

The Ontario Securities Commission

# OSC Bulletin

July 30, 2010

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

**The Ontario Securities Commission**

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# Chapter 1

## Notices / News Releases

### 1.1 Notices

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

July 30, 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  
20 Queen Street West  
Toronto, Ontario  
M5H 3S8

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#### CDS

#### TDX 76

Late Mail depository on the 19<sup>th</sup> Floor until 6:00 p.m.

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Paulette L. Kennedy	—	PLK
Patrick J. LeSage	—	PJL
Carol S. Perry	—	CSP
Charles Wesley Moore (Wes) Scott	—	CWMS

### SCHEDULED OSC HEARINGS

August 4-6, 2010	<b>Sextant Capital Management Inc., Sextant Capital GP Inc., Otto Spork, Robert Levack and Natalie Spork</b>
October 4-8, 2010	
October 13-15, 2010	s. 127
10:00 a.m.	T. Center in attendance for Staff
	Panel: JDC/CSP
August 5, 2010	<b>Paladin Capital Markets Inc., John David Culp and Claudio Fernando Maya</b>
11:00 a.m.	s. 127
	C. Price in attendance for Staff
	Panel: JEAT
August 10-13, 2010	<b>Robert Joseph Vanier (a.k.a. Carl Joseph Gagnon)</b>
10:00 a.m.	s. 127
	S. Horgan in attendance for Staff
	Panel: JEAT/PLK
August 13, 2010	<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>
10:00 a.m.	s. 127
	Y. Chisholm in attendance for Staff
	Panel: CSP
August 16, 2010	<b>Albert Leslie James, Ezra Douse and Dominion Investments Club Inc.</b>
2:30 p.m.	s. 127 and 127.1
	H. Daley in attendance for Staff
	Panel: PJL

August 30, 2010	<b>Brilliante Brasilcan Resources Corp., York Rio Resources Inc., Brian W. Aidelman, Jason Georgiadis, Richard Taylor and Victor York</b>	September 3, 2010	<b>Gold-Quest International, Health and Harmoney, Iain Buchanan and Lisa Buchanan</b>
11:00 a.m.		10:00 a.m.	
	s. 127		s. 127
	H. Craig in attendance for Staff		H. Craig in attendance for Staff
	Panel: MGC		Panel: JEAT/CSP/SA
September 1, 2010	<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>	September 7-10, 2010	<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>
1:00 p.m.		10:00 a.m.	
	s. 37, 127 and 127.1		s. 127
	H. Craig in attendance for Staff		M. Vaillancourt/T. Center in attendance for Staff
	Panel: JDC		Panel: TBA
September 1, 2010	<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 Shiff</b>	September 8, 2010	<b>TBS New Media Ltd., TBS New Media PLC, CNF Food Corp., CNF Candy Corp., Ari Jonathan Firestone and Mark Green</b>
1:00 p.m.		10:00 a.m.	
	s. 127		s. 127
	H. Craig in attendance for Staff		H. Craig in attendance for Staff
	Panel: JDC		Panel: JEAT
September 1, 2010	<b>Global Energy Group, Ltd. and New Gold Limited Partnerships</b>	September 8, 2010	<b>Lehman Brothers &amp; Associates Corp., Greg Marks, Michael Lehman (a.k.a. Mike Laymen), Kent Emerson Lounds and Gregory William Higgins</b>
1:00 p.m.		10:30 a.m.	
	s. 127		s. 127
	H. Craig in attendance for Staff		H. Craig in attendance for Staff
	Panel: JDC		Panel: JEAT
September 2, 2010	<b>Abel Da Silva</b>	September 13, 15-24, 2010	<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>
10:00 a.m.		10:00 a.m.	
	s. 127		s. 127
	M. Boswell in attendance for Staff		M. Britton in attendance for Staff
	Panel: TBA		Panel: TBA

September 13-24; October 4-8; October 13-19, 2010	<b>Sulja Bros. Building Supplies, Ltd., Petar Vucicevich, Kore International Management Inc., Andrew Devries, Steven Sulja, Pranab Shah, Tracey Banumas and Sam Sulja</b>	October 13, 2010	<b>Ameron Oil and Gas Ltd. and MX-IV, Ltd.</b>
10:00 a.m.	s. 127 and 127.1	10:00 a.m.	s. 127
	J. Feasby in attendance for Staff		M. Boswell in attendance for Staff
	Panel: TBA		Panel: TBA
September 15-17, 20-21 and 24, 2010	<b>Coventree Inc., Geoffrey Cornish and Dean Tai</b>	October 13, 2010	<b>QuantFX Asset Management Inc., Vadim Tsatskin, Lucien Shtromvaser and Rostislav Zemlinsky</b>
October 4, 6-8, 13-15, 18-19, 25 and 27-29, 2010	s. 127	10:30 a.m.	s. 127
	J. Waechter in attendance for Staff		H. Craig in attendance for Staff
	Panel: JEAT/MGC/PLK		Panel: TBA
10:00 a.m.		October 21, 2010	<b>Ciccone Group, Medra Corporation, 990509 Ontario Inc., Tadd Financial Inc., Cachet Wealth Management Inc., Vince Ciccone, Darryl Brubacher, Andrew J. Martin., Steve Haney, Klaudiusz Malinowski and Ben Giangrosso</b>
September 22, 2010	<b>Rezwealth Financial Services Inc., Pamela Ramoutar, Chris Ramoutar, Justin Ramoutar, Tiffin Financial Corporation, Daniel Tiffin, 2150129 Ontario Inc. and Sylvan Blackett</b>	10:00 a.m.	s. 127
9:00 a.m.	s. 127(1) and (5)		P. Foy in attendance for Staff
	A. Heydon in attendance for Staff		Panel: TBA
	Panel: TBA	October 25-29, 2010	<b>IBK Capital Corp. and William F. White</b>
September 27 – October 1, 2010	<b>Chartcandle Investments Corporation, CCI Financial, LLC, Chartcandle Inc., PSST Global Corporation, Stephen Michael Chesnowitz and Charles Pauly</b>	10:00 a.m.	s. 127
10:00 a.m.	s. 127 and 127.1		M. Vaillancourt in attendance for Staff
	S. Horgan in attendance for Staff		Panel: TBA
	Panel: MCH/CWMS	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>
September 29 – October 1, 2010	<b>Wilton J. Neale, Multiple Streams of Income (MSI) Inc., and 360 Degree Financial Services Inc.</b>	10:00 a.m.	s. 127 and 127.1
10:00 a.m.	s. 127 and 127.1		D. Ferris in attendance for Staff
	H. Daley in attendance for Staff		Panel: TBA
	Panel: JEAT/CSP		

November 29, 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>	January 31 – February 7; February 9-18; February 23, 2011	<b>Anthony Ianno and Saverio Manzo</b>
9:30 a.m.			s. 127 and 127.1
			A. Clark in attendance for Staff
		10:00 a.m.	Panel: TBA
		January 31, February 1-7 and 9-11, 2011	<b>Nest Acquisitions and Mergers, IMG International Inc., Caroline Myriam Frayssignes, David Pelcowitz, Michael Smith, and Robert Patrick Zuk</b>
		10:00 a.m.	s. 37, 127 and 127.1
			C. Price 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
December 2, 2010	<b>Richvale Resource Corp., Marvin Winick, Howard Blumenfeld, Pasquale Schiavone, and Shafi Khan</b>	February 14-18; February 23 – March 7; March 9-11, 2011	<b>Agoracom Investor Relations Corp., Agora International Enterprises Corp., George Tsiolis and Apostolis Kondakos (a.k.a. Paul Kondakos)</b>
9:30 a.m.			s. 127
			T. Center in attendance for Staff
			Panel: TBA
January 10, 12-21 and 24, 2011	<b>Carlton Ivanhoe Lewis, Mark Anthony Scott, Sedwick Hill, Leverage Pro Inc., Prosporex Investment Club Inc., Prosporex Investments Inc., Prosporex Ltd., Prosporex Inc., Prosporex Forex SPV Trust, Networth Financial Group Inc., and Networth Marketing Solutions</b>	February 25, 2011	<b>Hillcorp International Services, Hillcorp Wealth Management, Suncorp Holdings, 1621852 Ontario Limited, Steven John Hill, and Danny De Melo</b>
10:00 a.m.			s. 127
			A. Clark in attendance for Staff
			Panel: TBA
		10:00 a.m.	Panel: TBA
		February 25, 2011	<b>Hillcorp International Services, Hillcorp Wealth Management, Suncorp Holdings, 1621852 Ontario Limited, Steven John Hill, and Danny De Melo</b>
		10:00 a.m.	s. 127
			A. Clark in attendance for Staff
			Panel: TBA
January 17-21, 2011	<b>Merax Resource Management Ltd. carrying on business as Crown Capital Partners, Richard Mellon and Alex Elin</b>	March 1-7; 9-11; 21; and 23-31, 2011	<b>Paul Donald</b>
10:00 a.m.			s. 127
			C. Price in attendance for Staff
			Panel: TBA
		10:00 a.m.	Panel: TBA



March 7, 2011 10:00 a.m.	<b>Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Ciavarella and Michael Mitton</b>	TBA	<b>Biovail Corporation, Eugene N. Melnyk, Brian H. Crombie, John R. Miszuk and Kenneth G. Howling</b>
	s. 127		s. 127(1) and 127.1
	H. Craig in attendance for Staff		J. Superina, A. Clark in attendance for Staff
	Panel: TBA		Panel: TBA
March 30, 2011 10:00 a.m.	<b>Oversea Chinese Fund Limited Partnership, Weizhen Tang and Associates Inc., Weizhen Tang Corp., and Weizhen Tang</b>	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 and 127.1		
	M. Britton in attendance for Staff		
	Panel: TBA		
TBA	<b>Yama Abdullah Yaqeen</b>		
	s. 8(2)		s. 127
	J. Superina in attendance for Staff		M. Boswell in attendance for Staff
	Panel: TBA		Panel: TBA
TBA	<b>Microsourceonline Inc., Michael Peter Anzelmo, Vito Curalli, Jaime S. Lobo, Sumit Majumdar and Jeffrey David Mandell</b>	TBA	<b>FactorCorp Inc., FactorCorp Financial Inc. and Mark Twerdun</b>
	s. 127		s. 127
	J. Waechter in attendance for Staff		C. Price in attendance for Staff
	Panel: TBA		Panel: TBA
TBA	<b>Frank Dunn, Douglas Beatty, Michael Gollogly</b>	TBA	<b>MRS Sciences Inc. (formerly Morningside Capital Corp.), Americo DeRosa, Ronald Sherman, Edward Emmons and Ivan Cavric</b>
	s. 127		s. 127 and 127(1)
	K. Daniels in attendance for Staff		D. Ferris in attendance for Staff
	Panel: TBA		Panel: TBA
TBA	<b>Gregory Galanis</b>		
	s. 127		
	P. Foy 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>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>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>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>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>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>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>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>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>Lyndz Pharmaceuticals Inc., James Marketing Ltd., Michael Eatch and Rickey McKenzie</b></p> <p>s. 127(1) and (5)</p> <p>J. Feasby in attendance for Staff</p> <p>Panel: TBA</p>

TBA      **M P Global Financial Ltd., and Joe Feng Deng**

s. 127(1)

M. Britton in attendance for Staff

Panel: TBA

TBA      **Nelson Financial Group Ltd., Nelson Investment Group Ltd., Marc D. Boutet, Stephanie Lockman Sobol, Paul Manuel Torres, H.W. Peter Knoll**

s. 127

P. Foy in attendance for Staff

Panel: TBA

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

s. 127

M. Boswell in attendance for Staff

Panel: TBA

TBA      **Sunil Tulsiani, Tulsiani Investments Inc., Private Investment Club Inc., and Gulfland Holdings LLC**

s. 127

J. Feasby in attendance for Staff

Panel: TBA

TBA      **Shane Suman and Monie Rahman**

s. 127 and 127(1)

C. Price in attendance for Staff

Panel: JEAT/PLK

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

s. 127

C. Price in attendance for Staff

Panel: TBA

TBA      **York Rio Resources Inc., Brillante Brasilcan Resources Corp., Victor York, Robert Runic, George Schwartz, Peter Robinson, Adam Sherman, Ryan Demchuk, Matthew Oliver, Gordon Valde and Scott Bassingdale**

s. 127

H. Craig in attendance for Staff

Panel: TBA

#### ADJOURNED SINE DIE

**Global Privacy Management Trust and Robert Cranston**

**S. B. McLaughlin**

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

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

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

**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 Notice of Commission Approval – Material Amendments to CDS Rules and Procedures – Soft Cap for the New York Link Service**

**CDS CLEARING AND DEPOSITORY SERVICES INC.**

**MATERIAL AMENDMENTS TO CDS RULES AND PROCEDURES**

**SOFT CAP FOR THE NEW YORK LINK SERVICE**

**NOTICE OF COMMISSION APPROVAL**

In accordance with the Rule Protocol between the Ontario Securities Commission (Commission) and CDS Clearing and Depository Services Inc. (CDS), the Commission approved on July 23, 2010, amendments filed by CDS to its rules and procedures relating to a threshold established by CDS to reduce the size of the end of day payment obligations for individual New York Link participants. A copy and description of the rule amendments were published for comment on May 7, 2010 at (2010) 33 OSCB 4267 and a copy and description of the procedure amendments were published for comment on May 14, 2010 at (2010) 33 OSCB 4525. No comments were received.

### 1.1.3 CSA Staff Notice 31-317 (Revised) – Reporting Obligations Related to Terrorist Financing

Since the Canadian Securities Administrators (**CSA**) published CSA Staff Notice 31-317 Reporting Obligations Related to Terrorist Financing for Registrants, Exempt International Dealers, and Exempt International Advisers on April 16, 2010 (the **Notice**), CSA staff have been receiving questions as to whether federal monthly reporting and other requirements relating to terrorist financing and United Nations sanctions apply to entities in the business of dealing or advising in securities who avail themselves of registration exemptions other than exempt international dealers and exempt international advisers. Under sections 8.18 and 8.26 of National Instrument 31-103 Registration Requirements and Exemptions (**NI 31-103**), international dealers and international advisers (as defined in NI 31-103) transitioned in certain CSA jurisdictions from registered firms to firms doing business pursuant to registration exemptions. In the Notice, the CSA made clear its expectation that newly exempted international dealers and international advisers would continue to comply with any applicable federal provisions relating to terrorist financing and United Nations sanctions. The Notice also sets out CSA staff's view on the mechanics of complying with the reporting requirements contemplated by the specified federal law.

The reporting obligations set out in section 83.11 of the Criminal Code of Canada (the **Criminal Code**) apply to entities "authorized under provincial legislation to engage in the business of dealing in securities, or to provide portfolio management or investment counselling services." The language in the Criminal Code does not limit the scope of these federal provisions to registered firms.

Accordingly, the Notice and the corresponding consolidated CSA reporting form have been revised to clarify that the CSA expects exempt dealers and exempt advisers, provided that they engage in the business of "dealing in securities" or "providing portfolio management or investment counselling services" in any CSA jurisdiction, to comply with any applicable federal provisions relating to terrorist financing and United Nations sanctions.

#### **CSA STAFF NOTICE 31-317 (REVISED) REPORTING OBLIGATIONS RELATED TO TERRORIST FINANCING**

**July 30, 2010**

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

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

While this Staff Notice reflects CSA staff views on the application of this federal law, those potentially affected by the federal law are advised to seek legal advice on the matters dealt with by this Notice.

The CSA are issuing this Notice for the following purposes:

- to provide registrants, entities engaging in the business of "dealing in securities" pursuant to exemptions from the dealer registration requirement (**exempt dealers**) and entities engaging in the business of providing "portfolio management or investment counselling services" pursuant to exemptions from the adviser registration requirement (**exempt advisers**) with information on the new consolidated reporting form that will be used by each principal regulator,
- to provide information regarding the submission of monthly reports and advise registrants, exempt dealers and exempt advisers that the report may be filed with the principal regulator by e-mail, and
- to provide summary information on the laws which impose the monthly reporting requirements on registrants, exempt dealers and exempt advisers.

In a number of cases, the federal law requires reports to be made to a "principal agency or body" supervising a person or entity. In the case of a registrant, CSA staff consider that this reference corresponds to a "principal regulator" for securities purposes. While the federal law is not specific on this point, for convenience CSA staff advise exempt dealers and exempt advisers to

make these reports to the jurisdiction in Canada where most of their clients reside. In this Staff Notice, such a regulator is also referred to as a "principal regulator".

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

### Types of reporting

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

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

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

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

### Overview of the applicable laws

#### Terrorist financing

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

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

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

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

#### United Nations Act sanctions

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

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

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

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

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

### Overview of certain duties

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

#### Duty to review and make filings

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

- you must review your records on a continuing basis to determine whether you are in possession or control of property owned or controlled by or on behalf of a designated person and report your findings on a monthly basis
- if you determine that none of your clients are designated persons you are still required to report to your principal regulator that you have a *Nil* response. The term "designated person" in this Notice includes listed entities under the *Criminal Code*, listed persons under the UN SupTerror and those persons and entities covered by the UN Al-Qaida, the UN Iran and the UN NKorea.)

