010	2	Golden Dawn Minerals Inc. - Units	7,500.00	N/A
06/11/2010	3	Grafton-Fraser Inc. - Preferred Shares	20,200,575.00	N/A
02/04/2010	129	GT Canada Capital Corporation - Receipts	2,719,459.25	10,877,837.00
05/07/2010	13	Hanwei Energy Services Corp. - Common Shares	3,500,000.00	10,000,000.00
05/10/2010	1	Hawk Uranium Inc. - Common Shares	0.00	5,450,000.00
05/04/2010	6	Hawk Uranium Inc. - Flow-Through Shares	135,000.00	N/A
06/17/2010	1	HCP, Inc. - Common Shares	6,885,120.00	13,500,000.00
06/14/2010	1	IGW Mortgage Investment Corporation - Preferred Shares	10,160.67	10,160.67
06/14/2010 to 06/17/2010	8	IGW Real Estate Retail Investment Trust - Units	206,000.00	N/A
09/01/2009 to 12/31/2009	12	IMC Limited Partnership - Limited Partnership Interest	17,725,000.00	17,725.00
06/10/2010 to 06/18/2010	6	IMM Group Ltd. - Common Shares	2,118,095.00	2,050,000.00
06/17/2010	3	Indicator Minerals Inc. - Flow-Through Shares	1,500,000.00	10,000,000.00
06/25/2010	3	Infrastructure Materials Corp. - Common Shares	1,662,173.16	6,973,180.00
06/23/2010 to 06/24/2010	5	International Samuel Exploration Corp. - Flow-Through Units	520,000.00	2,000,000.00
05/06/2010	9	Intertainment Media Inc. - Units	743,748.00	4,648,425.00
05/03/2010	3	Invesco Mortgage Capital Inc. - Common Shares	12,674,750.00	605,000.00
06/24/2010	20	Investicare Seniors Housing Corp. - Units	493,750.00	19.75
02/26/2008 to 08/20/2008	25	Juno Special Situations Corporation - Common Shares	2,295,000.00	2,295,000.00
06/10/2010	1	J.P. Morgan Global Maritime Investment Fund Feeder LP - Capital Commitment	51,685,000.00	1.00
06/22/2010	11	Kenai Resources Ltd. - Units	230,654.70	1,537,698.00
06/29/2010	2	Kensington Capital Partners Limited - Units	199,084.48	10,528.00
02/02/2010 to 03/31/2010	9	Kilkenny Capital Corporation - Common Shares	135,000.00	N/A
01/31/2010	3	Kingwest Avenue Portfolio - Units	316,654.74	12,592.60
01/15/2010	10	Kingwest Avenue Portfolio - Units	74,355.08	2,871.06
01/31/2010	1	Kingwest Canadian Equity Portfolio - Units	250,000.00	25,011.51
01/10/0165	1	Kingwest High Income Fund - Units	265,000.00	51,236.75
06/21/2010	16	Lagasco Corp. - Receipts	1,200,000.00	6,000,000.00

**Notice of Exempt Financings**

<b>Transaction Date</b>	<b># of Purchasers</b>	<b>Issuer/Security</b>	<b>Total Purchase Price (\$)</b>	<b># of Securities Distributed</b>
06/18/2010	2	Lincoln Capital Corporation - Common Shares	6,137,681.00	12,293,578.00
04/11/2010	1	Living Forest One Limited Partnership - Units	50,000.00	N/A
02/10/2010 to 02/16/2010	64	Lynden Energy Corp. - Units	4,500,000.00	N/A
06/15/2010	57	Marsa Energy Inc. - Common Shares	4,665,000.00	4,665,000.00
06/21/2010	4	Matamec Explorations Inc. - Units	840,000.00	4,200,000.00
06/09/2010	1	Merrill Lynch Canada Finance Company - Notes	10,000,000.00	50.00
02/01/2010	1	Micro Technologies Inc. - Common Shares	50,000.00	N/A
02/12/2010	79	Microbix Biosystems Inc. - Common Shares	1,300,000.00	3,714,286.00
06/14/2010 to 06/18/2010	5	Miracle Mile Limited Partnership - Units	279,700.00	N/A
05/13/2010 to 06/03/2010	7	Mitra Energy Limited - Common Shares	122,303,359.35	26,643,000.00
06/18/2010	252	Morrison Laurier Mortgage Corporation - Preferred Shares	1,463,000.00	146,300.00
06/15/2010 to 06/17/2010	2	New Solutions Financial (II) Corporation - Debentures	125,000.00	2.00
06/01/2010	39	New World Lenders Corp. - Bonds	2,104,960.00	N/A
06/28/2010	1	Newcastle Minerals Ltd. - Common Shares	120,000.00	1,000,000.00
01/29/2010	3	Newport Strategic Yield Fund - Units	850,000.33	74,640.00
05/31/2010	5	Newstart Canada - Notes	240,000.00	5.00
05/25/2010	1	Nichromet Extraction Inc. - Units	500,000.00	5,000,000.00
07/31/2009	8	Norrep Yield Fund - Units	168,493.13	16,849.31
02/05/2010	31	Northern Abitibi Mining Corp. - Units	1,329,000.10	N/A
06/01/2010	1	Novus Gold Corp. - Common Shares	6,625.00	25,000.00
05/13/2010	17	Oilsands Quest Inc. - Common Shares	18,426,216.32	N/A
06/10/2010	16	P1 Energy Corp. - Debentures	20,000,000.00	20,000.00
06/10/2010 to 06/15/2010	2	Plasco Energy Group Inc. - Units	250,010.00	16,667.00
01/31/2010	25	Plazafund Capital Limited Partnership - Limited Partnership Units	4,915,928.00	N/A
06/09/2010	2	PQB Shopping Centre Inc. - Loans	2,000,000.00	2,000,000.00
06/03/2010	11	PT Healthcare Solutions Corp. - Common Shares	3,866,112.70	N/A
06/17/2010	23	Radius Gold Inc. - Units	4,550,000.00	13,000,000.00
06/24/2010	8	Rainmaker Mining Corp. - Units	250,000.00	1,282,053.00