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

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

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

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

#### Freezing property

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

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

In addition, section 4 of the UN SupTerror, sections 4 and 4.1 of the UN Al-Qaida, section 9 of the UN Iran and section 9 of the UN NKorea prohibit making any property or any other financial or other related service available to or for the benefit of a designated person. Consequently, any property held directly or indirectly on behalf of a designated person must be held or be frozen.

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

Duty to disclose

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

- **RCMP**  
Anti-terrorist Financing Group  
Unclassified fax: (613) 993-9474
- **CSIS Financing Unit**  
Unclassified fax: (613) 231-0266

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

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

**New consolidated reporting form**

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

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

Registrants, exempt dealers and exempt advisers should use the new reporting form and submit their report to their principal regulator by e-mail.

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

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

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

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

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



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

## Appendix A

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

#### Alberta

Alberta Securities Commission  
Web: [www.albertasecurities.com](http://www.albertasecurities.com)  
Questions: [registration@asc.ca](mailto:registration@asc.ca)  
E-mail to: [unreports@asc.ca](mailto:unreports@asc.ca)

#### British Columbia

British Columbia Securities Commission  
Web: [www.bcsc.bc.ca](http://www.bcsc.bc.ca)  
Questions: 604 899-6667  
E-mail to: [mstreport@bcsc.bc.ca](mailto:mstreport@bcsc.bc.ca)

#### Manitoba

The Manitoba Securities Commission  
Web: [www.msc.gov.mb.ca](http://www.msc.gov.mb.ca)  
Questions: 204-945-5195 or  
[paula.white@gov.mb.ca](mailto:paula.white@gov.mb.ca)  
e-mail to: [unreports@gov.mb.ca](mailto:unreports@gov.mb.ca)

#### New Brunswick

New Brunswick Securities Commission  
Web: [www.nbsc-cvmnb.ca](http://www.nbsc-cvmnb.ca)  
Questions: 506 658 3060  
E-mail to: [nrs@nbsc-cvmnb.ca](mailto:nrs@nbsc-cvmnb.ca)

#### Newfoundland and Labrador

Securities NL  
Financial Services Regulation Division  
Department of Government Services  
Web: [www.gs.gov.nl.ca](http://www.gs.gov.nl.ca)  
Questions: 709 729-0959  
Email to: [scon@gov.nl.ca](mailto:scon@gov.nl.ca)

#### Nova Scotia

Nova Scotia Securities Commission  
Web: [www.gov.ns.ca/nssc/](http://www.gov.ns.ca/nssc/)  
Questions: 902 424-4592  
E-Mail to: [MURPHYBW@gov.ns.ca](mailto:MURPHYBW@gov.ns.ca)

#### Northwest Territories

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

#### Nunavut

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

#### Ontario

Ontario Securities Commission  
Web: [www.osc.gov.on.ca](http://www.osc.gov.on.ca)  
Questions: 416 593-8314 or 1-877-785-1555  
E-mail to: [UNReports@osc.gov.on.ca](mailto:UNReports@osc.gov.on.ca)

#### Prince Edward Island

Superintendent of Securities  
Office of the Attorney General  
Web: [www.gov.pe.ca/securities](http://www.gov.pe.ca/securities)  
Questions: 902 368-4542  
E-mail to: [kptummon@gov.pe.ca](mailto:kptummon@gov.pe.ca)

#### Québec

Autorité des marchés financiers  
Web: [www.lautorite.qc.ca](http://www.lautorite.qc.ca)  
Questions: 1 877 525-0337 Ext 4755  
E-mail to: [rapportsterrorisme@lautorite.qc.ca](mailto:rapportsterrorisme@lautorite.qc.ca)

#### Saskatchewan

Saskatchewan Financial Services Commission  
Web: [www.spsc.gov.sk.ca](http://www.spsc.gov.sk.ca)  
Questions: 306 787-9397  
E-mail to: [registrationspsc@gov.sk.ca](mailto:registrationspsc@gov.sk.ca)

#### Yukon

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



Canadian Securities Administrators

Autorités canadiennes en valeurs mobilières

CONFIDENTIAL

when completed

Revised July 30, 2010

Monthly Suppression of Terrorism and UN Sanctions Report

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

and

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

Name of Registrant/Exempt Dealer/Exempt Adviser:	Date of filing of this report: <div> / / (dd / (mm) / yy)</div>
Address:	<div>Monthly period covered in this report: <div> / / (dd / (mm) / yy)</div></div> <div>(see Note 2)</div> <div>to <div> / / (dd / (mm) / yy)</div></div>

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

**Certificate**

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

Name	Signature	Title	Telephone	Date (dd/mm/yyyy):
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If you have checked the "Yes" box above, please complete the table below and the certificate at the end of this form.

**Definitions:**

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

**SUMMARY OF PROPERTY (see Note 3)**

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

### Certificate

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

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

#### **Instructions:**

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

#### **Notes:**

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

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



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

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

## Appendix A

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

<p><b>Alberta</b> Alberta Securities Commission Web: <a href="http://www.albertasecurities.com">www.albertasecurities.com</a> Questions: <a href="mailto:registration@asc.ca">registration@asc.ca</a> E-mail to: <a href="mailto:unreports@asc.ca">unreports@asc.ca</a></p> <p><b>British Columbia</b> British Columbia Securities Commission Web: <a href="http://www.bosc.bc.ca">www.bosc.bc.ca</a> Questions: 604 899-6667 E-mail to: <a href="mailto:mstreport@bosc.bc.ca">mstreport@bosc.bc.ca</a></p> <p><b>Manitoba</b> The Manitoba Securities Commission Web: <a href="http://www.msc.gov.mb.ca">www.msc.gov.mb.ca</a> Questions: 204-945-5195 or <a href="mailto:paula.white@gov.mb.ca">paula.white@gov.mb.ca</a> e-mail to: <a href="mailto:unreports@gov.mb.ca">unreports@gov.mb.ca</a></p> <p><b>New Brunswick</b> New Brunswick Securities Commission Web: <a href="http://www.nbsec-cvmb.ca">www.nbsec-cvmb.ca</a> Questions: 506 658 3060 E-mail to: <a href="mailto:nrs@nbsec-cvmb.ca">nrs@nbsec-cvmb.ca</a></p> <p><b>Newfoundland and Labrador</b> Securities NL Financial Services Regulation Division Department of Government Services Web: <a href="http://www.gs.gov.nl.ca">www.gs.gov.nl.ca</a> Questions: 709 729-0959 Email to: <a href="mailto:scon@gov.nl.ca">scon@gov.nl.ca</a></p>	<p><b>Northwest Territories</b> Government of the Northwest Territories Office of Superintendent of Securities Department of Justice Web: <a href="http://www.justice.gov.nt.ca/SecuritiesRegistry">www.justice.gov.nt.ca/SecuritiesRegistry</a> Questions: 867 920- 3318 E-Mail to: <a href="mailto:SecuritiesRegistries@gov.nt.ca">SecuritiesRegistries@gov.nt.ca</a></p> <p><b>Nova Scotia</b> Nova Scotia Securities Commission Web: <a href="http://www.gov.ns.ca/nssc/">www.gov.ns.ca/nssc/</a> Questions: 902 424-4592 E-Mail to: <a href="mailto:MURPHYBW@gov.ns.ca">MURPHYBW@gov.ns.ca</a></p> <p><b>Nunavut</b> Government of Nunavut Office of Superintendent of Securities Department of Justice Web: <a href="http://www.justice.gov.nu.ca">www.justice.gov.nu.ca</a> Questions: 867 975-6590 E-mail to: <a href="mailto:theffernan@gov.nu.ca">theffernan@gov.nu.ca</a> or <a href="mailto:CorporateRegistrations@gov.nu.ca">CorporateRegistrations@gov.nu.ca</a></p> <p><b>Ontario</b> Ontario Securities Commission Web: <a href="http://www.osc.gov.on.ca">www.osc.gov.on.ca</a> Questions: 416 593-8314 or 1-877-785-1555 E-mail to: <a href="mailto:UNReports@osc.gov.on.ca">UNReports@osc.gov.on.ca</a></p>	<p><b>Prince Edward Island</b> Superintendent of Securities Office of the Attorney General Web: <a href="http://www.gov.pe.ca/securities">www.gov.pe.ca/securities</a> Questions: 902 368-4542 E-mail to: <a href="mailto:kptummon@gov.pe.ca">kptummon@gov.pe.ca</a></p> <p><b>Québec</b> Autorité des marchés financiers Web: <a href="http://www.lautorite.qc.ca">www.lautorite.qc.ca</a> Questions: 1 877 525-0337 Ext 4755 E-mail to: <a href="mailto:rapportsterrorisme@lautorite.qc.ca">rapportsterrorisme@lautorite.qc.ca</a></p> <p><b>Saskatchewan</b> Saskatchewan Financial Services Commission Web: <a href="http://www.sfsc.gov.sk.ca">www.sfsc.gov.sk.ca</a> Questions: 306 787-9397 E-mail to: <a href="mailto:registrationsfsc@gov.sk.ca">registrationsfsc@gov.sk.ca</a></p> <p><b>Yukon</b> Department of Community Services Yukon Corporate Affairs (C-6) Superintendent of Securities Web: <a href="http://www.community.gov.yk.ca/corp/secureinvest.html">www.community.gov.yk.ca/corp/secureinvest.html</a> Questions: 867 667-5225 E-mail to: <a href="mailto:corporateaffairs@gov.yk.ca">corporateaffairs@gov.yk.ca</a></p>
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**1.1.4 Notice of Commission Approval – Material Amendments to CDS Rules – Termination of Euroclear UK Direct Service**

**CDS CLEARING AND DEPOSITORY SERVICES INC.  
(CDS®)**

**MATERIAL AMENDMENTS TO CDS RULES**

**TERMINATION OF EUROCLEAR UK DIRECT SERVICE**

**NOTICE OF COMMISSION APPROVAL**

In accordance with the Rule Protocol between the Ontario Securities Commission (“Commission”) and CDS, the Commission approved on July 23, 2010 amendments filed by CDS to its rules relating to the Termination of Euroclear UK Direct Service (Euroclear Service).

**Summary of Material Rule**

A copy and description of the rule amendments were published for comment on May 14, 2010 at (2010) 33 OSCB 4537. No public comments related to the rule amendments were received by the Commission or CDS.

The rule amendments remove references to the Euroclear Service from the CDS Participant Rules. The deleted sections include the definitions of terms used in describing the Euroclear Service, and all of Rule 14, which governs the Euroclear Service.

**Revisions to the Material Rule**

In consultation with its regulators, CDS has decided to make a non-significant revision to the proposed rule amendments that were published for comment to ensure consistency. The revision removes two additional cross-references to the Euroclear Service.

The additional non-significant revision to the rule amendments that were published for comment are provided in Appendix A.

APPENDIX "A"

PROPOSED CDS RULE AMENDMENTS

Text of amended CDS Participant Rules marked to reflect proposed revision	Text of amended CDS Participant Rules reflecting the adoption of proposed revisions
<p>additions are <u>underlined</u> deletions are <del>struck-out</del></p> <p><b><del>2.4.11 Euroclear UK Direct Service</del></b></p> <p><del>A full service Participant may use the Euroclear UK Direct Service in accordance with Rule 14.</del></p> <p><b>2.7.1 Restrictions on System Functionality</b></p> <p>...</p> <p>(e) the Participant fails to comply with Rule 10.2.3 with respect to the Cross-Border Services <del>or with Rule 14 with respect to the Euroclear UK Direct Service.</del></p>	<p><b>2.7.1 Restrictions on System Functionality</b></p> <p>...</p> <p>(e) the Participant fails to comply with Rule 10.2.3 with respect to the Cross-Border Services.</p>

**1.1.5 Notice of Commission Approval – Material Amendments to CDS Rules – Participant Application to Use Functionality for Roles re Securities**

**CDS CLEARING AND DEPOSITORY SERVICES INC.  
(CDS®)**

**MATERIAL AMENDMENTS TO CDS RULES**

**PARTICIPANT APPLICATION TO USE  
FUNCTIONALITY FOR ROLES RE SECURITIES**

**NOTICE OF COMMISSION APPROVAL**

In accordance with the Rule Protocol between the Ontario Securities Commission (Commission) and CDS Clearing and Depository Services Inc. (CDS), the Commission approved on July 23, 2010 amendments filed by CDS to its rules. The rule amendment corrects two issues that were identified during the drafting of the application form allowing CDS participants to act as an ISIN activator, security validator or custodian of securities that are eligible in CDSX. The rule amendments: (a) limit the requirement for a custodian to submit an application to CDS to Domestic Custodians who are participants; and (b) remove the requirement for Board approval of such applications. A copy and description of these amendments were published for comment on May 14, 2010 at (2010) 33 OSCB 4541. No comments were received.

**1.3 News Releases**

**1.3.1 CSA Review Shows Issuers are Improving Disclosure on IFRS Transition**

**FOR IMMEDIATE RELEASE  
July 23, 2010**

**CSA REVIEW SHOWS ISSUERS ARE IMPROVING  
DISCLOSURE ON IFRS TRANSITION**

**Toronto** – The Canadian Securities Administrators (CSA) today published Staff Notice 52-326 *IFRS Transition Disclosure Review*, showing an improvement in the quality of disclosure by reporting issuers on their upcoming transition to International Financial Reporting Standards (IFRS), as provided in their 2009 annual Management's Discussion & Analysis (MD&A).

The disclosure of a reporting issuer's preparation for the transition to IFRS is a key focus for investors when evaluating the readiness of a reporting issuer and the impact that IFRS adoption may have on its business activities and financial reporting. IFRS comes into effect in Canada on January 1, 2011.

"The CSA's review revealed that reporting issuers have enhanced the quality and amount of disclosure related to the changeover to IFRS, but more improvements should be made," said Jean St-Gelais, Chair of the CSA and President and Chief Executive Officer of the Autorité des marchés financiers (Québec). "We expect reporting issuers to continue to provide investors with disclosure that is increasingly robust and complete, as the 2011 transition is quickly approaching."

The purpose of the Notice is to summarize the results of the review and provide further guidance for reporting issuers preparing MD&A disclosure. The review found, among other things:

- 95 per cent of reporting issuers reviewed disclosed their IFRS changeover plan in their 2009 MD&A;
- 60 per cent of reporting issuers reviewed described milestones and anticipated timelines associated with key elements of their changeover plan; and
- 82 per cent of reporting issuers reviewed identified significant accounting policy differences between the current Canadian GAAP and IFRS. Even so, many reporting issuers could improve their discussion of accounting differences to help investors understand the implications of the IFRS transition that is specific to the issuer.

The CSA review accounts only for disclosure of reporting issuers' IFRS transition efforts, and does not examine the actual preparedness of an issuer. Guidance on IFRS

transition disclosure was provided on May 9, 2008, in CSA Staff Notice 52-320 *Disclosure of Expected Changes in Accounting Policies Relating to Changeover to International Financial Reporting Standards*.

Reporting issuers that provide sufficient information about their conversion process and its effects prior to the changeover to IFRS will assist in reducing investor uncertainty as Canada transitions to IFRS in 2011.

Copies of the Notice are available on the websites of CSA members. The CSA, the council of the securities regulators of Canada's provinces and territories, co-ordinates and harmonizes regulation for the Canadian capital markets.

For more information:

Theresa Ebdon  
Ontario Securities Commission  
416-593-8307

Sylvain Th  berge  
Autorit   des march  s financiers  
514-940-2176

Mark Dickey  
Alberta Securities Commission  
403-297-4481

Ken Gracey  
British Columbia Securities Commission  
604-899-6577

Ainsley Cunningham  
Manitoba Securities Commission  
204-945-4733

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

Shirley Lee  
Nova Scotia Securities Commission  
902-424-5441

Barbara Shourounis  
Saskatchewan Financial Services Commission  
306-787-5842

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

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

Graham Lang  
Yukon Securities Registry  
867-667-5466

Louis Arki  
Nunavut Securities Office  
867-975-6587

Donn MacDougall  
Northwest Territories  
Securities Office  
867-920-8984

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

**1.4.1 Innovative Gifting Inc. et al.**

**FOR IMMEDIATE RELEASE  
July 22, 2010**

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

**AND**

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

**TORONTO** – The Commission issued an Order in the above named matter which provides that pursuant to subsection 127(8) of the Act, the Temporary Order is extended as against IGI until September 10, 2010; and the hearing with respect to the Notice of Hearing dated March 2, 2010 and with respect to the Temporary Order is adjourned to September 9, 2010 at 10:00 a.m., at which time a confidential pre-hearing conference will be held.