**Notice of Exempt Financings**

<b>Transaction Date</b>	<b># of Purchasers</b>	<b>Issuer/Security</b>	<b>Total Purchase Price (\$)</b>	<b># of Securities Distributed</b>
06/22/2010	15	Recombo Inc. - Units	300,000.00	1,200,000.00
06/02/2010 to 06/04/2010	44	Redux Duncan City Centre Limited Partnership - Notes	3,350,000.00	3,350,000.00
05/05/2010	34	Rockefeller Hughes Corporation - Units	1,510,000.00	1,510,000.00
06/11/2010	45	Rockefeller Hughes Corporation - Units	7,632,476.00	7,632,476.00
12/31/2009	177	Rogers Oil & Gas Inc. - Debentures	2,172,600.00	N/A
06/17/2010	1	Royal Nickel Corporation - Units	800,000.00	355,555.00
06/18/2010	2	Shield Mining Limited - Common Shares	462,787.13	3,559,901.00
06/16/2010	1	Spectrum Brands, Inc. - Notes	503,033.40	1.00
06/14/2010	235	Sprott Power Corp. - Units	18,681,864.95	4,340,813.00
06/30/2010	2	Sprott Power Corp. - Units	2,025,000.00	2,025,000.00
06/15/2010	60	Spry Energy Ltd. - Common Shares	6,776,200.00	768,600.00
06/25/2010	16	Stoneset One Mortgage Corporation - Bonds	659,000.00	659.00
06/15/2010	1	St. Demetrius (Ukrainian Catholic) Development Corporation - Debentures	6,869,921.00	1.00
02/08/2010	79	TAD Capital Corp. - Units	500,000.00	5,000,000.00
06/21/2010	1	TMX Finance LLC/TitleMax Finance Corporation - Notes	3,031,786.80	1.00
04/26/2010	5	TransReserve Inc. - Units	49,999.95	N/A
05/05/2010	1	Tribute Minerals Inc. - Flow-Through Shares	227,265.00	N/A
06/08/2010	60	Triumph Group Inc. - Notes	368,130,000.00	N/A
06/18/2010	31	Ucore Rare Metals Inc. - Units	3,999,999.96	18,181,818.00
12/17/2009	6	UEX Corporation - Common Shares	5,057,972.00	975,000.00
02/09/2010 to 02/17/2010	32	URSA Major Minerals Inc. - Flow-Through Shares	900,000.00	1,700,000.00
06/06/2010	6	VSS Communications Parallel Partners IV, L.P. - Limited Partnership Interest	2,659,983.00	N/A
06/18/2010	12	Walton AZ Verona Investment Corporation - Common Shares	249,500.00	24,950.00
06/04/2010	3	Walton AZ Verona Limited Partnership - Limited Partnership Units	184,673.58	17,706.00
06/10/2010	457	Walton Ontario Land 1 Exempt Investment Corporation - Common Shares	6,846,010.00	684,601.00
06/10/2010	274	Walton Ontario Land L.P. 1 - Limited Partnership Units	17,244,500.00	1,724,450.00
06/04/2010	44	Walton Southern U.S. Land Investment Corporation - Common Shares	833,480.00	83,348.00

**Notice of Exempt Financings**

<b>Transaction Date</b>	<b># of Purchasers</b>	<b>Issuer/Security</b>	<b>Total Purchase Price (\$)</b>	<b># of Securities Distributed</b>
06/18/2010	120	Walton Southern U.S. Land Investment Corporation - Common Shares	2,799,110.00	279,911.00
06/18/2010	28	Walton Southern U.S. Land LP - Limited Partnership Units	4,090,168.98	398,255.00
06/04/2010	2	Walton TX Austin Land Investment Corporation - Common Shares	44,190.00	4,419.00
01/22/2010	15	Walton TX Austin Land Investment Partnership - Units	941,887.44	89,448.00
05/31/2010	34	Westboro Mortgage Investment Corp. - Preferred Shares	7,360,000.00	726,000.00
06/03/2010 to 06/10/2010	12	WestCan Uranium Corp. - Units	251,250.00	3,350,000.00
06/18/2010	27	White Gold Corporation - Common Shares	652,575.00	3,729,000.00
06/09/2010	1	Wimberly Apartments Limited Partnership - Units	10,394.48	14,285.00
06/09/2010 to 06/15/2010	2	Wimberly Fund - Trust Units	39,040.00	39,040.00
06/10/2010 to 06/15/2010	3	Wimberly Fund - Trust Units	250,000.00	250,000.00
06/18/2010	1	Wimberly Fund - Trust Units	150,000.00	150,000.00
02/09/2010	3	YPG Holdings Inc. - Preferred Shares	9,750,000.00	N/A
06/21/2010	1	Z Capital Special Situations Fund-A, L.P. - Limited Partnership Interest	15,298,500.00	1.00
06/28/2010	17	Zaio Corporation - Units	290,984.98	2,238,346.00
06/15/2010	3	Zelos Therapeutics Inc. - Notes	282,512.12	N/A
06/15/2010	6	Zelos Therapeutics Inc. - Notes	398,654.67	N/A

## Chapter 11

# IPOs, New Issues and Secondary Financings

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**Issuer Name:**

AEterna Zentaris Inc.  
Principal Regulator - Quebec

**Type and Date:**

Preliminary Base Shelf Prospectus dated June 30, 2010  
NP 11-202 Receipt dated July 2, 2010

**Offering Price and Description:**

U.S.\$85,000,000.00:  
Common Shares  
Warrants to Purchase Common Shares

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

-

**Promoter(s):**

-

**Project #1603398**

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**Issuer Name:**

Brasoil Exploration Corporation  
Principal Regulator - Alberta

**Type and Date:**

Preliminary Long Form Prospectus dated July 5, 2010  
NP 11-202 Receipt dated July 5, 2010

**Offering Price and Description:**

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

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

TD Securities Inc.