A copy of the Order dated July 21, 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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For investor inquiries:

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

**1.4.2 Brillante Brasilcan Resources Corp. et al.**

**FOR IMMEDIATE RELEASE  
July 22, 2010**

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

**AND**

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

**TORONTO** – The Commission issued an Order in the above named matter which provides that (1) pursuant to subsection 127(8) of the Act that the hearing is adjourned to August 30, 2010 at 11:00 a.m.; and (2) pursuant to subsection 127(8) of the Act that the Amended Temporary Order is extended until close of business on August 31, 2010, subject to further extension by order of the Commission;

A copy of the Order dated July 21, 2010 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

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**1.4.3 York Rio Resources Inc. et al.**

**FOR IMMEDIATE RELEASE  
July 22, 2010**

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

**AND**

**IN THE MATTER OF  
YORK RIO RESOURCES INC.,  
BRILLIANTE BRASILCAN  
RESOURCES CORP.,  
VICTOR YORK, ROBERT RUNC,  
GEORGE SCHWARTZ, PETER ROBINSON,  
ADAM SHERMAN, RYAN DEMCHUK,  
MATTHEW OLIVER, GORDON VALDE AND  
SCOTT BASSINGDALE**

**TORONTO** – The Commission issued an Order in the above named matter which provides that the hearing is adjourned to August 30, 2010 at 11:00 a.m. for the purpose of conducting a pre-hearing conference or such other date as is agreed to by the parties and determined by the Office of the Secretary.

A copy of the Order dated July 21, 2010 is available at **[www.osc.gov.on.ca](http://www.osc.gov.on.ca)**.

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

**FOR IMMEDIATE RELEASE  
July 22, 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 the hearing with respect to this matter is adjourned to August 30, 2010, at 10:30 a.m. at which time the pre-hearing conference will be continued.

A copy of the Order dated July 22, 2010 is available at **[www.osc.gov.on.ca](http://www.osc.gov.on.ca)**.

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**1.4.5 Uranium308 Resources Inc. et al.**

**FOR IMMEDIATE RELEASE**  
**July 22, 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 the hearing with respect to this matter is adjourned to August 30, 2010, at 10:00 a.m. at which time the pre-hearing conference will be continued.

A copy of the Order dated July 22, 2010 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

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**1.4.6 Irwin Boock et al.**

**FOR IMMEDIATE RELEASE**  
**July 22, 2010**

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

**AND**

**IN THE MATTER OF  
IRWIN BOOCK, STANTON DEFREITAS,  
JASON WONG, SAUDIA ALLIE, ALENA DUBINSKY,  
ALEX 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**

**TORONTO** – The Commission issued an Order in the above named matter which provides that (a) the Select American Hearing Dates, previously set to commence on October 18, 2010, shall be vacated; (b) the Status Hearing currently scheduled for September 13, 2010 shall be vacated; (c) the Status Hearing shall be adjourned until November 29, 2010 at 9:30 a.m. at the offices of the Commission; and (d) the Disclosure Decision shall be stayed on an interim basis until the earlier of the date of a decision on the merits in the JR Application or November 29, 2010, or until such further date as ordered by the Commission

A copy of the Order dated July 15, 2010 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
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## Chapter 2

# Decisions, Orders and Rulings

### 2.1 Decisions

#### 2.1.1 CI Investments Inc.

##### Headnote

National Policy 11-203 Process For Exemptive Relief Applications in Multiple Jurisdictions – Relief granted from multi-layering prohibition in paragraph 2.5(2)(b) of NI 81-102 to permit CI managed mutual funds to invest in a new CI managed underlying mutual fund which in turn obtains exposure to a new CI managed reference fund through a forward agreement – Underlying fund and reference fund aim to provide exposure to a diversified portfolio of income-generating securities in a manner that is similar to holding multiple income generating funds – Underlying fund and reference fund not available for purchase by retail investors – Three-tier structure is transparent and intended to provide top mutual funds with exposure to fixed income on tax efficient basis – Underlying fund and reference fund not intending to renew simplified prospectus after first prospectus lapses – Underlying fund and reference fund will remain reporting issuers in the same jurisdictions as the top mutual funds after their respective prospectus lapses and continue to be subject to the requirements of NI 81-102, NI 81-106 and NI 81-107 – Top mutual funds and underlying fund granted relief from requirements of paragraphs 2.5(2)(a) and (c) of NI 81-102 to permit their respective continued investment in the underlying fund and reference fund.

##### Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 2.1(1), 2.2(1)(a), 2.5(2)(a), 2.5(2)(b), 2.5(2)(c), 19.1.

July 19, 2010

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

AND

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

AND

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

AND

### THE FUNDS AND THE UNDERLYING FUND (as each is defined below)

#### DECISION

##### Background

The principal regulator in the Jurisdiction has received an application (the **Application**) from the Filer on behalf of:

- (a) each of the mutual funds (other than the Underlying Fund and Reference Fund, as each defined below) of which the Filer, or an affiliate of the Filer, is or in the future becomes, the manager and to which National Instrument 81-102 – *Mutual Funds (NI 81-102)* applies (the **Funds**), and
- (b) Select Income Advantage Managed Fund (the **Underlying Fund**),

for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) exempting

- (c) the Funds from the requirement of subsection 2.5(2)(b) of NI 81-102 (the **Three-Tier Relief**) to permit each Fund to invest in units of the Underlying Fund, and
- (d) the Funds and the Underlying Fund from the requirements of subsection 2.1(1) and paragraphs 2.2(1)(a), 2.5(2)(a) and 2.5(2)(c) of NI 81-102 (collectively, the **Non-Prospectused Investing Relief** and, together with the Three-Tier Relief, the **Requested Relief**) to permit:
  - (i) each Fund to invest in units of the Underlying Fund, and
  - (ii) the Underlying Fund to enter into specified derivatives which provide exposure to the returns of units of Select Income Advantage Managed Trust (the **Reference Fund**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions:

- (a) the Ontario Securities Commission is the principal regulator for the Application; and

- (b) the Filer has provided notice that Section 4.7 of Multilateral Instrument 11-102 - *Passport System (MI 11-102)* is intended to be relied upon in respect of the Requested Relief in British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Prince Edward Island, Nova Scotia, Newfoundland and Labrador, Northwest Territories, Yukon and Nunavut (the **Passport Jurisdictions**).

## Interpretation

Defined terms in the securities legislation of the Jurisdiction or the Passport Jurisdictions, National Instrument 14-101 – *Definitions* or NI 81-102 have the same meanings in this Decision, unless otherwise defined.

## Representations

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

1. Each Fund is a reporting issuer under the securities legislation of each province and territory of Canada and is subject to all of the requirements of National Instrument 81-101 – *Mutual Fund Distributions (NI 81-101)*, NI 81-102, National Instrument 81-106 – *Investment Fund Continuous Disclosure (NI 81-106)* and National Instrument 81-107 – *Independent Review Committee for Investment Funds (NI 81-107)* and, together with NI 81-102 and NI 81-106, the **Mutual Fund Instruments**), except to the extent that it may be granted discretionary relief from any such requirements.
2. The Filer, a corporation incorporated under the laws of the Province of Ontario, or an affiliate of the Filer, acts as the manager of each Fund.
3. The Filer and the Funds are, to the best of their knowledge, not in default of securities legislation of the Jurisdiction or any Passport Jurisdiction.
4. Each Fund's investment objective permits the Fund to invest, directly or indirectly, in securities which are fixed income in nature. Each Fund's investment objective also permits the Fund to make such investments either:
  - (a) directly, by purchasing and holding such securities; or
  - (b) indirectly through investments in other mutual funds and/or specified derivatives.
5. The Reference Fund is a newly-created mutual fund to which NI 81-101 and the Mutual Fund Instruments apply, except to the extent that it may be granted discretionary relief from any such requirements. The Reference Fund is a reporting issuer under the securities legislation of the Jurisdiction and each Passport Jurisdiction. The Filer is the trustee and manager of the Reference Fund.
6. The investment objective of the Reference Fund is to provide exposure to a diversified portfolio of income-generating securities in a manner that is similar to holding multiple income-generating funds. The Reference Fund invests primarily in investment grade fixed income securities issued by governments and corporations in Canada and globally. The Reference Fund also may invest up to 50% of its assets in other income generating securities such as preferred shares, common shares and real estate investment trusts.
7. The Underlying Fund is a newly-created mutual fund to which NI 81-101 and the Mutual Fund Instruments apply, except to the extent that it may be granted discretionary relief from any such requirements. The Underlying Fund is a reporting issuer under the securities legislation of the Jurisdiction and each Passport Jurisdiction. The Filer is the trustee and manager of the Underlying Fund.
8. The investment objective of the Underlying Fund is to provide exposure to a diversified portfolio of income-generating securities in a manner that is similar to holding multiple income-generating funds. In order to pursue its investment objective, the Underlying Fund will obtain exposure to the Reference Fund by entering into one or more specified derivatives (collectively, the **Forward Agreement**) with one or more counterparties. All aspects of the Forward Agreement will comply with the requirements of NI 81-102 relating to the use of specified derivatives by mutual funds.
9. Units of the Underlying Fund and the Reference Fund are not available for purchase by retail investors in Canada. Instead, units of the Underlying Fund and the Reference Fund are available for purchase only by "accredited investors" (as defined in National Instrument 45-106 – *Prospectus Exempt Distributions*).
10. The Underlying Fund and the Reference Fund do not intend to renew their respective prospectuses after the first such prospectuses lapse. After such first prospectuses lapse in 2011, the Underlying Fund and the Reference Fund intend to continue distributing their units only on a basis which is exempt from the prospectus requirements in Canadian securities legislation (principally by distributing their units only to accredited investors). The Underlying Fund and Reference Fund will at that time cease to be subject to the requirements of NI 81-101.
11. After the first prospectuses of the Underlying Fund and Reference Fund lapse in 2011, the Underlying

Fund and the Reference Fund will remain reporting issuers in each jurisdiction in which the Funds also are reporting issuers, and will accordingly remain subject to all of the requirements of the Mutual Fund Instruments, except to the extent that they may be granted discretionary relief from any such requirements. A Fund will not purchase or hold units of the Underlying Fund if the Underlying Fund or Reference Fund cease to be reporting issuers in the same jurisdictions in which the Fund is a reporting issuer.

- (a) to a Fund provided that the Underlying Fund remains a reporting issuer that is subject to the Mutual Fund Instruments in all jurisdictions in which the Fund is a reporting issuer, and
- (b) to the Underlying Fund provided that the Reference Fund remains a reporting issuer that is subject to the Mutual Fund Instruments in all jurisdictions in which the Underlying Fund is a reporting issuer.

"Vera Nunes"

Assistant Manager, Investment Funds Branch

- 12. The Filer believes that it would be advantageous to each Fund and its securityholders to be able to obtain exposure to the portfolio of fixed income securities owned by the Reference Fund by investing in units of the Underlying Fund. It would be inefficient from a tax perspective for each Fund to directly acquire and hold units of the Reference Fund. It would be administratively inefficient for each Fund to enter into its own specified derivatives to obtain exposure to the Reference Fund.
- 13. A Fund will invest in units of the Underlying Fund only if such investment is permitted by, and consistent with, the investment objective of the Fund.
- 14. The investments by the Funds in units of the Underlying Fund, and the exposure of the Underlying Fund (and, indirectly, the Funds) to the changes in value of units of the Reference Fund:
  - (a) will be made in accordance with the requirements of section 2.5 of NI 81-102 except as otherwise permitted by the Requested Relief; and
  - (b) will represent the business judgment of "responsible persons" (as defined in section 13.5(1) of National Instrument 31-103 – *Registration Requirements and Exemptions*) uninfluenced by considerations other than the best interests of the Funds (including the Underlying Fund).

### Decision

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

The Decision of the principal regulator under the Legislation is that

- 1. the Three-Tier Investing Relief is granted to the Funds, and
- 2. the Non-Prospectused Investing Relief is granted

## 2.1.2 Navina Asset Management Inc.

### Headnote

NP 11-203 – Process for Exemptive Relief Applications in Multiple Jurisdictions – Approval of a change of control of a mutual fund manager – Direct change of control of Manager as a result of an agreement to purchase all of the issued and outstanding common shares in the capital of the Manager.

### Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, s. 5.5(2).

July 23, 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  
NAVINA ASSET MANAGEMENT INC.  
 (“NAVINA” OR THE “MANAGER”)**

**DECISION**

### Background

The principal regulator in the Jurisdiction has received an application from Aston Hill Financial Inc. (the “Filer”) for a decision under the securities legislation of the Jurisdiction (the “**Legislation**”) for approval pursuant to subsection 5.5(2) of National Instrument 81-102 *Mutual Funds* (“**NI 81-102**”) of a change of control of the Manager (the “**Approval 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 each province and territory of Canada.

### Interpretation

Defined terms contained in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning in this decision unless they are otherwise defined in this decision.

## Representations

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

### *The Acquisition*

1. The Filer has entered into a share purchase agreement dated June 6, 2010 (the “**Agreement**”) with Navina and all of the shareholders of Navina pursuant to which all of the issued and outstanding shares of Navina will be acquired by the Filer (the “**Acquisition**”). The Acquisition remains subject to the receipt of all applicable regulatory approvals, third party consents, as well as the satisfaction of other customary closing conditions set out in the Agreement.
2. Navina is the manager of the following mutual funds (the “Navina Funds”): Navina Global Resource Fund, Navina Income & Growth Fund, Navina/Lazard U.S. High Yield Bond Fund, Lawrence Enterprise Fund Inc., and Lawrence India Fund.
3. The Acquisition consists of a direct change of control of Navina thereby requiring the approval of the Regulators pursuant to section 5.5(2) of NI 81-102.

### *Relevant Parties*

4. Information about the relevant parties involved in the Acquisition consists of the following:

#### *Aston Hill Financial Inc.*

- (a) Aston Hill was incorporated under the Business Corporations Act (Alberta) on June 16, 1993 as Green Maple Energy Inc. The corporate name was changed to Overlord Financial Inc. on November 9, 2001 and to the current name on June 5, 2007.
- (b) Aston Hill’s common shares are listed on the TSX Venture Exchange (the “TSXV”) under the symbol “AHF.V”. Aston Hill and its subsidiaries are engaged in investment management with expertise in the junior oil and gas investments sector, energy-based trusts, oil and gas property management and high-yield structured products. As at April 30, 2010, Aston Hill and its subsidiaries have \$1.953 billion in total assets under management.
- (c) Aston Hill’s mutual fund business activities are carried out through its wholly-owned subsidiary, Catapult Financial Management Inc. (“Catapult”). Catapult is registered under the Securities

Acts of Alberta and Québec as an adviser in the category of portfolio manager and under the Securities Acts of Alberta, Quebec and Ontario as an Investment Fund Manager.

- (d) Catapult acts as advisor or sub-advisor to seven mutual funds which are sold to the public under the family names Ark Aston Hill Funds, Ark Catapult Funds and the IA Clarington Funds, among other investment products and services.
- (e) No subsidiaries of Aston Hill are registrants in Canada other than Catapult.

*Navina Asset Management Inc.*

- (a) Navina is a private issuer amalgamated under the Business Corporations Act (Ontario) on January 1, 2010.
- (b) The principal business of Navina is specialized global asset management with interests in Canada and around the world.
- (c) Navina is the manager of the Navina Funds, the securities of which are sold to the public in each of the provinces and territories of Canada except for the Lawrence Enterprise Fund (which was sold to the public in Ontario and Nova Scotia only).
- (d) Navina is registered as an adviser in the category of portfolio manager and as an exempt market dealer in Ontario.

*Proposed Change of Control*

- 5. The change of control of Navina will not materially affect the operation and administration of the Navina Funds. Navina will remain the manager of the Navina Funds and there is no intention to have Navina merge with Aston Hill or Catapult or to have Catapult become the manager of the Navina Funds in the foreseeable future, nor is there any intention to change the investment objectives or strategies of the Navina Funds. It is intended that the Aston Hill and Navina fund families will be maintained as separate entities. Aston Hill does not intend to increase the management fees that the Navina Funds pay.
- 6. Aston Hill has considerable experience in the Canadian mutual fund industry through management of the funds managed by Catapult.
- 7. Aston Hill and Navina will examine ways to integrate back-office operations to reduce expenses both for their respective shareholders

and the securityholders of the respective mutual funds they manage.

- 8. It is possible that some changes to the management of Navina will be made following the completion of the Acquisition; however, it is expected any new directors and officers of Navina to be appointed by Aston Hill will be persons who are already or have recently been directors or officers of a registrant in at least one province of Canada, who are directors or senior officers of Aston Hill, or who are directors or officers of an entity which is already the manager of public mutual funds in Canada.
- 9. A notice regarding the change of control of Navina was submitted to the registration branch of the OSC on June 7, 2010 pursuant to sections 11.9 and 11.10 of National Instrument 31-103.
- 10. Pursuant to section 5.8(1)(a) of NI 81-102, each of the securityholders of the Funds were sent a notice of the proposed change of control on June 7, 2010 (the “**Notice Date**”).
- 11. The Acquisition is currently expected to close in August 2010 following the receipt of the regulatory approvals and the expiration of the notice period provided for in section 5.8(1)(a) of NI 81-102.

**Decision**

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

The decision of the principal regulator under the Legislation is that the Approval Sought is granted.