**Promoter(s):**

-

**Project #1604113**

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**Issuer Name:**

Brookfield Office Properties Canada  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Long Form Prospectus dated July 2, 2010  
NP 11-202 Receipt dated July 5, 2010

**Offering Price and Description:**

-

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

-

**Promoter(s):**

-

**Project #1603896**

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**Issuer Name:**

Canacol Energy Ltd.  
Principal Regulator - Alberta

**Type and Date:**

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

**Offering Price and Description:**

C\$41,500,000.00 - 8.00% Convertible Unsecured  
Subordinated Debentures due June 30, 2015 and  
US\$3,500,000 - 4,421,260 Common Shares  
Price:C\$1,000.00 per Debenture and US\$0.79 per  
Common Share

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

Canaccord Genuity Corp.  
FirstEnergy Capital Corp.  
Cormark Securities Inc.  
CitiGroup Global Markets Canada Inc.  
Mackie Research Capital Corporation

**Promoter(s):**

-

**Project #1604146**

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**Issuer Name:**

Canadian Imperial Bank of Commerce

**Type and Date:**

Preliminary Base Shelf Prospectus dated July 2, 2010  
Receipted on July 5, 2010

**Offering Price and Description:**

US\$8,000,000,000.00 - Senior Debt Securities  
Subordinated Debt Securities (subordinated indebtedness)

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

-

**Promoter(s):**

-

**Project #1603793**

**Issuer Name:**

Caterpillar Financial Services Limited  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Base Shelf Prospectus dated June 30, 2010  
NP 11-202 Receipt dated June 30, 2010

**Offering Price and Description:**

\$1,500,000,000 .00 - Medium Term Notes (unsecured)  
Unconditionally guaranteed as to principal, premium (if any), interest and certain other amounts by CATERPILLAR FINANCIAL SERVICES CORPORATION,

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

RBC Dominion Securities Inc.  
TD Securities Inc.

**Promoter(s):**

-

**Project #1603163**

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**Issuer Name:**

Cleghorn Minerals Ltd.  
Principal Regulator - Quebec

**Type and Date:**

Preliminary CPC Prospectus dated June 28, 2010  
NP 11-202 Receipt dated July 2, 2010

**Offering Price and Description:**

MINIMUM OFFERING - \$350,000.00 (1,750,000 Common Shares); MAXIMUM OFFERING - \$750,000.00 (3,750,000 Common Shares) PRICE: \$0.20 per Common Share

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

Raymond James Ltd.

**Promoter(s):**

Glenn J. Mullan  
Jens Zinke

**Project #1601791**

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**Issuer Name:**

Cyberplex Inc.  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Short Form Prospectus dated June 29, 2010  
NP 11-202 Receipt dated June 30, 2010

**Offering Price and Description:**

\$33,373,135.40 - 60,678,428 Common Shares  
Price: \$0.55 per Common Shares

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

GMP Securities L.P.  
Paradigm Capital Inc.

M Partners Inc.  
Scotia Capital Inc.

**Promoter(s):**

-

**Project #1603159**

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**Issuer Name:**

Dacha Capital Inc.  
Principal Regulator - Ontario

**Type and Date:**

Amended and Restated Preliminary Short Form Prospectus dated July 5, 2010

NP 11-202 Receipt dated July 5, 2010

**Offering Price and Description:**

\$22,000,050.00 - 48,889,001 Common Shares on Exercise of 48,889,001 Special Warrants  
Price: \$0.45 per Special Warrant

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

Mackie Research Capital Corporation  
Dundee Securities Corporation

CIBC World Markets Inc.

**Promoter(s):**

-

**Project #1585065**

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**Issuer Name:**

Detour Gold Corporation  
Principal Regulator - Ontario

**Type and Date:**

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

**Offering Price and Description:**

\$252,000,000.00 - 10,500,000 Common Shares Price: \$24.00 per Common Share

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

BMO Nesbitt Burns Inc.  
TD Securities Inc.  
RBC Dominion Securities Inc.  
Canaccord Genuity Corp.  
Macquarie Capital Markets Canada Ltd.  
Raymond James Ltd.  
CIBC World Markets Inc.

Haywood Securities Inc.  
UBS Securities Canada Inc.  
Barclays Capital Canada Inc.  
Fraser Mackenzie Limited  
Laurentian Bank Securities Inc.  
NCP Northland Capital Partners Inc.  
Paradigm Capital Inc.

**Promoter(s):**

-

**Project #1603975**

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**Issuer Name:**

EdgePoint Canadian Growth & Income Portfolio  
EdgePoint Canadian Portfolio  
EdgePoint Global Growth & Income Portfolio  
EdgePoint Global Portfolio  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Simplified Prospectuses dated June 30, 2010  
NP 11-202 Receipt dated June 30, 2010

**Offering Price and Description:**

(Series A(N), B(N) and F(N) Units)

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

EdgePoint Wealth Management Inc.