“Darren McKall”

Assistant Manager, Investment Funds Branch  
Ontario Securities Commission

### 2.1.3 BMO Asset Management Inc.

#### Headnote

National Policy 11-203 – Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted from paragraph 13.5(2)(b) of NI 31-103 to permit inter-fund trades between public mutual funds, pooled funds and managed accounts – inter-fund trades will comply with conditions in subsection 6.1(2) of NI 81-107 including IRC approval or client consent – trades involving exchange-traded securities are permitted to occur at last sale price as defined in the Universal Market Integrity Rules - relief also subject to pricing and transparency conditions. Exemption also granted from conflict of interest trading prohibition in paragraph 13.5(2)(b) of NI 31-103 to permit in-specie subscriptions and redemptions by separately managed accounts and pooled funds in pooled funds – Portfolio manager of managed accounts is also portfolio manager of pooled funds and is therefore a “responsible person” – Relief subject to certain conditions.

#### Applicable Legislative Provisions

National Instrument 31-103 – Registration Requirements and Exemptions – ss. 13.5, 15.1

National Instrument 81-107 – Independent Review Committee for Investment Funds – ss. 6.1(2) and 6.1(4).

July 22, 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  
BMO ASSET MANAGEMENT INC.  
(the Filer)

DECISION

#### Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) providing an exemption from Paragraph 13.5(2)(b) of National Instrument 31-103 *Registration Requirements and Exemptions* (**NI 31-103**) (the **Trading Prohibition**) that prohibits an adviser from knowingly causing an investment portfolio managed by it (including an investment fund for which it acts as an adviser) to purchase or sell the securities of any issuer from or to the investment portfolio of an associate of a responsible person or any investment fund for which a responsible person acts as an adviser,

- (a) to permit the following purchases and sales (each purchase or sale, an **Inter-Fund Trade**):
  - (i) an existing mutual fund or future mutual fund to which National Instrument 81-102 *Mutual Funds* (**NI 81-102**) applies of which the Filer, or an affiliate of the Filer, is the registered adviser (each, an **NI 81-102 Fund** and collectively, the **NI 81-102 Funds**), is permitted to enter into Inter-Fund Trades of securities with another NI 81-102 Fund, an existing Canadian mutual fund or future Canadian mutual fund to which NI 81-102 does not apply of which the Filer, or an affiliate of the Filer, is the registered adviser (each, a **Pooled Fund** and, collectively, the **Pooled Funds**) or a fully managed account managed by the Filer or one of its affiliates (each, a **Managed Account** and, collectively, the **Managed Accounts**);
  - (ii) a Pooled Fund is permitted to enter into Inter-Fund Trades of securities with another Pooled Fund, an NI 81-102 Fund or a Managed Account; and

- (iii) a Managed Account is permitted to enter into Inter-Fund Trades of securities with an NI 81-102 Fund or a Pooled Fund; and
  - (iv) the transactions listed in (i) to (iii) are permitted to be executed at the last sale price, as defined in the Universal Market Integrity Rules of the Investment Industry Regulatory Organization of Canada, prior to the execution of the trade (the **Last Sale Price**) in lieu of the closing sale price (the **Closing Sale Price**) contemplated by the definition of "current market price of the security" in Subparagraph 6.1(1)(a)(i) of National Instrument 81-107 *Independent Review Committee for Investment Funds (NI 81-107)* on that trading day where the securities involved in the Inter-Fund Trade are exchange-traded securities (which term shall include Canadian and foreign exchange-traded securities);
- (b) to permit the following purchases and redemptions (each purchase and redemption, an **In-Specie Transaction**):
- (i) the purchase by a Managed Account of securities of an NI 81-102 Fund or Pooled Fund, and the redemption of securities held by a Managed Account in an NI 81-102 Fund or Pooled Fund, and as payment:
    - (A) for such purchase, in whole or in part, by the Managed Account making good delivery of portfolio securities to the NI 81-102 Fund or Pooled Fund; and
    - (B) for such redemption, in whole or in part, by the NI 81-102 Fund or Pooled Fund making good delivery of portfolio securities to the Managed Account; and
  - (ii) the purchase by an NI 81-102 Fund or Pooled Fund of securities of another NI 81-102 Fund or Pooled Fund and the redemption of securities held by an NI 81-102 Fund or Pooled Fund in another NI 81-102 Fund or Pooled Fund, and as payment for such purchase or redemption, in whole or in part, by making good delivery of portfolio securities that meet the investment criteria of that NI 81-102 Fund or Pooled Fund,

(collectively, the **Exemption Sought**).

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

- (a) the Ontario Securities Commission is the principal regulator for this application,
- (b) the Filer has provided notice that Subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System (MI 11-102)* is intended to be relied upon in all of the provinces and territories of Canada other than Ontario (the **Passport Jurisdictions**).

### Interpretation

Terms defined in MI 11-102, National Instrument 14-101 *Definitions*, NI 81-102, NI 81-107 and NI 31-103 have the same meanings if used in this decision unless otherwise defined.

### Representations

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

1. The Filer is a corporation incorporated under the laws of the Province of Ontario. It is registered as a portfolio manager in each of the provinces and territories of Canada (the **Jurisdictions**), as an exempt market dealer in Ontario and Newfoundland and Labrador and as commodity trading manager in Ontario.
2. The head office of the Filer is located in Toronto, Ontario.
3. The Filer is an indirect wholly-owned subsidiary of Bank of Montreal.
4. Each of the NI 81-102 Funds and Pooled Funds (each, a **Fund** and, collectively, the **Funds**) is or will be an investment fund established as a trust, corporation or limited partnership under the laws of Canada or a jurisdiction of Canada.
5. Each of the NI 81-102 Funds is, or will be, a reporting issuer and qualified for distribution in each of the Jurisdictions pursuant to a simplified prospectus and annual information form prepared and filed in accordance with securities legislation.

## Decisions, Orders and Rulings

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6. Each of the Pooled Funds is, or will be, qualified for distribution in the Jurisdictions pursuant to exemptions from the prospectus requirement and will not be a reporting issuer.
7. The Filer, or an affiliate of the Filer, is, or will be, the manager and/or portfolio manager of each of the Funds.
8. The Filer or an affiliate of the Filer, is or will be, the adviser of a Managed Account.
9. The Filer, or an affiliate of the Filer is, or may be, the trustee of certain of the Funds that are created as trusts.
10. A Fund may be an associate of the Filer, or of an affiliate of the Filer, that is a responsible person in respect of another Fund or a Managed Account.
11. The Filer, affiliates of the Filer seeking to rely upon this decision and each of the Funds are not, or will not be, in default of securities legislation in any of the Jurisdictions.
12. The Filer and its affiliates offer discretionary portfolio management services to clients (**Clients**) seeking wealth management or related services under a written agreement (**Discretionary Management Agreement**) in connection with the Managed Account of the Client with the Filer or an affiliate of the Filer.
13. Pursuant to the Discretionary Management Agreement entered into with each Client, the Filer (or its affiliate) makes investment decisions for each Managed Account and has full discretionary authority to trade in securities for each Managed Account without obtaining the specific consent or instructions of the Client to the trade.
14. The portfolio management services provided by the Filer (or its affiliate) to each Client consist of the following:
  - (a) each Client executes a Discretionary Management Agreement whereby the Client authorizes the Filer (or its affiliate) to supervise, manage and direct purchases and sales in the Client's Managed Account, at the Filer's (or affiliate's) full discretion on a continuing basis;
  - (b) qualified employees of the Filer (or affiliate) perform investment research, securities selection and portfolio management functions with respect to all securities, investments, cash and cash equivalents and other assets in the Managed Account;
  - (c) each Managed Account holds securities and other investments as selected by the Filer (or affiliate) in its sole discretion; and
  - (d) the Filer (or affiliate) retains overall responsibility for the advice provided to its Clients and has a designated senior officer to oversee and supervise the Managed Account.
15. The Filer's minimum Managed Account size is generally \$10 million, which may be waived at the Filer's discretion.

## In-Specie Transactions

16. Investments in individual securities may at certain times not be appropriate in certain circumstances for the Filer's Clients. Consequently, the Filer may, where authorized under the Discretionary Management Agreement, from time to time invest Client assets in securities of any one or more of the Funds in order to give its Clients the benefit of asset diversification and economies of scale regarding minimum commission charges on portfolio trades and generally to facilitate portfolio management.
17. The Filer wishes to be able to enter into transactions that permit payment, in whole or in part, for units or shares of a Fund (**Fund Securities**) purchased by a Managed Account to be made by making good delivery of portfolio securities, held by such Managed Account, to a Fund, provided those portfolio securities meet the investment criteria of the Fund.
18. Similarly, following a redemption of Fund Securities by a Managed Account, the Filer wishes to be able to enter into transactions that permit payment, in whole or in part, of redemption proceeds to be satisfied by making good delivery of portfolio securities held in the investment portfolio of a Fund to such Managed Account, provided those portfolio securities meet the investment criteria of the Managed Account.
19. The Filer anticipates that such In-Specie Transactions will typically occur following a redemption of Fund Securities where a Managed Account invested in such Fund has experienced a change in circumstances which results in the Managed Account being an ideal candidate for direct holdings of individual portfolio securities rather than Fund Securities, or vice versa.



20. In addition, the Filer wishes to be able to enter into In-Specie Transactions for purchases and redemptions of Fund Securities between two Funds. This will occur where, as part of its portfolio management, a Fund wishes to obtain exposure to certain investments or category of asset classes invested in by a second Fund by investing in Fund Securities of that second Fund. The Filer wishes to be able to enter into transactions that permit payment, in whole or in part, for the Fund Securities to be made by making good delivery of portfolio securities held by the Fund to the second Fund in which it seeks to invest. Similarly, following a redemption of Fund Securities, the Filer wishes to be able to enter into transactions that permit payment, in whole or in part, of the redemption proceeds to be satisfied by making good delivery of portfolio securities held in the investment portfolio of the Fund being redeemed, provided those portfolio securities meet the investment criteria of the Fund accepting those portfolio securities.
21. Each Discretionary Management Agreement or other documentation will contain the authorization of the Client for the Filer or its affiliate to engage in In-Specie Transactions on behalf of the Managed Account.
22. The Filer or its affiliate will value portfolio securities under an In-Specie Transaction using the same values to be used on that day to calculate the net asset value for the purpose of the issue price or redemption price of Fund Securities.
23. Each Fund will keep written records of the In-Specie Transactions, including records of each purchase and sale of portfolio securities and the terms thereof, for a period of five years commencing after the end of the financial year in which the trade occurred, the most recent two years in a reasonably accessible place.
24. Since the Filer or its affiliate is the portfolio manager of the Managed Accounts and the Funds, the Filer would be considered a "responsible person" within the meaning of NI 31-103.
25. Prior to entering into an In-Specie Transaction involving a Fund and/or Managed Account, the proposed transaction will be reviewed to determine that the transaction represents the business judgment of the Filer or its affiliate, uninfluenced by considerations other than the best interests of the Fund and/or Managed Account.

**Inter-Fund Trades**

26. The Filer wishes to be able to enter into Inter Fund Trades of portfolio securities between:
  - (a) an NI 81 102 Fund and another NI 81 102 Fund, a Pooled Fund or a Managed Account;
  - (b) a Pooled Fund and another Pooled Fund, an NI 81 102 Fund or a Managed Account; and
  - (c) a Managed Account and a Pooled Fund or an NI 81 102 Fund.
27. The manager of each NI 81-102 Fund has established, or will establish, an independent review committee (**IRC**) in respect of each NI 81-102 Fund in accordance with the requirements of NI 81-107.
28. Inter-Fund Trades involving an NI 81-102 Fund will be referred to the relevant IRC of such NI 81-102 Fund under Subsection 5.2(1) of NI 81-107 and the manager of such NI 81-102 Fund will comply with Section 5.4 of NI 81-107 in respect of any standing instructions the IRC provides in connection with the Inter-Fund Trade.
29. The manager of each Pooled Fund will establish an IRC in respect of each Pooled Fund. The mandate of the IRC of the Pooled Funds will be to approve Inter-Fund Trades between a Pooled Fund and another Fund.
30. The IRC of the Pooled Funds will be composed by the manager of the Pooled Funds in accordance with Section 3.7 of NI 81-107 and the IRC will be expected to comply with the standard of care set out in Section 3.9 of NI 81-107. The IRC of the Pooled Funds will not approve an Inter-Fund Trade involving a Pooled Fund unless it has made the determination set out in Subsection 5.2(2) of NI 81-107.
31. The Discretionary Management Agreement or other documentation in respect of a Managed Account will contain the authorization of the Client for the Filer (or its affiliate) on behalf of the Managed Account to engage in Inter-Fund Trades with the Funds.
32. At the time of an Inter-Fund Trade, the Filer (or its affiliate) will have in place policies and procedures to enable the Funds and/or Managed Accounts to engage in Inter-Fund Trades with the Funds.
33. The Filer, or an affiliate of the Filer, will comply with the following procedures when entering into Inter-Fund Trades between Funds or between Funds and Managed Accounts:

- (a) the portfolio manager of the Filer or affiliate of the Filer will deliver the trade instructions in respect of a purchase or a sale of a security by a Fund or Managed Account (**Portfolio A**) to a trader on a trading desk of the Filer or affiliate of the Filer;
  - (b) the portfolio manager of the Filer or affiliate of the Filer will deliver the trade instructions in respect of a sale or a purchase of a security by another Fund or Managed Account (**Portfolio B**) to a trader on a trading desk of the Filer or an affiliate of the Filer;
  - (c) the portfolio manager of the Filer or affiliate of the Filer will request the approval of the chief compliance officer of the Filer or affiliate of the Filer or his or her designated alternate during periods when it is not practicable for the chief compliance officer (**CO**) to address the matter to execute the trade as an Inter-Fund Trade;
  - (d) once the trader has confirmed the approval of the CO, the trader on the trading desk will have the discretion to execute the trade as an Inter-Fund Trade between Portfolio A and Portfolio B in accordance with the requirements of paragraphs (c) to (g) of Subsection 6.1(2) of NI 81-107 provided that, for exchange-traded securities, the Inter-Fund Trade may be executed at the Last Sale Price of the security, determined at the time of the receipt of the approval of the CO prior to the execution of the trade;
  - (e) the policies applicable to the trading desk of the Filer or affiliate of the Filer will require that all orders are to be executed on a timely basis; and
  - (f) the trader on a trading desk will advise the Filer or an affiliate of the Filer of the price at which the Inter-Fund Trade occurred.
34. The Filer cannot rely on the exemption from the Trading Prohibition in Subsection 6.1(4) of NI 81-107 unless the parties to the Inter-Fund Trade are both reporting issuers and the Inter-Fund Trade occurs at the current market price which, in the case of exchange-traded securities, includes the Closing Sale Price but not the Last Sale Price.
35. The Filer has determined that it would be in the interests of the Funds and the Managed Accounts to receive the Exemption Sought.