**Promoter(s):**

EdgePoint Wealth Management Inc.

**Project #1603106**

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**Issuer Name:**

First Asset DCD Portfolio Fund  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Long Form Prospectus dated June 29, 2010  
NP 11-202 Receipt dated June 30, 2010

**Offering Price and Description:**

-

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

-

**Promoter(s):**

First Asset Investment Management Inc.

**Project #1603054**

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**Issuer Name:**

Fort Chicago Energy Partners L.P.  
Principal Regulator - Alberta

**Type and Date:**

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

**Offering Price and Description:**

\$75,000,000.00 - 5.75% Convertible Unsecured  
Subordinated Debentures, Series Cdue 2017  
Price: \$1,000 per Series C Debenture

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

Scotia Capital Inc.

CIBC World Markets Inc.

TD Securities Inc.

BMO Nesbitt Burns Inc.

National Bank Financial Inc.

RBC Dominion Securities Inc.

Macquarie Capital Markets Canada Ltd.

HSBC Securities (Canada) Inc.

Clarus Securities Inc.

**Promoter(s):**

-

**Project #1604067**

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**Issuer Name:**

MEG Energy Corp.  
Principal Regulator - Alberta

**Type and Date:**

Amended and Restated Preliminary Long Form PREP  
Prospectus dated July 5, 2010  
NP 11-202 Receipt dated July 5, 2010

**Offering Price and Description:**

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

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

Credit Suisse Securities (Canada), Inc.

BMO Nesbitt Burns Inc.

Barclays Capital Canada Inc.

Morgan Stanley Canada Limited

TD Securities Inc.

Goldmand Sachs Canada Inc.

Scotia Capital Inc.

FirstEnergy Capital Corp.

Peters & Co. Limited

**Promoter(s):**

-

**Project #1596295**

---

**Issuer Name:**

NEXX Systems, Inc.  
Principal Regulator - Ontario

**Type and Date:**

Amended and Restated Preliminary Long Form PREP  
Prospectus dated June 29, 2010 amending and restating  
the Preliminary Long Form PREP Prospectus dated April 6,  
2010 as amended by the Amended and Restated  
Preliminary Long Form PREP Prospectus dated May 14,  
2010 and the amended and restated Preliminary Long  
Form PREP Prospectus dated June 8, 2010.  
NP 11-202 Receipt dated June 30, 2010

**Offering Price and Description:**

Cdn\$ \* - \* SHARES OF COMMON STOCK Price: \* per  
Common Share

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

Canaccord Genuity Corp.

CIBC World Markets Inc.

Macquarie Capital Markets Canada Ltd.

TD Securities Inc.

**Promoter(s):**

-

**Project #1561419**

---

**Issuer Name:**

Pinnacle Emerging Markets Equity Fund  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Simplified Prospectus dated June 30, 2010  
NP 11-202 Receipt dated July 5, 2010

**Offering Price and Description:**

(Class A, Class I and Manager Class Units)

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

Scotia Capital Inc.

**Promoter(s):**

Scotia Asset Management L.P.

**Project #1603332**

---

**Issuer Name:**

Precious Metals Bullion Trust  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Base Shelf Prospectus dated June 25, 2010  
NP 11-202 Receipt dated June 30, 2010

**Offering Price and Description:**

\$500,000,000.00 of Units

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

-

**Promoter(s):**

Brompton Funds Management Limited

**Project #1602541**

---

**Issuer Name:**

SCITI ROCS Trust  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Short Form Prospectus dated July 5, 2010  
NP 11-202 Receipt dated July 6, 2010

**Offering Price and Description:**

Warrants to Subscribe for up to \* Units at a Subscription  
Price of \$ \*

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

Scotia Capital Inc.

**Promoter(s):**

-

**Project #1604278**

---

**Issuer Name:**

Scotia Canadian Dividend Income Fund  
Scotia Global Balanced Fund  
Scotia Global Dividend Fund  
Scotia Partners Diversified Income Portfolio  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Simplified Prospectuses dated June 30, 2010  
NP 11-202 Receipt dated July 5, 2010

**Offering Price and Description:**

Class A and I Units

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

Scotia Securities Inc.

**Promoter(s):**

Scotia Asset Management L.P.

**Project #1603335**

---

**Issuer Name:**

Scotia Short Term Government Bond Fund  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Simplified Prospectus dated June 30, 2010  
NP 11-202 Receipt dated July 5, 2010

**Offering Price and Description:**

(Manager Class Units)

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

Scotia Securities Inc.

**Promoter(s):**

Scotia Asset Management L.P.

**Project #1603333**

---

**Issuer Name:**

Second Wave Petroleum Inc.  
Principal Regulator - Alberta

**Type and Date:**

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

**Offering Price and Description:**

\$20,010,000.00 - 6,670,000 Common Shares and  
\$7,100,000.00 - 2,000,000 Flow-Through Shares  
Price: \$3.00 per Common Share and \$3.55 per Flow-  
Through Share

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

Wellington West Capital Markets Inc.

GMP Securities L.P.

Desjardins Securities Inc.

Acumen Capital Finance Partners Limited

Clarus Securities Inc.

CIBC World Markets Inc.