**Decision**

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

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted provided that:

**In-Specie Transactions:**

- (a) in connection with an In-Specie Transaction where a Managed Account acquires Fund Securities:
  - (i) the Filer (or its affiliate) obtains the prior written consent of the Client of the Managed Account before it engages in any In-Specie Transaction;
  - (ii) the Fund would, at the time of payment, be permitted to purchase the securities;
  - (iii) the securities are acceptable to the Filer (or its affiliate) as portfolio manager of the Fund and consistent with the Fund's investment objective;
  - (iv) the value of the securities is at least equal to the issue price of the Fund Securities of the Fund for which they are used as payment, valued as if the securities were portfolio assets of that Fund;
  - (v) the account statement next prepared for the Managed Account describes the securities delivered to the Fund and the value assigned to such securities; and
  - (vi) the Fund will keep written records of each In-Specie Transaction in a financial year of the Fund, reflecting details of the securities delivered to the Fund and the value assigned to such securities, for five years after the end of the financial year, the most recent two years in a reasonably accessible place;
- (b) in connection with an In-Specie Transaction where a Managed Account redeems Fund Securities:

- (i) the Filer (or its affiliate) obtains the prior written consent of the Client of the Managed Account before it engages in an In-Specie Transaction and such consent has not been revoked;
  - (ii) the securities are acceptable to the Filer (or its affiliate) as portfolio manager of the Managed Account and consistent with the Managed Account's investment objective;
  - (iii) the value of the securities is equal to the amount at which those securities were valued in calculating the net asset value per Fund Security used to establish the redemption price;
  - (iv) the account statement next prepared for the Managed Account describes the securities delivered to the Managed Account and the value assigned to such securities; and
  - (v) the Fund will keep written records of each In-Specie Transaction in a financial year of the Fund, reflecting details of the securities delivered by the Fund and the value assigned to such securities, for five years after the end of the financial year, the most recent two years in a reasonably accessible place;
- (c) in connection with an In-Specie Transaction where a Fund purchases Fund Securities:
  - (i) the Fund would, at the time of payment, be permitted to purchase the securities;
  - (ii) the securities are acceptable to the Filer (or its affiliate) as portfolio manager of the Fund and consistent with such Fund's investment objective;
  - (iii) the value of the securities is equal to the issue price of the Fund Securities of the Fund, valued as if the securities were portfolio assets of that Fund; and
  - (iv) the Fund will keep written records of each In-Specie Transaction in a financial year of the Fund, reflecting details of the securities delivered to the Fund and the value assigned to such securities, for five years after the end of the financial year, the most recent two years in a reasonably accessible place;
- (d) in connection with an In-Specie Transaction where a Fund redeems Fund Securities:
  - (i) the securities are acceptable to the Filer (or its affiliate) as portfolio manager of the Fund and consistent with the Fund's investment objective;
  - (ii) the value of the securities is equal to the amount at which those securities were valued in calculating the net asset value per security used to establish the redemption price; and
  - (iii) the Fund will keep written records of each In-Specie Transaction in a financial year of the Fund, reflecting details of the securities delivered by the Fund and the value assigned to such securities, for five years after the end of the financial year, the most recent two years in a reasonably accessible place;
- (e) the Filer does not receive any compensation in respect of any In-Specie Transaction and, in respect of any delivery of securities further to an In-Specie Transaction, the only charges paid by the Managed Account or the applicable Fund is the commission charged by the dealer executing the trade (if any) and/or any administrative charges levied by the custodian;

**Inter-Fund Trades:**

- (f) the Inter-Fund Trade is consistent with the investment objective of the Fund or Managed Account;
- (g) the Filer, or an affiliate of the Filer, refers the Inter-Fund Trade involving a Fund to the IRC of that Fund in the manner contemplated by Section 5.1 of NI 81-107 and the manager and the IRC of the Fund comply with Section 5.4 of NI 81-107 in respect of any standing instructions an IRC provides in connection with the Inter-Fund Trade;
- (h) in the case of an Inter-Fund Trade between Funds:
  - (i) the IRC of each Fund has approved the Inter-Fund Trade in respect of the Fund in accordance with the terms of Subsection 5.2(2) of NI 81-107; and

- (ii) the Inter-Fund Trade complies with paragraphs (c) to (g) of Subsection 6.1(2) of NI 81-107, except that for purposes of paragraph (e) of Subsection 6.1(2) in respect of exchange-traded securities, the current market price of the security may be the Last Sale Price; and
- (i) in the case of an Inter-Fund Trade between a Fund and a Managed Account:
  - (i) the IRC of the Fund has approved the Inter-Fund Trade in respect of the Fund in accordance with the terms of Subsection 5.2(2) of NI 81-107;
  - (ii) the Discretionary Management Agreement or other documentation in respect of the Managed Account authorizes the Inter-Fund Trade; and
  - (iii) the Inter-Fund Trade complies with paragraphs (c) to (g) of Subsection 6.1(2) of NI 81-107, except that for purposes of paragraph (e) of Subsection 6.1(2) in respect of exchange-traded securities, the current market price of the security may be the Last Sale Price.

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

**2.1.4 Legg Mason Canada Holdings Ltd. – s. 1(10)**

**Headnote**

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

**Applicable Legislative Provisions**

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

July 26, 2010

McMillan LLP  
Brookfield Place, 181 Bay Street  
Suite 4400  
Toronto, Ontario  
M5J 2T3

**Attention: Jennifer Schwartz**

Dear Sirs/Mesdames:

**Re: Legg Mason Canada Holdings Ltd. (the Applicant) - application for a decision under the securities legislation of Ontario, Alberta, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Prince Edward Island, Quebec and Saskatchewan (the Jurisdictions) that the Applicant is not a reporting issuer**

The Applicant has applied to the local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions for a decision under the securities legislation (the Legislation) of the Jurisdictions that the Applicant is not a reporting issuer.

As the Applicant has represented to the Decision Makers that:

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

each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision

Maker with the jurisdiction to make the decision has been met and orders that the Applicant is not a reporting issuer.

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

## 2.1.5 Storm Exploration Inc.

### Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions - exemption granted from the requirement to include financial statements and management's discussion and analysis in an information circular for an exchangeable share entity participating in an arrangement.

### Applicable Legislative Provisions

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

**Citation:** Storm Exploration Inc., Re, 2010 ABASC 330

July 21, 2010

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

**AND**

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

**AND**

**IN THE MATTER OF  
STORM EXPLORATION INC.  
(THE FILER)**

**DECISION**

### Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) exempting the Filer from the requirement under Item 14.2 of Form 51-102F5 *Information Circular* (the **Circular Form**) of the Legislation to include the ARC Resources Financial Statements (as defined below) and the ARC Resources MD&A (as defined below) in the information circular (the **Circular**) delivered to the holders (the **Filer Shareholders**) of the Filer's voting common shares and non-voting common shares (collectively, the **Filer Shares**) in connection with a special meeting to approve a plan of arrangement (the **Arrangement**) under the *Canada Business Corporations Act* among the Filer, ARC Energy Trust (**ARC**) and ARC Resources Ltd. (**ARC Resources**) (the **Exemption Sought**).

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

- (a) the Alberta Securities Commission is the principal regulator for this Application;
- (b) the Filer has provided notice that Subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland and Labrador; and
- (c) the decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

### Interpretation

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

### Representations

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

### The Filer, ARC and ARC Resources

#### *The Filer*

- 1. The Filer is a corporation continued under the laws of Canada. The principal office of the Filer is located in Calgary, Alberta.
- 2. The Filer is a reporting issuer or the equivalent under the securities legislation of each of the provinces of Canada. The Filer is not in default of securities legislation in any jurisdiction of Canada.
- 3. Filer Shares are listed on the Toronto Stock Exchange (**TSX**).

#### *ARC*

- 4. ARC is an unincorporated open-ended investment trust established under the laws of the Province of Alberta pursuant to a trust indenture dated as of May 15, 2006 between ARC Resources and Computershare Trust Company of Canada, as trustee, as amended and restated. The principal office of ARC is located in Calgary, Alberta.
- 5. ARC is a reporting issuer or the equivalent under the securities legislation of each of the provinces of Canada. ARC is not in default of securities legislation in any jurisdiction of Canada.
- 6. ARC's trust units (**ARC Units**) are listed on the TSX.
- 7. ARC has filed a "current AIF" (**ARC AIF**) and has "current annual financial statements" (**ARC**

**Annual Financial Statements**) (as such terms are defined in National Instrument 44-101 *Short Form Prospectus Distributions (NI 44-101)*) for the financial year ended December 31, 2009.

#### ARC Resources

8. ARC Resources is a corporation amalgamated under the laws of the Province of Alberta. The principal office of ARC Resources is located in Calgary, Alberta.
9. ARC Resources is a reporting issuer in each of the provinces of Canada. ARC Resources is not in default of applicable securities legislation in any jurisdiction of Canada.
10. ARC holds all of the issued and outstanding voting common shares of ARC Resources and the issued and outstanding Series A exchangeable shares (**Series A Exchangeable Shares**) of ARC Resources are publicly held.
11. The common shares of ARC Resources are not listed or posted for trading on any exchange or quotation and trade reporting system. Series A Exchangeable Shares are listed on the TSX and are exchangeable as at July 14, 2010 for ARC Units on a 1 Series A Exchangeable Share for 2.79848 ARC Units basis.

#### Arrangement

12. Pursuant to the Arrangement, ARC will acquire all of the existing and outstanding Filer Shares. As consideration, the Filer Shareholders will receive for each Filer Share:
  - (a) at their election, 0.5700 ARC Units or 0.2021 Series B exchangeable shares (**Series B Exchangeable Shares**) of ARC Resources (which number of Series B Exchangeable Shares is based on the anticipated exchange ratio for such Series B Exchangeable Shares to ARC Units of 2.82, as of closing, and is subject to adjustment to reflect the actual exchange ratio); however, the Filer Shareholders who are non-residents of Canada or tax-exempt shareholders will not be entitled to elect to receive Series B Exchangeable Shares;
  - (b) a cash payment of approximately \$1.00 at closing, which represents the proceeds of the sale of the Filer's Surmont asset to a separate purchaser; and
  - (c) 0.3333 common shares of a new, separate junior exploration and production company (**ExploreCo Shares**), which will be staffed with certain members of the Filer's management

team and whose primary assets will be undeveloped land primarily in the Umbach, Cabin/Kotcho/Junior and Horn River Basin areas plus equity positions in Storm Gas Resource Corp., Storm Ventures International Inc., Bridge Energy Norge ASA and Bellamont Exploration Ltd.

13. In addition, each of the Filer Shareholders will receive 0.4 of a warrant (**ExploreCo Warrant**) per ExploreCo Share entitling the holder to acquire one ExploreCo Share for each whole ExploreCo Warrant at a price equal to the net asset value of the ExploreCo Shares until that date which is 15 days from the effective date of the Arrangement.
14. Pursuant to the Filer's constating documents and applicable securities laws, the Filer Shareholders will be required to approve the Arrangement at a meeting of the Filer Shareholders (the **Meeting**). The Arrangement must be approved by not less than two-thirds of the votes cast by the Filer Shareholders at the Meeting. The Meeting is anticipated to take place on August 16, 2010 and the Circular is expected to be mailed in mid-July 2010.
15. The Arrangement will be a "restructuring transaction" under National Instrument 51-102 *Continuous Disclosure Obligations (NI 51-102)* in respect of the Filer and will therefore require compliance with Item 14.2 of the Circular Form and National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency (NI 52-107)*.

#### Disclosure in the Circular

16. Pursuant to Item 14.2 of the Circular Form, if securityholder approval is required of a "restructuring transaction under which securities are to be changed, exchanged, issued or distributed", then disclosure is required for each entity, other than the issuer, whose securities are being changed, exchanged, issued or distributed if the issuer's securityholders will have an interest in that entity after the restructuring transaction is completed. Therefore, disclosure is required in the Circular for ARC Resources.
17. Item 14.2 of the Circular Form requires, among other items, that the Circular contain the disclosure (including financial statements and management's discussion and analysis (**MD&A**)) prescribed under securities legislation and described in the form of prospectus that ARC Resources would be eligible to use immediately prior to the sending and filing of the Circular for a distribution of its securities. Therefore, the Circular must contain the disclosure in respect of ARC Resources prescribed by Form 41-101F1 *Information Required in a Prospectus* (the

**Prospectus Form**) and National Instrument 41-101 *General Prospectus Requirements* (NI 41-101).

18. Items 8.2(1)(a) and (b) and 8.2(2) of the Prospectus Form require the Filer to include MD&A corresponding to each of the financial years ended December 31, 2009 and December 31, 2008 and the interim period ended March 31, 2010 of ARC Resources (the **ARC Resources MD&A**) in the Circular.
19. Item 32.2(1) of the Prospectus Form requires the Filer to include certain annual financial statements of ARC Resources in the Circular, including: (i) an income statement, a statement of retained earnings, and a cash flow statement of ARC Resources for each of the financial years ended December 31, 2009, December 31, 2008 and December 31, 2007; and (ii) a balance sheet of ARC Resources as at December 31, 2009 and December 31, 2008 (the **ARC Resources Annual Financial Statements**). Item 32.3(1) of the Prospectus Form requires the Filer to include certain comparative interim financial statements of ARC Resources in the Circular, including: (i) an income statement, a statement of retained earnings, and a cash flow statement of ARC Resources for the three month period ended March 31, 2010 and comparative financial information for the three month period ended March 31, 2009; (ii) a balance sheet of ARC Resources as at March 31, 2010 and as at March 31, 2009 (together with the ARC Resources Annual Financial Statements, the **ARC Resources Financial Statements**).
20. Subsection 4.2(1) of NI 41-101 requires that the ARC Resources Annual Financial Statements must be audited in accordance with NI 52-107.

#### *Exemption Sought*

21. The financial statements of ARC are reported on a consolidated basis, which includes the financial results for ARC Resources. Pursuant to an MRRS decision document dated January 31, 2001 (*ARC Energy Trust, ARC Resources Ltd, 908563 Alberta Ltd., Startech Energy Inc., and Impact Energy Inc.*, 2001 LNABASC 65) and an MRRS decision document dated May 24, 2005 (*ARC Resources Ltd.*, 2005 ABASC 392), ARC Resources does not report its financial results independently from the consolidated financial statements of ARC. Further, management of ARC Resources, after consulting with ARC's auditors, believes that the ARC Resources Financial Statements, if prepared, would be misleading, since there are transactions between ARC Resources and ARC that are eliminated when consolidation is performed at the ARC level. To present the ARC Resources Financial Statements, which would exclude accounts of ARC, would

present the effects of only one side of the financing activities between ARC Resources and ARC. This would result in significant intra-group balances and intra group interest expense being reflected on the ARC Resources Financial Statements. Additionally, an agreement exists between ARC and ARC Resources whereby ARC Resources pays a regular payment to ARC related to royalty and interest income from operations. To present the ARC Resources Financial Statements excluding the accounts of ARC, would present only one side of the intra-group royalty and interest income. As a result, the presentation of these intra-group transactions would present a confusing and potentially misleading picture of financial performance.

22. The ARC AIF and the ARC Annual Financial Statements will be incorporated by reference in the Circular. The ARC AIF includes disclosure, to the extent it is required by NI 51-102, regarding the business, assets, operations and share capital of ARC Resources.
23. The Circular will contain prospectus level disclosure regarding the Filer, ARC, and ARC Resources (other than the ARC Resources Financial Statements and ARC Resources MD&A), including detailed disclosure regarding the terms and conditions of the Series B Exchangeable Shares and will contain sufficient information to enable a reasonable securityholder to form a reasoned judgement concerning the nature and effect of the Arrangement.
24. As Series B Exchangeable Shares are exchangeable for ARC Units, it is the financial statements and MD&A of ARC and not the ARC Resources Financial Statements and ARC Resources MD&A that are relevant to the Filer Shareholders who may elect to receive Series B Exchangeable Shares.

#### **Decision**

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

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

"Blaine Young"

Associate Director, Corporate Finance  
Alberta Securities Commission



## 2.1.6 Northland Power Preferred Equity Inc. and Northland Power Income Fund

### Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – exemption granted from the continuous disclosure, certification, insider reporting, audit committee, corporate governance and prospectus requirements subject to conditions – issuer granted relief to file a short form prospectus and certain provisions of Form 44-101F subject to conditions – issuer meets the conditions of the exemption for credit support issuers in section 13.4 of NI 51-102, except the issuer proposes to issue convertible preferred shares that are convertible into other preferred shares of the issuer – confidentiality request granted subject to certain conditions.

### Applicable Legislative Provisions

Securities Act R.S.O. c. S.5 (as amended), ss. 107, 121(2).  
National Instrument 51-102 Continuous Disclosure Requirements.  
National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings.  
National Instrument 52-110 Audit Committees.  
National Instrument 58-101 Disclosure of Corporate Governance Practices.  
National Instrument 55-102 System for Electronic Disclosure by Insiders.  
National Instrument 55-104 Insider Reporting Requirements and Exemptions.  
National Instrument 44-101 Short Form Prospectus Distributions.

April 30, 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  
NORTHLAND POWER PREFERRED  
EQUITY INC. (the Issuer) AND  
NORTHLAND POWER INCOME FUND  
(the Fund and together with the Issuer, the Filers)

DECISION

### Background

The principal regulator in the Jurisdiction (**Decision Maker**) has received an application from the Filers for a decision under the securities legislation of the Jurisdiction (the **Legislation**) granting:

1. the Issuer relief from:
  - (a) the continuous disclosure requirements contained in National Instrument 51-102 – *Continuous Disclosure Obligations* (**NI 51-102**), as amended from time to time (the **Continuous Disclosure Requirements**);
  - (b) the certification requirements contained in National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* (**NI 52-109**), as amended from time to time (the **Certification Requirements**);
  - (c) the audit committee requirements contained in National Instrument 52-110 – *Audit Committees* (**NI 52-110**), as amended from time to time (the **Audit Committee Requirements**);

- (d) the corporate governance disclosure requirements contained in National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (**NI 58-101**) as amended from time to time (the **Corporate Governance Requirements**);

(the Continuous Disclosure Requirements, the Certification Requirements, the Audit Committee Requirements and the Corporate Governance Requirements are collectively referred to as the **Disclosure Requirements**);

- (e) the qualification requirements of Part 2 of National Instrument 44-101 – *Short Form Prospectus Distributions* (**NI 44-101**), as amended from time to time, such that the Issuer is qualified to file a prospectus in the form of a short form prospectus (the **Short Form Prospectus Eligibility Requirements**);
- (f) the disclosure requirements contained in Item 6 (Earnings Coverage Ratios) and Item 11 (Documents Incorporated by Reference) of Form 44-101F1, with the exception of Item 11.1(1)(5) of Form 44-101F1, in respect of the Issuer, as applicable (the **Specified Form 44-101F1 Disclosure Requirements**);
- (g) the requirement in Section 2.8 of NI 44-101 to file a notice of intention to file a short form prospectus no fewer than 10 business days prior to a filing of a preliminary short form prospectus (the **Notice of Intention Requirement**); and

- 2. the insiders of the Issuer relief from the insider reporting requirements in the Securities Act, R.S.O.1990, c. S.5, as amended (the **Act Insider Reporting Requirements**) and the insider reporting requirements in National Instrument 55-104 *Insider Reporting Requirements and Exemptions* (the **NI 55-104 Insider Reporting Requirements**, collectively with the Act Insider Reporting Requirements, the **Insider Reporting Requirements**).

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

Under NP 11-203 (for a passport application):

- (a) the Ontario Securities Commission is the principal regulator for this application; and
- (b) the Filers have provided notice that Section 4.7(1) of Multilateral Instrument 11-102 – *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Newfoundland and Labrador and Prince Edward Island (the **Other Jurisdictions** and with the Jurisdiction, the **Jurisdictions**).

## Interpretation

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

## Representations

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

### *The Issuer*

- 1. The Issuer was incorporated under the laws of Ontario on April 8, 2010.
- 2. The registered and head office of the Issuer is located in Toronto, Ontario.
- 3. The Issuer is not a reporting issuer, or the equivalent, in any of the Jurisdictions.
- 4. The Issuer will operate as a financing company and has no significant assets or liabilities and will not have any ongoing business operations of its own. The Issuer will lend the net proceeds of the Offering (as defined below) to NPIF Holdings L.P. (**Holdings LP**), a subsidiary of the Fund. The Issuer is an indirect subsidiary of the Fund.

5. The authorized share capital of the Issuer currently consists of an unlimited number of common shares (the **Common Shares**) and an unlimited number of preferred shares (the **Preferred Shares**) issuable in series. As of April 8, 2010, one Common Share was issued and outstanding. No Preferred Shares have been issued.
6. The only voting securities of the Issuer are the Common Shares, all of which are held by Holdings LP.
7. The directors of the Issuer may from time to time issue Preferred Shares in one or more series, each series to consist of such number of shares as will before issuance thereof be fixed by the directors who will at the same time determine the designation, rights, privileges, restrictions and conditions attaching to that series of Preferred Shares. Subject to applicable corporate law the Preferred Shares of each series shall be non-voting and not entitled to receive notice of any meeting of shareholders, provided that the designation, rights, privileges, restrictions and conditions may provide that if the Issuer shall fail, for a specified period, which is at least two years, to pay dividends at the prescribed rate on any series of the Preferred Shares, whereupon, and so long as any such dividends shall remain in arrears, the holders of that series of Preferred Shares shall be entitled to receive notice of, to attend and vote at all meetings of shareholders, except meetings at which only holders of a specified class or series of shares are entitled to attend.
8. The Issuer has not issued any securities, and does not have any securities outstanding, other than the one Common Share, which was issued to and is directly held by Holdings LP.
9. The Issuer is proposing to amend its articles to create two new series of Preferred Shares, being Cumulative Rate Reset Preferred Shares, Series 1 (the **Series 1 Shares**) and Cumulative Floating Rate Preferred Shares, Series 2 (the **Series 2 Shares**).
10. The Fund will provide full and unconditional guarantees (the **Guarantees**) of the payments to be made by the Issuer in respect of the Series 1 Shares and Series 2 Shares, as stipulated in agreements governing the rights of holders of the securities, that result in the holders of such securities being entitled to receive payment from the Fund within 15 days of any failure by the Issuer to make a payment, as contemplated by paragraph (d) of the definition of "designated credit support security" in NI 51-102.
11. Accordingly, the Fund will be a "parent credit supporter" (as defined in NI 51-102) and the Issuer will be a "credit support issuer" (as defined in NI 51-102).
12. The Series 1 Shares will be convertible, at a date that is more than five years from the issue date and every five years thereafter (the **Conversion Date**) at the option of the holder, into an equal number of Series 2 Shares. The Series 1 Shares will carry a fixed dividend rate until the Conversion Date. As at each Conversion Date, the dividend rate will be reset based upon a specified spread above benchmark Canadian government bonds.
13. The Series 2 Shares will be convertible, at each Conversion Date (other than the first) at the option of the holder, into an equal number of Series 1 Shares. The Series 2 Shares will carry a floating dividend rate until the Conversion Date. As at each Conversion Date, the dividend rate will be reset based upon a specified spread above 90-day Government of Canada Treasury Bills.
14. The purpose of the conversion right attached to each of the Series 1 Shares and the Series 2 Shares is to allow the holder to decide every five years whether to receive a fixed-rate or a floating-rate dividend for the next five years.
15. Therefore, the Series 1 Shares and the Series 2 Shares would be "designated credit support securities" (as defined in NI 51-102), but for the fact that they are convertible into the Issuer's own preferred shares as opposed to being either non-convertible or convertible into securities of the parent credit supporter.
16. The Issuer is proposing to distribute (the **Offering**) the Series 1 Shares to the public pursuant to a short form prospectus (the **Prospectus**) filed in each of the Jurisdictions as if the Series 1 Shares were designated credit support securities. The Issuer intends to obtain a receipt for the Prospectus and thereby become a reporting Issuer in the Jurisdictions.
17. The Fund has announced its intention to convert to a corporation on or before January 1, 2011. It is currently anticipated that the Issuer will amalgamate with the Successor to the Fund as part of the conversion. However, if the Issuer does not amalgamate with or otherwise become, the Successor, the corporate entity that is the Successor will assume all of the obligations of the Fund under the Guarantees and the Guarantees will remain in full force and effect, unless the Successor and the issuer of the Series 1 Shares and Series 2 Shares are one and the same person. If the Issuer amalgamates with, or otherwise becomes, the Successor, the Guarantees will be cancelled. For greater certainty, if at any time all the trust units of the Fund are owned by the Issuer, the Guarantees will automatically terminate. If the Successor and the issuer of the Series 1 Shares and the Series 2 Shares are not one and the same person, any equity securities issued by the Successor will rank pari passu or junior to the Guarantees.

18. An application will be made to list the Series 1 Shares and the Series 2 Shares on the Toronto Stock Exchange (the **TSX**).
19. The Issuer may also, subject to market conditions, wish to issue other series of Preferred Shares that, but for the fact they would be convertible into other series of Preferred Shares, would satisfy the definition of “designated credit support securities” in NI 51-102.

***The Fund***

20. The Fund was established as an unincorporated open-ended trust under the laws of the Province of Ontario pursuant to a trust indenture dated February 17, 1997, as supplemented and restated as of July 16, 2009.
21. The registered and head office of business of the Fund is located in Toronto, Ontario.
22. The Fund is a reporting issuer, or the equivalent, in each of the Jurisdictions, and, to its knowledge, is not in default of any of its reporting issuer obligations under the Legislation.
23. The Fund, through Holdings LP, is in the business of developing, constructing, financing, owning, managing and operating power projects, which efficiently and cleanly produce electricity and, in some cases, steam for sale under long-term contracts.
24. The Fund is qualified to file a prospectus in the form of a short form prospectus pursuant to Section 2.2 of NI 44-101, as it satisfies paragraphs (a), (b), (c), (d) and (e) of that Section.
25. The Fund's Trust Units trade on the TSX under the symbol “NPI.UN”. As at March 31, 2010, the Fund had 71,389,658 Trust Units outstanding. The Fund's 6.50% convertible unsecured subordinated debentures due June 30, 2011 trade on the TSX under the symbol “NPI.DB”. The Fund's 6.25% convertible unsecured subordinated debentures, Series A due December 31, 2014 trade on the TSX under the symbol “NPI.DB.A”.

**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.

***Relief from the Disclosure Requirements***

The decision of the Decision Maker under the Legislation is that relief from the Disclosure Requirements is granted upon the Issuer becoming a reporting issuer, provided that:

- (a) the Issuer continues to satisfy all the conditions set forth in subsection 13.4(2) of NI 51-102, other than paragraph 13.4(2)(c); and
- (b) the Issuer does not issue any securities, and does not have any securities outstanding, other than:
  - (i) designated credit support securities (as such term is defined in NI 51-102);
  - (ii) securities issued to and held by the Fund or an affiliate of the Fund;
  - (iii) debt securities issued to and held by banks, loan corporations, loan and investment corporations, savings companies, trust corporations, treasury branches, savings or credit unions, financial services cooperatives, insurance companies or other financial institutions;
  - (iv) securities issued under exemptions from the prospectus requirement in Section 2.35 and registration requirement in Section 3.35 of National Instrument 45-106 – *Prospectus and Registration Exemptions*;
  - (v) Series 1 Shares and Series 2 Shares; and
  - (vi) other series of Preferred Shares that, but for the fact they are convertible to other series of Preferred Shares, are designated credit support securities (as such term is defined in NI 51-102).

***Relief from the Short Form Prospectus Eligibility Requirements***

The further decision of the Decision Maker under the Legislation is that relief from the Short Form Prospectus Eligibility Requirements in respect of the distribution of the Series 1 Shares, and other series of Preferred Shares is granted, provided that

- (a) the criteria in section 2.5 of NI 44-101 other than subsection 2.5(a) are satisfied; and
- (b) the Series 1 Shares and other series of Preferred Shares are not convertible into any securities other than:
  - (i) another series of Preferred Shares; or
  - (ii) securities of the Fund.

***Relief from the Notice of Intention Requirement***

The further decision of the Decision Maker under the Legislation is that relief from the Notice of Intention Requirement is granted provided that the Issuer files a notice declaring its intention pursuant to Section 2.8 of NI 44-101 prior to or concurrently with the filing of the preliminary short form prospectus.

***Relief from the Specified Form 44-101F1 Prospectus Disclosure Requirements***

The further decision of the Decision Maker under the Legislation is that relief from the Specified Form 44-101F1 Prospectus Disclosure Requirements is granted provided that at the time of the filing of any prospectus in connection with offerings of Preferred Shares (including the Offering):

- (a) the prospectus will be prepared in accordance with the short form prospectus requirements of NI 44-101 other than the Specified Form 44-101F1 Prospectus Disclosure Requirements, except as permitted by the Legislation;
- (b) the Issuer will comply with all of the filing requirements and procedures set out in NI 44-101 other than the Short Form Prospectus Eligibility Requirements and the Notice of Intention Requirement, except as permitted by the Legislation;
- (c) the Issuer satisfies the conditions of the relief from the Short Form Prospectus Eligibility Requirements above;
- (d) the Issuer satisfies the conditions of the relief from the Notice of Intention Requirement above; and
- (e) in respect of an offering other than the Offering, the Issuer satisfies the conditions of the relief from the Disclosure Requirements above.

***Relief from the Insider Reporting Requirements***

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

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

***Request for Confidentiality***

The further decision of the Decision Maker under the Legislation is that the Request for Confidentiality is granted until the earlier of: (i) the date on which the Issuer is issued a receipt for the preliminary short form prospectus in respect of the distribution of the Series 1 Shares; (ii) the date that the Issuer advises the Decision Maker that there is no longer any need for the Confidential Material to remain confidential; and (iii) the date that is 90 days after the date of this decision.

## **Decisions, Orders and Rulings**

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As to the relief from the Disclosure Requirements, Short Form Prospectus Eligibility Requirements, Notice of Intention Requirement, Specified Form 44-101F1 Prospectus Disclosure Requirements, the NI 55-104 Insider Reporting Requirements and the Request for Confidentiality:

“Michael Brown”  
Assistant Manager, Corporate Finance

As to relief from the Act Insider Reporting Requirements and the Request for Confidentiality:

“Paulette Kennedy”  
Commissioner

“David L. Knight”  
Commissioner

## 2.1.7 World Financial Split Corp. et al.

### Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Investment funds, and their manager, exempted from the dealer registration requirement for certain trading activities to be carried out in connection with a warrant offering by the investment funds – Trading activities to consist of the distribution of a short form (final) prospectus to existing holders of securities of the funds, and the distribution of units of the funds to holders of the warrants, upon their exercise, through an appropriately registered dealer.

### Applicable Legislative Provisions

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

Multilateral Instrument 11-102 Passport System.

National Instrument 81-102 Mutual Funds.

National Instrument 81-106 Investment Fund Continuous Disclosure.

National Instrument 45-106 Prospectus and Registration Exemptions, ss. 3.1, 3.42, 8.5.

July 23, 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  
WORLD FINANCIAL SPLIT CORP.  
(the WFS Fund)**

**AND**

**S SPLIT CORP.  
(the SBN Fund and, together with  
the WFS Fund, the Funds)**

**AND**

**MULVIHILL FUND SERVICES INC.  
(the Manager and, together with  
the WFS Fund and the SBN Fund, the Filers)**

**DECISION**

### Background

The principal regulator in the Jurisdiction has received an application from the Filers for a decision under the

securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) exempting the Filers from the dealer registration requirements in the Legislation in respect of the following:

- (a) certain trades (the **WFS Warrant Offering Activities**) to be carried out by the Manager, on behalf of the WFS Fund, in connection with a proposed offering (the **WFS Warrant Offering**) of warrants (the **WFS Warrants**) to acquire “units” (the **WFS Units**) of the WFS Fund, such offering to be made pursuant to a short-form (final) prospectus (the **WFS Warrant Prospectus**); and
- (b) certain trades (the **SBN Warrant Offering Activities**) to be carried out by the Manager, on behalf of the SBN Fund, in connection with a proposed offering (the **SBN Warrant Offering**) of warrants (the **SBN Warrants**) to acquire “units” (the **SBN Units**) of the SBN Fund, such offering to be made pursuant to a short-form (final) prospectus (the **SBN Warrant Prospectus**).

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) each 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, Quebec, New Brunswick, Prince Edward Island, Nova Scotia and Newfoundland and Labrador (collectively, the **Passport Jurisdictions**).

### Interpretation

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

### Representations

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

1. Each of the WFS Fund and the SBN Fund is a corporation incorporated under the laws of the Province of Ontario. The Funds are reporting issuers in each province of Canada and are not in default of any of their respective obligations under securities legislation in any jurisdiction.

2. The Manager acts as the investment fund manager of each of the Funds. The Manager is a corporation incorporated under the *Canada Business Corporations Act*. The head office of the Manager is located at 121 King Street West, Standard Life Centre, Suite 2600, Toronto, Ontario, M5H 3T9. The Manager is not in default of any of its obligations under securities legislation in any jurisdiction.
3. While the Funds are technically considered mutual funds under the securities legislation of the Province of Ontario and the Passport Jurisdictions, the Funds are not conventional mutual funds and have obtained exemptions from certain requirements of National Instrument 81-102 - *Mutual Funds* and National Instrument 81-106 - *Investment Fund Continuous Disclosure*.
4. The authorized share capital of the WFS Fund consists of an unlimited number of preferred shares (the **WFS Preferred Shares**), an unlimited number of class A shares (the **WFS Class A Shares**) and an unlimited number of class J shares. The WFS Preferred Shares and the WFS Class A Shares are listed and posted for trading on the Toronto Stock Exchange (the **TSX**).
5. The authorized share capital of the SBN Fund consists of an unlimited number of preferred shares (the **SBN Preferred Shares**), an unlimited number of class A shares (the **SBN Class A Shares**) and an unlimited number of class J shares. The SBN Preferred Shares and the SBN Class A Shares are listed and posted for trading on the TSX.
6. Each Fund is subject to certain investment restrictions that, among other things, limit the securities it may acquire for its portfolio.
7. The investment objectives of the WFS Fund are: (a) to provide holders of its WFS Preferred Shares with fixed cumulative preferential quarterly cash distributions in the amount of \$0.13125 per WFS Preferred Share representing a yield on the original issue price of \$10.00 per WFS Preferred Share of 5.25% per annum; (b) to provide holders of its WFS Class A Shares with regular quarterly cash distributions targeted to be 8.0% per annum on the original issue price of \$15.00 per WFS Class A Share; and (c) to return the original issue price to holders of both WFS Preferred Shares and WFS Class A Shares at the time of redemption of such shares on June 30, 2011.
8. The investment objectives of the SBN Fund for its SBN Preferred Shares are: (a) to provide holders of SBN Preferred Shares with fixed cumulative preferential monthly cash distributions in the amount of \$0.04375 per SBN Preferred Share (\$0.525 per year) representing a yield on the original issue price of the SBN Preferred Shares of 5.25% per annum; and (b) to return the original issue price of \$10.00 per SBN Preferred Share to holders of SBN Preferred Shares at the time of redemption of such shares on December 1, 2014. The investment objectives of the SBN Fund for its SBN Class A Shares are: (a) to provide holders of its SBN Class A Shares with regular monthly cash distributions targeted to be 6.0% per annum on the net asset value (**NAV**) of the SBN Class A Shares; and (b) to provide holders of its SBN Class A Shares with the opportunity for leveraged growth in NAV and distributions per SBN Class A Share.
9. The investment portfolio of the WFS Fund contains common equity securities selected from the ten largest financial services companies by market capitalization in each of Canada, the United States and the rest of the world (the **Portfolio Universe**). In addition, up to 20% of the NAV of the WFS Fund may be invested in common equity securities of financial services companies that are not in the Portfolio Universe but meet certain market capitalization and credit rating thresholds.
10. The investment portfolio of the SBN Fund contains common shares of The Bank of Nova Scotia.
11. Each of the WFS Fund and the SBN Fund may, from time to time, write covered call options in respect of some or all of the securities in its portfolio. Each of the Funds may also purchase put options on individual securities in its portfolio. Each Fund may also, from time to time, write cash-covered put options. Such cash-covered put options will only be written in respect of securities in which the Fund is permitted to invest. Each Fund may also enter into trades to close out positions in such permitted derivatives, including purchasing put options and call options with the effect of closing out existing call options and put options written by the Fund. Each of the WFS Fund and the SBN Fund may, from time to time, hold cash and cash equivalents.
12. Each of the Funds has retained Mulvihill Capital Management Inc. (**MCM**) as its investment manager, to manage its investment portfolio and implement its investment strategy in accordance with its investment objectives and investment restrictions. MCM is registered as an Exempt Market Dealer, a Mutual Fund Dealer and a Portfolio Manager with the Ontario Securities Commission. All trades in securities in connection with the portfolio investing activities of the WFS Fund and the SBN Fund are conducted through registered dealers.
13. The WFS Fund filed a (final) prospectus dated January 27, 2004 under the securities legislation of the Province of Ontario and each Passport Jurisdiction in respect of its initial public offering of