**Promoter(s):**

-

**Project #1604088**

---

**Issuer Name:**

Sun Life MFS Global Growth Fund  
Sun Life MFS Global Total Return Fund  
Sun Life MFS Global Value Fund  
Sun Life MFS International Growth Fund  
Sun Life MFS International Value Fund  
Sun Life MFS U.S. Growth Fund  
Sun Life MFS U.S. Value Fund  
Sun Life Milestone 2015 Fund  
Sun Life Milestone 2020 Fund  
Sun Life Milestone 2025 Fund  
Sun Life Milestone 2030 Fund  
Sun Life Milestone Global Equity Fund  
Sun Life Money Market Fund  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Simplified Prospectuses dated June 30, 2010  
NP 11-202 Receipt dated June 30, 2010

**Offering Price and Description:**

Series A, F and I Units

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

-

**Promoter(s):**

Sun Life Global Investors (Canada) Inc.

**Project #1603099**

---

**Issuer Name:**

Titan Medical Inc.  
Principal Regulator - Ontario

**Type and Date:**

Amended and Restated Preliminary Base Shelf Prospectus  
dated June 30, 2010

NP 11-202 Receipt dated July 5, 2010

**Offering Price and Description:**

\$\*:

Common Shares

Warrants

Units

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

-

**Promoter(s):**

-

**Project #1603960**

**Issuer Name:**

Class A units, Class AN units, Class F units, Class FN  
units, Class L units, Class M units, Class W  
units and Class I units of:  
Brandes Global Equity Fund  
Brandes International Equity Fund  
Brandes Sionna Canadian Equity Fund  
Brandes Sionna Canadian Balanced Fund  
Class A units, Class F units, Class L units, Class M units,  
Class W units and Class I units of:  
Brandes U.S. Equity Fund  
Brandes Global Balanced Fund  
Class A units, Class F units, Class L units, Class M units  
and Class I units of:

Brandes Global Small Cap Equity Fund

Brandes Emerging Markets Equity Fund

Brandes U.S. Small Cap Equity Fund

Brandes Canadian Equity Fund

Brandes Sionna Canadian Small Cap Equity Fund

Brandes Sionna Diversified Income Fund

Class A units, Class AH units, Class F units, Class FH  
units, Class M units, Class MH units, Class I

units, and Class IH units of:

Brandes Corporate Focus Bond Fund

Class A units and Class F units of:

Brandes Canadian Money Market Fund

Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectuses dated June 30, 2010

NP 11-202 Receipt dated July 5, 2010

**Offering Price and Description:**

Class A units, Class AH units, Class FH units Class AN  
units, Class F units, Class FN units, Class L units, Class M  
units, Class MH Units, Class W units and Class I units

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

-

**Promoter(s):**

Brandes Investment Partners & Co.

**Project #1585093**

---

**Issuer Name:**

Capital Power Income L.P.  
Principal Regulator - Alberta

**Type and Date:**

Final Base Shelf Prospectus dated July 2, 2010

NP 11-202 Receipt dated July 2, 2010

**Offering Price and Description:**

-

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

-

**Promoter(s):**

-

**Project #1601111**

**Issuer Name:**

Common Units and Advisor Class Units (unless otherwise indicated) of:

Claymore 1-5 Yr Laddered Government Bond ETF

Claymore 1-5 Yr Laddered Corporate Bond ETF

Claymore Premium Money Market ETF

Claymore Global Agriculture ETF

Claymore Natural Gas Commodity ETF (Common Units only)

Principal Regulator - Ontario

**Type and Date:**

Amended and Restated Long Form Prospectus dated June 29, 2010, amending and restating the Long Form

Prospectus dated December 4, 2009

NP 11-202 Receipt dated July 5, 2010

NP 11-202 Receipt dated July 5, 2010

**Offering Price and Description:**

Common Unit and Advisor Class Units @ Net Asset Value

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

Claymore Investments, Inc.

**Promoter(s):**

Claymore Investments Inc.

**Project #1488789**

---

**Issuer Name:**

Claymore China ETF

(Common Units and Advisor Class Units)

Claymore Inverse Natural Gas Commodity ETF

(Common Units)

Claymore Long-Term Natural Gas Commodity ETF

(Common Units)

Claymore Broad Commodity ETF

(Common Units and Advisor Class Units)

Claymore Managed Futures ETF

(Common Units and Advisor Class Units)

Principal Regulator - Ontario

**Type and Date:**

Final Long Form Prospectus dated June 29, 2010

NP 11-202 Receipt dated July 5, 2010

**Offering Price and Description:**

Units @ Net Asset Value

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

Claymore Investments, Inc.

**Promoter(s):**

Claymore Investments Inc.

**Project #1594831**

**Issuer Name:**

Credential Enrich Canadian Equity Pool

Credential Enrich Income Pool

Credential Enrich International Equity Pool

Credential Enrich US Equity Pool

Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectuses dated June 28, 2010

NP 11-202 Receipt dated July 5, 2010

**Offering Price and Description:**

Class A and Class B Units @ Net Asset Value

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

Credential Asset Management Inc.

**Promoter(s):**

-

**Project #1587632**

---

**Issuer Name:**

DFA CANADIAN CORE EQUITY FUND

DFA GLOBAL REAL ESTATE SECURITIES FUND

DFA FIVE-YEAR GLOBAL FIXED INCOME FUND

DFA INVESTMENT GRADE FIXED INCOME FUND

(Class A, F, and I Units)

DFA U.S. CORE EQUITY FUND

DFA U.S. VECTOR EQUITY FUND

DFA INTERNATIONAL CORE EQUITY FUND

DFA INTERNATIONAL VECTOR EQUITY FUND

(Class A, F, I, A(H), F(H), and I(H) Units)

Principal Regulator - British Columbia

**Type and Date:**

Final Simplified Prospectuses dated June 29, 2010

NP 11-202 Receipt dated June 30, 2010

**Offering Price and Description:**

Class A, A(H), F, F(H), I and I(H) units

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

-

**Promoter(s):**

Dimensional fund Advisors Canada ULC

**Project #1582371**

---

**Issuer Name:**

Drako Capital Corp.