- WFS Preferred Shares and WFS Class A Shares. Pursuant to a short form (final) prospectus filed by the WFS Fund on November 6, 2009 under the securities legislation of the Province of Ontario and each Passport Jurisdiction, the WFS Fund issued to holders of its WFS Class A Shares on November 19, 2009, transferable warrants to subscribe for additional WFS Preferred Shares and WFS Class A Shares.
14. The SBN Fund filed a (final) prospectus dated April 26, 2007 under the securities legislation of the Province of Ontario and each Passport Jurisdiction in respect of its initial public offering of SBN Preferred Shares and SBN Class A Shares. Pursuant to a short form (final) prospectus filed by the SBN Fund on November 6, 2009 under the securities legislation of the Province of Ontario and each Passport Jurisdiction, the SBN Fund issued to holders of its SBN Class A Shares on November 19, 2009, transferable warrants to subscribe for additional SBN Preferred Shares and SBN Class A Shares.
  15. Neither Fund engages in the continuous distribution of its securities.
  16. In connection with the WFS Warrant Offering, the WFS Fund has filed a preliminary short form prospectus dated July 12, 2010 under the securities legislation of the Province of Ontario and each Passport Jurisdiction. Under the WFS Warrant Offering, each holder of a WFS Class A Share as at a specified record date will be entitled to receive, for no consideration, one WFS Warrant for each WFS Class A Share held by such holder.
  17. In connection with the SBN Warrant Offering, the SBN Fund has filed a preliminary short form prospectus dated July 12, 2010 under the securities legislation of the Province of Ontario and each Passport Jurisdiction. Under the SBN Warrant Offering, each holder of an SBN Class A Share, as at a specified record date, will be entitled to receive, for no consideration, one SBN Warrant for each SBN Class A Share held by such holder.
  18. Holders of the WFS Warrants will be entitled, upon the exercise of their WFS Warrants, to subscribe for WFS Units (each WFS Unit consisting of one WFS Preferred Share and one WFS Class A Share), pursuant to subscription privileges provided for in the WFS Warrants, at a subscription price to be specified in the WFS Warrant Prospectus. Each WFS Warrant will entitle the holder to subscribe for one WFS Unit under a basic subscription privilege. Holders of WFS Warrants who exercise their WFS Warrants under the basic subscription privilege may also subscribe, *pro rata*, for additional WFS Units that are not subscribed for by other holders under the basic subscription privilege, pursuant to the terms of an additional subscription privilege. The term for the exercise of the WFS Warrants (including both the basic subscription privilege and the additional subscription privilege) will be approximately five months.
  19. Holders of the SBN Warrants will be entitled, upon their exercise of the SBN Warrants, to subscribe for SBN Units (each SBN Unit consisting of one SBN Preferred Share and one SBN Class A Share), pursuant to subscription privileges provided for in the SBN Warrants, at a subscription price to be specified in the SBN Warrant Prospectus. Each SBN Warrant will entitle the holder to subscribe for one SBN Unit under a basic subscription privilege. Holders of SBN Warrants who exercise their SBN Warrants under the basic subscription privilege may also subscribe, *pro rata*, for additional SBN Units that are not subscribed for by other holders under the basic subscription privilege, pursuant to the terms of an additional subscription privilege. The term for the exercise of the SBN Warrants (including both the basic subscription privilege and the additional subscription privilege) will be approximately five months.
  20. The WFS Fund intends to apply to list the WFS Warrants, to be distributed under the WFS Warrant Prospectus, on the TSX.
  21. The SBN Fund intends to apply to list the SBN Warrants, to be distributed under the SBN Warrant Prospectus, on the TSX.
  22. The WFS Warrant Offering Activities will consist of:
    - (a) the distribution of the WFS Warrant Prospectus and the issuance of WFS Warrants to the holders of WFS Class A Shares (as at the record date specified in the WFS Warrant Prospectus), after the WFS Warrant Prospectus has been filed, and receipts obtained, under the securities legislation of the Province of Ontario and each Passport Jurisdiction; and
    - (b) the distribution of WFS Units to holders of the WFS Warrants, upon the exercise of WFS Warrants by their holders, through registered dealers that are registered in categories that permit them to make such distributions.
  23. The SBN Warrant Offering Activities will consist of:
    - (a) the distribution of the SBN Warrant Prospectus and the issuance of SBN Warrants to the holders of SBN Class A Shares (as at the record date specified in the SBN Warrant Prospectus), after the

SBN Warrant Prospectus has been filed, and receipts obtained, under the securities legislation of the Province of Ontario and each Passport Jurisdiction; and

- (b) the distribution of SBN Units to holders of the SBN Warrants, upon the exercise of SBN Warrants by their holders, through registered dealers that are registered in categories that permit them to make such distributions.

24. The WFS Fund and the SBN Fund are in the business of trading securities by virtue of their portfolio investing activities. As a result, their capital raising activities, including the WFS Warrant Offering Activities and the SBN Warrant Offering Activities, would require them and the Manager, acting on their behalf, to register as a dealer in the absence of this decision (or another available exemption from the dealer registration requirements).

25. Pursuant to Section 8.5 of National Instrument 45-106 - *Prospectus and Registration Exemptions* (**NI 45-106**), as of March 27, 2010, the exemptions from the dealer registration requirements set out in sections 3.1 [*Rights offering*] and section 3.42 [*Conversion, exchange, or exercise*] of NI 45-106 are no longer applicable.

#### Decision

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

The decision of the principal regulator under the Legislation is that:

- (a) the WFS Fund, and the Manager acting on behalf of the WFS Fund, are not subject to the dealer registration requirements in respect of the WFS Warrant Offering Activities; and
- (b) the SBN Fund, and the Manager acting on behalf of the SBN Fund, are not subject to the dealer registration requirements in respect of the SBN Warrant Offering Activities.

"Paulette Kennedy"  
Commissioner  
Ontario Securities Commission

"Mary Condon"  
Commissioner  
Ontario Securities Commission

## 2.1.8 CIBC Asset Management Inc. and Canadian Imperial Bank of Commerce

### Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted from sections 2.5(2)(a) and (c) of National Instrument 81-102 Mutual Funds to permit mutual funds to invest up to 10% of net assets in leveraged ETFs, inverse ETFs, gold ETFs and leveraged gold ETFs traded on Canadian or US stock exchanges, subject to certain conditions.

### Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 2.5(2)(a), 2.5(2)(c), 19.1.

July 20, 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

CIBC ASSET MANAGEMENT INC.  
(THE MANAGER)

AND

CANADIAN IMPERIAL BANK OF COMMERCE  
(CIBC) (THE FILERS)

### DECISION

### BACKGROUND

The principal regulator in the Jurisdiction has received an application from the Filers for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for an exemption (the **ETF Exemption**) relieving the existing and future mutual funds managed by the Filers or an affiliate of the Filers that are subject to National Instrument 81-102 *Mutual Funds* (**NI 81-102**), other than CIBC Precious Metals Fund, CIBC Canadian Resources Fund and money market funds as defined in NI 81-102 (the **Existing Funds** and the **Future Funds**, respectively, together, the **Funds** and individually, a **Fund**), from the prohibitions contained in paragraphs 2.5(2)(a) and (c) of NI 81-102, to permit each Fund to purchase and hold securities of

- (i) exchange-traded funds (**ETFs**) that seek to provide daily results that replicate the daily performance of a specified widely-

quoted market index (the ETF's **Underlying Index**) by a multiple of 200% (**Leveraged Bull ETFs**) or an inverse multiple of 200% (**Leveraged Bear ETFs**), which together with Leveraged Bull ETFs are referred to collectively in this decision as **Leveraged ETFs**;

- (ii) ETFs that seek to provide daily results that replicate the daily performance of their Underlying Index by an inverse multiple of 100% (**Inverse ETFs**);
- (iii) ETFs that seek to replicate the performance of gold or the value of a specified derivative the underlying interest of which is gold on an unlevered basis (**Gold ETFs**); and
- (iv) ETFs that seek to provide daily results that replicate the daily performance of gold or the value of a specified derivative the underlying interest of which is gold on an unlevered basis (the ETF's **Underlying Gold Interest**), by a multiple of 200% (**Leveraged Gold ETFs**).

(Leveraged ETFs, Inverse ETFs, Gold ETFs, and Leveraged Gold ETFs are referred to collectively in this decision as the **Underlying ETFs**.)

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

- 1. the Ontario Securities Commission is the Principal Regulator for this application; and
- 2. the Filers have provided notice that section 4.7(1) of Multilateral Instrument 11-102 Passport System (**MI 11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Northwest Territories, Yukon Territories and Nunavut (collectively with the Jurisdiction, **the Jurisdictions**).

## INTERPRETATION

Defined terms contained in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning in this decision unless otherwise defined.

## REPRESENTATIONS

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

### The Filers and the Funds

- 1. The Manager is a corporation organized under the laws of Canada and is registered as a portfolio

manager in all provinces and territories of Canada.

- 2. The head office of the Manager is located in Ontario.
- 3. CIBC is a Canadian chartered bank and has its head office located in Toronto, Ontario.
- 4. A Filer or an affiliate of the Filers is the manager of each of the Existing Funds, and will be the manager of each of the Future Funds. A Filer or an affiliate of the Filers is the portfolio manager of, or has appointed a portfolio manager for, each of the Existing Funds, and will be the portfolio manager of, or will appoint a portfolio manager for, each of the Future Funds.
- 5. Each Existing Fund is, and each Future Fund will be: (a) an open-ended mutual fund established under the laws of Canada or a Jurisdiction, (b) a reporting issuer under the laws of some or all of the Jurisdictions, and (c) governed by the provisions of NI 81-102.
- 6. Securities of each Existing Fund are, and securities of each Future Fund will be, qualified for distribution in some or all of the Jurisdictions under a simplified prospectus and annual information form prepared in accordance with National Instrument 81-101 *Mutual Fund Prospectus Disclosure* (**NI 81-101**) and filed with and receipted by the securities regulators in the applicable Jurisdiction(s).
- 7. Neither the Filers nor any of the Existing Funds is in default of securities legislation in the Jurisdictions.

### The Underlying ETFs

- 8. Each Leveraged ETF will be rebalanced daily to ensure that its performance and exposure to its Underlying Index will not exceed +/-200% of the corresponding daily performance of its Underlying Index.
- 9. Each Inverse ETF will be rebalanced daily to ensure that its performance and exposure to its Underlying Index will not exceed -100% of the corresponding daily performance of its Underlying Index.
- 10. Each Leveraged Gold ETF will be rebalanced daily to ensure that its performance and exposure to its Underlying Gold Interest will not exceed +200% of the corresponding daily performance of its Underlying Gold Interest.

### Investment in IPUs and the Underlying ETFs

- 11. Each Existing Fund is, and each Future Fund will be, permitted, in accordance with its investment

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|--|--|
| <p>objectives and investment strategies, to invest in ETFs.</p> <p>12. In addition to investing in securities of ETFs that are “index participation units” as defined in NI 81-102 (IPUs), the Funds propose to have the ability to invest in the Underlying ETFs, whose securities are not IPUs.</p> <p>13. The amount of the loss that can result from an investment by a Fund in an Underlying ETF will be limited to the amount invested by the Fund in securities of the Underlying ETF.</p> <p>14. A Fund will only purchase gold, permitted gold certificates and specified derivatives with such underlying interests (including Gold ETFs and Leveraged Gold ETFs), provided that no more than 10% of the net assets of the Fund, taken at market value at the time of the purchase, would consist of such assets in aggregate.</p> <p>15. The Underlying ETFs are attractive investments for the Funds, as they provide an efficient and cost effective means of achieving diversification and exposure.</p> <p>16. But for the ETF Exemption, paragraph 2.5(2)(a) would prohibit a Fund from purchasing or holding a security of an Underlying ETF, because the Underlying ETFs are not subject to both NI 81-102 and NI 81-101.</p> <p>17. But for the ETF Exemption, paragraph 2.5(2)(c) would prohibit a Fund from purchasing or holding securities of some Underlying ETFs, because some Underlying ETFs will not be qualified for distribution in the local jurisdiction.</p> <p>18. An investment by a Fund in securities of an Underlying ETF will represent the business judgment of responsible persons uninfluenced by considerations other than the best interest of the Fund.</p> | <p>(c) the securities of the Underlying ETFs are traded on a stock exchange in Canada or the United States;</p> <p>(d) the securities of the Underlying ETFs are treated as specified derivatives for the purposes of Part 2 of NI 81-102;</p> <p>(e) a Fund does not purchase securities of an Underlying ETF if, immediately after the purchase, more than 10% of the net assets of the Fund in aggregate, taken at market value at the time of the purchase, would consist of securities of Underlying ETFs;</p> <p>(f) a Fund does not enter into any transaction if, immediately after the transaction, more than 20% of the net assets of the Fund, taken at market value at the time of the transaction, would consist of, in aggregate, securities of Underlying ETFs and all securities sold short by the Fund; and</p> <p>(g) the prospectus of each Fund discloses, or will disclose the next time it is renewed after the date hereof, (i) in the Investment Strategy section of the prospectus, the fact that the Fund has obtained relief to invest in the Underlying ETFs together with an explanation of what each Underlying ETF is, and (ii) the risks associated with investments in the Underlying ETFs.</p> |
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“Vera Nunes”  
Assistant Manager, Investment Funds  
Ontario Securities Commission

## DECISION

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

The decision of the principal regulator under the Legislation is that the ETF Exemption is granted provided that:

- (a) the investment by a Fund in securities of an Underlying ETF is in accordance with the fundamental investment objectives of the Fund;
- (b) a Fund does not short sell securities of an Underlying ETF;

## 2.1.9 Kelman Technologies Inc.

### Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdiction – Securities Act (Ontario), s. 1(10) – cease to be a reporting issuer – as a result of an amalgamation, all of the issued and outstanding shares of the Filer are now beneficially owned by a private company.

### Applicable Legislative Provisions

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

July 12, 2010

**IN THE MATTER OF  
THE SECURITIES LEGISLATION OF  
ALBERTA, 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  
KELMAN TECHNOLOGIES INC.  
(the Filer)**

**DECISION**

### Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) for a decision that the Filer be deemed to have ceased to be a reporting issuer under the Legislation.

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

- (a) the Alberta Securities Commission is the principal regulator for this application, and
- (b) the decision is the decision of the principal regulator and evidences the decision of each other Decision Maker.

### Interpretation

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

### Representations

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

1. The Filer is a corporation governed by the federal laws of Canada, with its head office in Alberta. The Alberta Securities Commission was selected as Principal Regulator because the Filer's head office is located in Alberta.
2. The Filer is a reporting issuer in the Jurisdictions.
3. The Filer's authorized capital stock includes an unlimited number of common shares (**Common Shares**), an unlimited number of Class A redeemable preferred shares and an unlimited number of Class B redeemable preferred shares.
4. Pursuant to an amalgamation agreement dated as of March 24, 2010 (the **Amalgamation Agreement**), in accordance with section 181 of the *Canada Business Corporations Act* (the **CBCA**), Kelman Technologies Inc. (the **Predecessor**) amalgamated with 7504314 Canada Inc., a private company formed under the CBCA, to form the amalgamated company, the Filer, effective as of May 13, 2010.
5. Pursuant to the Amalgamation Agreement, former holders of Common Shares of the Predecessor received Class A redeemable preferred shares in the capital of the Filer which were immediately redeemed by the Filer effective as of May 13, 2010 in exchange for cash consideration. Additionally, pursuant to the Amalgamation Agreement, former holders of series C convertible senior preferred shares of the Predecessor received Class B redeemable preferred shares in the capital of the Filer which were immediately redeemed by the Filer effective as of May 13, 2010 in exchange for cash consideration.
6. As a result of the Amalgamation, all of the issued and outstanding shares of the Filer are now beneficially owned by Seyco Operations Limited (**Seyco**), a private company incorporated pursuant to the *Business Corporations Act* (Alberta).
7. Prior to the Amalgamation, the Common Shares of the Predecessor were listed for trading on the TSX Venture Exchange (**TSXV**).
8. The Predecessor's Common Shares were delisted from the TSXV at the close of business on May 17, 2010 and the Filer does not have any securities listed on any stock exchange.
9. The Filer did not voluntarily surrender its status as a reporting issuer in British Columbia pursuant to BC Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status* (the **BC Instrument**) in

order to avoid the 10-day waiting period under the BC instrument.