Principal Regulator - Alberta

**Type and Date:**

Final CPC Prospectus dated June 29, 2010

NP 11-202 Receipt dated June 30, 2010

**Offering Price and Description:**

\$220,000.00 - 2,200,000 Common Shares Price: \$0.10 per Common Share

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

PI FINANCIAL CORP.

**Promoter(s):**

Omar L. Quiroz

**Project #1585959**



**Issuer Name:**

EDUCATORS MONEY MARKET FUND  
EDUCATORS MORTGAGE & INCOME FUND  
EDUCATORS DIVERSIFIED FUND  
EDUCATORS GROWTH FUND  
EDUCATORS BALANCED FUND  
EDUCATORS DIVIDEND FUND  
EDUCATORS GLOBAL FUND  
Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectuses dated June 30, 2010  
NP 11-202 Receipt dated July 6, 2010

**Offering Price and Description:**

Class A and Class B units

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

Educators Financial Group Inc.

**Promoter(s):**

Educators Financial Group Inc.

**Project #1584477**

---

**Issuer Name:**

Equal Energy Ltd.  
Principal Regulator - Alberta

**Type and Date:**

Final Short Form Prospectus dated June 30, 2010  
NP 11-202 Receipt dated June 30, 2010

**Offering Price and Description:**

\$35,100,000 - 5,200,000 Common Shares  
\$6.75 per Common Share

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

Wellington West Capital Markets Inc.  
Desjardins Securities Inc.  
Jennings Capital Inc.  
Scotia Capital Inc.

**Promoter(s):**

-

**Project #1600345**

---

**Issuer Name:**

Series A Units, Series F Units and Series I Units (unless otherwise indicated) of:

NEI Money Market Fund (Series A and Series I Units)  
NEI Canadian Bond Fund  
Ethical Balanced Fund  
Ethical Canadian Dividend Fund  
Ethical Growth Fund  
Ethical Special Equity Fund  
Ethical American Multi-Strategy Fund  
Ethical Global Dividend Fund  
Ethical Global Equity Fund  
Ethical International Equity Fund  
Ethical Select Conservative Portfolio  
Ethical Select Canadian Balanced Portfolio  
Ethical Select Canadian Growth Portfolio  
Ethical Select Global Balanced Portfolio  
Ethical Select Global Growth Portfolio  
Northwest Canadian Dividend Fund  
Northwest Canadian Equity Fund  
Northwest Growth and Income Fund  
Northwest Global Equity Fund  
Northwest U.S. Equity Fund  
Northwest EAFE Fund  
Northwest Specialty High Yield Bond Fund  
Northwest Specialty Global High Yield Bond Fund  
Northwest Specialty Equity Fund  
Northwest Specialty Growth Fund Inc. (Series A, Series F and Series I Shares)  
Northwest Specialty Innovations Fund  
Northwest Select Conservative Portfolio  
Northwest Select Canadian Balanced Portfolio  
Northwest Select Canadian Growth Portfolio  
Northwest Select Global Balanced Portfolio (Series A and Series F Units)  
Northwest Select Global Growth Portfolio (Series A and Series F Units)  
Northwest Select Global Maximum Growth Portfolio  
Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectuses dated June 28, 2010  
NP 11-202 Receipt dated July 6, 2010

**Offering Price and Description:**

Series A Units, Series F Units and Series I Units and Shares @ Net Asset Value

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

Credential Asset Management Inc.  
Credential Asset Management

**Promoter(s):**

-

**Project #1586951**

---

**Issuer Name:**

Front Street Growth Fund  
Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectus dated June 28, 2010  
NP 11-202 Receipt dated June 30, 2010

**Offering Price and Description:**

Series A, B and F Units @ Net Asset Value

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

-

**Promoter(s):**

-

**Project #1584972**

---

**Issuer Name:**

Homeland Energy Group Ltd.  
Principal Regulator - Ontario

**Type and Date:**

Amendment #1 dated June 29, 2010 to the Short Form  
Prospectus dated May 31, 2010  
NP 11-202 Receipt dated July 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:**

International Isotopes Inc.  
Principal Regulator - Ontario

**Type and Date:**

Final MJDS Prospectus dated June 30, 2010  
NP 11-202 Receipt dated July 2, 2010

**Offering Price and Description:**

\$100,000,000.00:

Common Stock  
Preferred Stock  
Debt Securities  
Convertible Debt Securities  
Warrants

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

-

**Promoter(s):**

-

**Project #1597161**

---

**Issuer Name:**

Jov Prosperity Canadian Equity Fund  
Jov Prosperity Canadian Fixed Income Fund  
Jov Prosperity International Equity Fund  
Jov Prosperity U.S. Equity Fund  
Principal Regulator - Ontario

**Type and Date:**

Amendment #1 dated June 7, 2010 to the Simplified  
Prospectuses and Annual Information Form dated  
December 29, 2009

NP 11-202 Receipt dated July 5, 2010

**Offering Price and Description:**

Series A, F and I Units @ Net Asset Value

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

-

**Promoter(s):**

JovFunds Management Inc.,  
**Project #1511540**

---

**Issuer Name:**

Kallisto Energy Corp.  
Principal Regulator - Alberta

**Type and Date:**

Final Short Form Prospectus dated July 2, 2010  
NP 11-202 Receipt dated July 2, 2010

**Offering Price and Description:**

-

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

Acumen Capital Finance Partners Limited  
Canaccord Genuity Corp.  
Versant Partners Inc.

**Promoter(s):**

-

**Project #1599032**

---

**Issuer Name:**

Keystone AGF Equity Fund (Series A, I and O Securities)  
Keystone Beutel Goodman Bond Fund (Series A, I and O Securities)  
Keystone Manulife High Income Fund (Series A, I and O Securities)  
Keystone Manulife U.S. Value Fund (Series A, I and O Securities)  
Keystone Balanced Portfolio Fund (Series A, F, F8, G, I, T6 and T8 Securities)  
Keystone Balanced Growth Portfolio Fund (Series A, F, G, I, T6 and T8 Securities)  
Keystone Conservative Portfolio Fund (Series A, F, G, I, T6 and T8 Securities)  
Keystone Growth Portfolio Fund (Series A, F, G, I, T6 and T8 Securities)  
Keystone Maximum Growth Portfolio Fund (Series A, F, G and I Securities)  
Keystone Dynamic Power Small-Cap Class (Series A, I and O Securities)  
of Mackenzie Financial Capital Corporation  
Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectuses dated June 29, 2010  
NP 11-202 Receipt dated June 30, 2010

**Offering Price and Description:**

-

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

-

**Promoter(s):**

Mackenzie Financial Corp.  
Project #1588955

---

**Issuer Name:**

Luna Gold Corp.  
Principal Regulator - British Columbia

**Type and Date:**

Final Short Form Prospectus dated July 5, 2010  
NP 11-202 Receipt dated July 6, 2010

**Offering Price and Description:**

\$33,001,312.40 - 58,930,915 Common Shares and  
29,465,458 Common Share Purchase Warrants on  
Exercise of 58,930,915 Special Warrants Price: \$0.56 per  
Special  
Warrant

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

-

**Promoter(s):**

-

Project #1599940

---

**Issuer Name:**

MAWER MUTUAL FUNDS:  
MAWER CANADIAN BALANCED RETIREMENT  
SAVINGS FUND  
MAWER CANADIAN BOND FUND  
MAWER CANADIAN DIVERSIFIED INVESTMENT FUND  
MAWER CANADIAN EQUITY FUND  
MAWER GLOBAL SMALL CAP FUND  
MAWER U.S. EQUITY FUND  
MAWER WORLD INVESTMENT FUND  
MAWER CANADIAN MONEY MARKET FUND  
MAWER NEW CANADA FUND  
MAWER GLOBAL EQUITY FUND  
(Class A and Class O Units)  
Principal Regulator - Alberta

**Type and Date:**

Final Simplified Prospectuses and Annual Information  
Forms dated June 30, 2010  
NP 11-202 Receipt dated June 30, 2010

**Offering Price and Description:**

Class A and Class O Units @ Net Asset Value

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

Mawer Investment Management Ltd.

**Promoter(s):**

Mawer Investment Management Ltd.

Project #1585235

---

**Issuer Name:**

Navina Income & Growth Fund  
Principal Regulator - Ontario

**Type and Date:**

Amendment #1 dated June 16, 2010 to the Simplified  
Prospectus and Annual Information Form dated December  
18, 2009  
NP 11-202 Receipt dated June 30, 2010

**Offering Price and Description:**

-

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

Lawrence Asset Management Inc.

**Promoter(s):**

Lawrence Asset Management Inc.

Project #1502642

---

**Issuer Name:**

Northgate Minerals Corporation  
Principal Regulator - British Columbia

**Type and Date:**

Final Base Shelf Prospectus dated July 2, 2010  
NP 11-202 Receipt dated July 2, 2010

**Offering Price and Description:**

\$250,000,000.00:  
Debt Securities  
Common Shares  
Warrants to Purchase Equity Securities  
Warrants to Purchase Debt Securities  
Share Purchase Contracts  
Share Purchase or Equity Units  
Subscription Receipts  
Preference Shares  
Units

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

-

**Promoter(s):**

-

**Project #1595884**

---

**Issuer Name:**

Ratel Gold Limited  
Principal Regulator - Ontario

**Type and Date:**

Final Long Form Prospectus dated June 29, 2010  
NP 11-202 Receipt dated July 5, 2010

**Offering Price and Description:**

UP TO Cdn.\$14,000,000.00 - UP TO 70,000,000  
COMMON SHARES Price: Cdn.\$0.20 per Share

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

Haywood Securities Inc.

**Promoter(s):**

CGA Mining Limited

**Project #1592069**

---

**Issuer Name:**

Retrocom Mid-Market Real Estate Investment Trust  
Principal Regulator - Ontario

**Type and Date:**

Final Short Form Prospectus dated June 30, 2010  
NP 11-202 Receipt dated June 30, 2010

**Offering Price and Description:**

\$20,000,000.00 - 6.75% Convertible Unsecured  
Subordinated Debentures \$ 1,000.00 per Debenture

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

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

**Promoter(s):**

-

**Project #1600023**

---

**Issuer Name:**

RIOCAN REAL ESTATE INVESTMENT TRUST  
Principal Regulator - Ontario

**Type and Date:**

Final Base Shelf Prospectus dated July 6, 2010  
NP 11-202 Receipt dated July 6, 2010

**Offering Price and Description:**

\$3,000,000,000.00 - Debt Securities Units (Senior  
Unsecured)

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

-

**Promoter(s):**

-

**Project #1601513**

---

**Issuer Name:**

Veraz Petroleum Ltd.  
Principal Jurisdiction - Alberta

**Type and Date:**

Preliminary Short Form Prospectus dated April 6, 2010  
Closed on July 6, 2010

**Offering Price and Description:**

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

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

Haywood Securities Inc.  
Peters & Co. Limited  
FirstEnergy Capital Corp.  
GMP Securities L.P.

**Promoter(s):**

-

**Project #1560679**

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## Chapter 12

# Registrations

### 12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	Les Investissements Rivemont Inc. / Rivemont Investments Inc.	Restricted Portfolio Manager	June 28, 2010
Change of Category	Greenrock Asset Management Ltd.	From: Exempt Market Dealer & Portfolio Manager To: Portfolio Manager	June 30, 2010
Change of Category	TD Investment Services Inc.	From: Mutual Fund Dealer Exempt Market Dealer To: Mutual Fund Dealer	June 25, 2010
Change of Category	Baring International Investment Limited	From: Portfolio Manager Exempt Market Dealer To: Portfolio Manager	June 30, 2010
Change of Category	OTT Capital Corporation	From: Exempt Market Dealer and Portfolio Manager To: Exempt Market Dealer, Portfolio Manager and Investment Fund Manager	June 30, 2010
Voluntary Surrender	Goodman & Company, Dealer Services Inc.	Mutual Fund Dealer	June 30, 2010

**Registrations**

<b>Type</b>	<b>Company</b>	<b>Category of Registration</b>	<b>Effective Date</b>
Change of Category	Bristol Gate Capital Partners Inc.	From: Exempt Market Dealer and Portfolio Manager To: Exempt Market Dealer, Portfolio Manager and Investment Fund Manager	June 30, 2010
New Registration	Northleaf Capital Partners (Canada) Ltd.	Exempt Market Dealer, Portfolio Manager, and Investment Fund Manager	June 30, 2010
Change of Category	Absolute Private Counsel Limited	From: Exempt Market Dealer and Portfolio Manager To: Exempt Market Dealer, Portfolio Manager and Investment Fund Manager	July 5, 2010
Change of Category	Covington Capital Corporation	From: Exempt Market Dealer and Portfolio Manager To: Exempt Market Dealer, Portfolio Manager and Investment Fund Manager	July 6, 2010

## Chapter 13

# SROs, Marketplaces and Clearing Agencies

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### 13.3 Clearing Agencies

#### 13.3.1 CDS Notice of Effective Date – Technical Amendments to CDS Procedures – CDSX Procedures and User Guide and Money Market Issue and Entitlements Procedures

CDS CLEARING AND DEPOSITORY SERVICES INC. (CDS®)

TECHNICAL AMENDMENTS TO CDS PROCEDURES

CDSX PROCEDURES AND USER GUIDE  
MONEY MARKET ISSUE AND ENTITLEMENTS PROCEDURES

NOTICE OF EFFECTIVE DATE

#### A. DESCRIPTION OF THE CDS PROCEDURE AMENDMENT

##### *Background*

The form and procedure changes noted below are additional housekeeping items that required updating as the result of the review undertaken by CDS during its review of other procedures related to the issuance, transfer and custody maintenance of the Money Market securities in CDSX. These changes are being made to maintain consistency with wording, provide clearer instructions and to align with procedures already amended and implemented as part of the previous material notice "**Issuance of Money Market Securities**".

Other housekeeping items included in this notice, are to ensure and maintain consistent wording and accuracy of information.

The CDS Procedures marked for the amendments may be accessed at the CDS website at:

<http://www.cds.ca/cdsclearinghome.nsf/Pages/-EN-blacklined?Open>

##### *Description of Proposed Amendments*

#### **Annual Money Market Participant Certification and Annual Custodian Certification**

CDS has made changes to the annual certification letters originally published as part of the Issuance of Money Market Securities review in order to ensure that (i) the integrity of the content of the certification letters is maintained; and (ii) the person/s filling out the form completely understand the instructions.

#### **Procedure Amendments**

Changes to the procedures are to align with the new changes in processes for Money Market issuance and CDS eligibility. More specifically, when the participant submits information to CDS, either via CDS Solutions webpage or via CDS Services webpage, procedures have been updated to reflect this information because of the changes in process. Other changes are minor wording revisions to ensure explanations are clear and consistent with other procedures currently in place.

CDS Procedure Amendments are reviewed and approved by CDS's Strategic Development Review Committee ("SDRC"). The SDRC determines or reviews, prioritizes and oversees CDS-related systems development and other changes proposed by participants and CDS. The SDRC's membership includes representatives from the CDS Participant community and it meets on a monthly basis.

These amendments were reviewed and approved by the SDRC on April 29, 2010

**B. REASONS FOR TECHNICAL CLASSIFICATION**

The amendments proposed pursuant to this Notice are considered technical amendments as consequential amendments intended to implement a material rule that has been published for comment pursuant to this protocol which only contain material aspects already contained in the material rule or disclosed in the notice accompanying the material rule.

**C. EFFECTIVE DATE OF THE CDS PROCEDURE AMENDMENT**

Pursuant to Appendix A ("Rule Protocol Regarding The Review And Approval Of CDS Rules By The OSC") of the Recognition and Designation Order, as amended on November 1, 2006, and Annexe A ("Protocole d'examen et d'approbation des Règles de Services de Dépôt et de Compensation CDS Inc. par l'Autorité des marchés financiers") of AMF Decision 2006-PDG-0180, made effective on November 1, 2006, CDS has determined that the proposed amendments will become effective on a date subsequently determined by CDS, and as stipulated in the related CDS Bulletin.

**D. QUESTIONS**

Questions regarding this notice may be directed to:

Aaron Ferguson  
CDS Clearing and Depository Services Inc.  
85 Richmond Street West  
Toronto, Ontario M5H 2C9

Fax: 416-365-0842  
e-mail: [aferguson@cds.ca](mailto:aferguson@cds.ca)



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