10. The Filer is not in default of any of its obligations as a reporting issuer under the Legislation except for the obligation to file its interim financial statements for the financial period ended March 31, 2010 and accompanying management's discussion and analysis, as required under National Instrument 51-102 *Continuous Disclosure Obligations*, and the related certification of such financial statements as required under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, all of which became due on May 31, 2010.
11. The Filer is not eligible to use the simplified procedure under CSA Staff Notice 12-307 *Applications for a decision that an Issuer is not a Reporting Issuer* in order to apply for the Exemptive Relief Sought because it is a reporting issuer in British Columbia and is in default of certain filing obligations under the Legislation as described in paragraph 10 above.
12. The outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by less than 15 security holders in each of the jurisdictions in Canada and less than 51 security holders in total in Canada.
13. No securities of the Filer are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*.
14. Upon the granting of the Exemptive Relief sought, the Filer will not be a reporting issuer or its equivalent in any jurisdiction in Canada.
15. The Filer has no intention to seek public financing by way of an offering of its securities.

#### Decision

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

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

"Blaine Young"  
Associate Director, Corporate Finance

#### 2.1.10 Linear Gold ULC (formerly, Linear Gold Corp.)

##### Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – application for an order that the issuer is not a reporting issuer under applicable securities laws – issuer has no publicly held securities – issuer is in default of certain continuous disclosure obligations – requested relief granted.

##### Applicable Legislative Provisions

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

July 27, 2010

**IN THE MATTER OF  
THE SECURITIES LEGISLATION OF  
ALBERTA, MANITOBA, ONTARIO,  
QUEBEC AND NOVA SCOTIA  
(the "Jurisdictions")**

**AND**

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

**AND**

**IN THE MATTER OF  
LINEAR GOLD ULC  
(FORMERLY, LINEAR GOLD CORP.)  
(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**") that the Filer is not a reporting issuer.

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

- (a) The Nova Scotia Securities Commission is the principal regulator for this application; and
- (b) The decision is the decision of the principal regulator and evidences the decision of each other Decision Maker.

##### Interpretation

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

## Representations

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

1. the Filer is a corporation governed by the *Business Corporations Act* (Alberta ) with its head office located at Suite 502, 2000 Barrington Street, Halifax, Nova Scotia, B3J 3K1 and its registered office located at Suite 1600, 333 7th Avenue S.W., Calgary, Alberta, T2P 2Z1;
2. the Filer is a reporting issuer in each of the Jurisdictions;
3. the Filer's authorized capital consisted of an unlimited number of common shares (the "**Common Shares**"). At the date hereof, a total of 1 Common Share is issued and outstanding;
4. on June 25, 2010, Linear Gold Corp. filed articles of amalgamation in accordance with a plan of arrangement pursuant to which Linear Gold Corp. amalgamated with 1526735 Alberta ULC to form the Filer and as a result the Filer became and is currently a wholly-owned subsidiary of Brigus Gold Corp. (formerly, Apollo Gold Corp.) (the "**Parent**");
5. the Parent is an independent, publicly traded company which is listed on the Toronto Stock Exchange under the ticker symbol "BRD". The Parent is a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador;
6. other than the Common Share held by the Parent, the Filer has no other securities outstanding;
7. the outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 security holders in each of the jurisdictions in Canada and fewer than 51 security holders in total in Canada;
8. the Common Shares were de-listed from trading on the Toronto Stock Exchange following the close of trading on June 25, 2010;
9. no securities of the Filer are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*;
10. the Filer has no current intention to seek public financing by way of an offering of securities;
11. the Filer filed a notice in British Columbia under British Columbia Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status* stating that it will cease to be a reporting issuer in British Columbia on July 8, 2010. On June 30, 2010, the British Columbia Securities Commission sent a notice that it had received and accepted such

notice and confirmed that non-reporting status was effective on July 8, 2010;

12. the Filer 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;
13. the Filer is not in default of any of its obligations as a reporting issuer as of the date hereof, other than the obligation to file on June 29, 2010: (i) its annual financial statements for the year ended March 31, 2010 and its Management's Discussion and Analysis in respect of such financial statements, as required under National Instrument 51-102 *Continuous Disclosure Obligations* ("**NI 51-102**"), and the related certification of such financial statements as required under National Instrument 52-109 *Certification of Disclosure in Issuer's Annual and Interim Filings*; and (ii) its annual information form for the year ended March 31, 2010 as required under NI 51-102 (collectively, the "**Annual Filings**");
14. the Filer is not eligible to use the simplified procedure under CSA Staff Notice 12-307 *Applications for a Decision that an Issuer is not a Reporting Issuer* because it is in default of filing the Annual Filings; and
15. the Filer, upon the grant of the decision, will no longer be a reporting issuer or the equivalent in any jurisdiction in Canada.

## Decision

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

The decision of the Decision Makers under the Legislation is that the Filer is deemed to have ceased to be a reporting issuer and that the Filer's status as a reporting issuer is revoked.

"H. Leslie O'Brien"  
Chairman  
Nova Scotia Securities Commission

## 2.1.11 Sprott Asset Management L.P.

### Headnote

NP 11-203 – Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief from s. 111 of the Act granted to permit pooled funds to purchase securities of related entities over a stock exchange and to facilitate fund on fund arrangements – related issuer relief conditional on IRC approval and compliance with independent pricing and transparency requirements – fund on fund relief conditional on compliance with requirements similar to s. 2.5 of NI 81-102.

### Applicable Legislative Provisions

Securities Act (Ontario), R.S.O. 1990, c. S.5, as am., ss. 111(2)(a), 111(2)(b), 111(2)(c), 113.  
National Instrument 81-102 Mutual Funds, s. 2.5(7).  
National Instrument 81-107 Independent Review Committee for Investment Funds, s. 6.2.

July 27, 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  
SPROTT ASSET MANAGEMENT L.P.  
(the Filer)

DECISION

### Background

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

1. the prohibitions contained in sub-paragraphs 111(2)(a) and 111(2)(c) of the Ontario *Securities Act* (the **Act**) to permit the Pooled Funds (as defined below) to purchase securities of Sprott Inc., Sprott Resource Corporation and any future related persons or company; and
2. the prohibition contained in sub-paragraph 111(2)(b) of the Act and the reporting requirement contained in sub-paragraph 117(1)(a) to permit the Pooled Funds to invest in Pooled Funds or NI 81-102 Funds.

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

- (a) the Ontario Securities Commission is the principal regulator for this application; and
- (b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, New Brunswick, Nova Scotia and Newfoundland and Labrador with respect to the relief sought.

### Interpretation

Terms defined in National Instrument 14-101 *Definitions*, MI 11-102 and the Legislation have the same meaning if used in this decision, unless otherwise defined. The following additional terms shall have the following meanings:

**NI 81-102** means National Instrument 81-102 *Mutual Funds*.

**NI 81-107** means National Instrument 81-107 *Independent Review Committee for Investment Funds*.

**NI 81-102 Funds** means the existing mutual funds and any future mutual funds managed or advised by the Filer to which NI 81-102 applies.

**Pooled Funds** means the existing mutual funds and any future mutual funds managed or advised by the Filer that are not reporting issuers and to which NI 81-102 does not apply.

### Representations

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

#### *The Filer*

1. The Filer is a limited partnership established under the laws of the Province of Ontario and is registered as an adviser in the category of portfolio manager in Ontario, British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia and Newfoundland and Labrador and as an exempt market dealer in Ontario. The Filer is not in default of securities legislation in any province or territory of Canada.
2. The Filer is, or will be, the manager and/or portfolio adviser for the NI 81-102 Funds and the Pooled Funds.

#### *Relationships among the Sprott Entities*

3. The general partner of the Filer, Sprott Asset Management GP Inc., is an indirect wholly-owned



- subsidiary of Sprott Inc., which is the sole limited partner of the Filer.
4. Sprott Inc., a corporation established under the laws of the Province of Ontario and the common shares of which are listed on the Toronto Stock Exchange (the **TSX**) under the symbol "SII", owns 99.99% of the voting securities of the Filer.
  5. Sprott Resource Corporation (**SRC**) is a corporation established under the laws of Canada and the common shares of which are listed on the TSX under the symbol "SCP".
  6. Eric Sprott, the Chief Executive Officer and a director of the general partner of the Filer, is the Chief Executive Officer and a director of Sprott Inc. Several other executive officers of the general partner of the Filer are also executive officers of Sprott Inc. In addition, Eric Sprott is a director of SRC. It is anticipated that in the future, an officer or director of the general partner of the Filer may also be an officer or director of Sprott Inc. and/or SRC.
  7. Eric Sprott, being a substantial securityholder of Sprott Inc., is deemed to be a substantial securityholder of the Filer. In the future, an officer or director of the general partner of the Filer may have a significant interest in Sprott Inc. or SRC.

#### **The NI 81-102 Funds and the Pooled Funds**

8. Each of the NI 81-102 Funds is, or will be, an open-ended mutual fund trust established under the laws of the Province of Ontario, or a mutual fund corporation established under the laws of the Province of Ontario or of Canada. Each of the NI 81-102 Funds is, or will be, a reporting issuer in Ontario and/or at least one of the other provinces and territories of Canada.
9. Each of the Pooled Funds is, or will be, a limited partnership, a trust, or a corporation.

#### **Investments in Related Issuers**

10. Securities of Sprott Inc., SRC and any future related persons or company (collectively, **Related Issuers**) may be appropriate securities for the Pooled Funds to purchase, sell or hold.
11. Section 6.2 of NI 81-107 provides an exemption for the NI 81-102 Funds to invest in exchange-traded securities of Related Issuers in the secondary market. That exemption does not apply to the Pooled Funds.
12. Each Pooled Fund's investment in securities of Related Issuers will represent the business judgment of responsible persons uninfluenced by considerations other than the best interests of the Pooled Fund.

13. Each purchase of securities of a Related Issuer will occur in the secondary market and not under primary distributions or treasury offerings of such issuers. Furthermore, the Pooled Funds will only purchase exchange-traded securities of such issuers.
14. The Filer will establish an independent review committee (**IRC**) in respect of the Pooled Funds. The IRC of the Pooled Funds will be composed in accordance with section 3.7 of NI 81-107 and will be expected to comply with the standard of care set out in section 3.9 of NI 81-107.
15. The mandate of the IRC of the Pooled Funds will include approving purchases and sales of securities of Related Issuers. The IRC of the Pooled Funds will not approve purchases or sales of securities of Related Issuers unless the IRC has made the determination set out in section 5.2(2) of NI 81-107. In connection with these purchases and sales, the conditions under section 6.2(1)(a) of NI 81-107 will be complied with.

#### **Fund-on-Fund Investments**

16. A Pooled Fund, together with one or more related mutual funds including other Pooled Funds, may be a substantial securityholder of an NI 81-102 Fund or another Pooled Fund. The Pooled Funds are unable to rely upon the exemption codified under sub-section 2.5(7) of NI 81-102.
17. Investing in an underlying NI 81-102 Fund or Pooled Fund (the **Underlying Funds**) will allow the overlying Pooled Funds (the **Top Funds**) to achieve their investment objectives in the most cost effective way and will not be detrimental to the interests of other securityholders of the Underlying Funds. Such an investment can provide greater diversification for a Top Fund in particular asset classes on a less expensive basis than investing directly in the securities held by the applicable Underlying Fund. This investment structure will also allow investors with smaller investments to have access to a larger variety of investments than would otherwise be available.
18. Securities of each of the Top Funds, if distributed in Canada, will be distributed only to "accredited investors" within the meaning of National Instrument 45-106 – *Prospectus and Registration Exemptions*, or to other investors pursuant to exemptions from the prospectus requirement.
19. Prior to a Top Fund making an investment in any Underlying Fund, the Filer will provide to investors in the Top Fund written disclosure (which could include disclosure in the offering memorandum or similar document of the Top Fund) which discloses: (i) the intent of the Top Fund to invest its assets in securities of the Underlying Funds; (ii) that the Underlying Funds are managed by the

- Filer or an affiliate of the Filer; (iii) the percentage of net assets of the Top Fund that the Top Fund intends to invest in securities of the Underlying Funds; and (iv) the process or criteria used to select the Underlying Funds.
20. Each of the Pooled Funds and the NI 81-102 Funds will prepare annual audited financial statements and interim unaudited financial statements in accordance with National Instrument 81-106 – *Investment Fund Continuous Disclosure (NI 81-106)* and will otherwise comply with the requirements of NI 81-106 applicable to them. The holdings by a Top Fund of securities of an Underlying Fund will be disclosed in the financial statements.
21. The securityholders of a Top Fund will receive, on request, a copy of the prospectus or other similar document, if available, and the audited annual financial statements and semi-annual financial statements of any Underlying Fund in which the Top Fund invests.
22. A Top Fund's investment in an Underlying Fund will comply with most of the conditions prescribed for investments in other mutual funds under sub-section 2.5(2) of NI 81-102 except as modified under this Decision.
- (a) securities of the Top Funds are distributed in Canada only under an exemption from the prospectus requirements;
- (b) no management or incentive fees are payable by a Top Fund that, to a reasonable person, would duplicate a fee payable by the Underlying Fund for the same service;
- (c) no sales or redemption fees are payable by a Top Fund in relation to its purchases or redemptions of the securities of the Underlying Funds; and
- (d) the Filer does not vote any of the securities a Top Fund holds in an Underlying Fund, but the Filer may, if it chooses, arrange for all of the securities of the Underlying Funds held by Top Funds to be voted by the beneficial owners of units of the Top Funds.
- Dated at Toronto this 27th day of July, 2010.
- "James Turner"  
Vice-Chair
- "Paulette Kennedy"  
Commissioner

## Decision

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

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted so long as:

1. Where a Pooled Fund invests in a Related Issuer:
- (a) the transaction is consistent with, or is necessary to meet, the investment objective of the Pooled Fund;
- (b) the IRC of the Pooled Fund has approved the transaction in respect of the Pooled Fund in accordance with section 5.2 of NI 81-107;
- (c) the purchase of securities of Related Issuers is made on the exchange on which the security is listed and traded; and
- (d) no later than the 90th day after the end of each financial year, the Filer files with the securities regulatory authority or regulator the particulars of any such investments.
2. Where a Pooled Fund invests in an NI 81-102 Fund or another Pooled Fund:

**2.2 Orders**

**2.2.1 Innovative Gifting Inc. et al. – s. 127**

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

**AND**

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

**ORDER  
(Section 127)**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**AND WHEREAS** on April 13, 2010, the Commission issued an order that: (1) the Temporary Order is extended as against IGI until July 22, 2010; and (2) the hearing with respect to the Notice of Hearing dated March 2, 2010 and with respect to the Temporary Order is adjourned to July 21, 2010 at 10:00 a.m., at which time a pre-hearing conference will be held;

**AND WHEREAS** on July 21, 2010, counsel for Staff, counsel for IGI and Lushington, and counsel for Z2A and Hewitt appeared before the Commission and made submissions;

**AND WHEREAS** on July 21, 2010, counsel for Staff requested an extension of the Temporary Order as against IGI and counsel for IGI and Lushington consented to the extension of the Temporary Order as against IGI;

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

**IT IS ORDERED**, pursuant to subsection 127(8) of the Act, that the Temporary Order is extended as against IGI until September 10, 2010; and

**IT IS FURTHER ORDERED** that the hearing with respect to the Notice of Hearing dated March 2, 2010 and with respect to the Temporary Order is adjourned to September 9, 2010 at 10:00 a.m., at which time a confidential pre-hearing conference will be held.

**DATED** at Toronto this 21st day of July, 2010.

“James E. A. Turner”

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

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

**AND**

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

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

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

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

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

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

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

- (i) the securities traded are listed and posted for trading on the Toronto Stock Exchange, the New York Stock Exchange or NASDAQ (or their successor exchanges) or are issued by a mutual fund which is a reporting issuer;
- (ii) he does not own legally or beneficially (in the aggregate, together with his spouse) more than one percent of the outstanding

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

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

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

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

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

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

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

**AND WHEREAS** on April 13, 2010, the Commission adjourned the hearing to June 10, 2010 at 2:00 p.m. and further extended the Amended Temporary Order, until June 11, 2010;

**AND WHEREAS** on June 10, 2010, the Commission adjourned the hearing to July 21, 2010 at 2:00 p.m. and further extended the Amended Temporary Order, until July 22, 2010;

**AND WHEREAS** on July 21, 2010, the Commission was informed by Staff that Brilliante, Aidelman and York were not opposed to the extension of the Amended Temporary Order;

**AND WHEREAS** on July 21, 2010, the Commission was informed by Staff that they have not heard from York Rio, Georgiadis and Taylor with respect to the hearing of July 21, 2010;

**AND WHEREAS** the Commission is satisfied that reasonable steps have been taken by Staff to give all

Respondents notice of the hearing and all Respondents, other than Taylor, have been duly served with such notice;

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

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

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

**IT IS ORDERED** pursuant to subsection 127(8) of the Act that the hearing is adjourned to August 30, 2010 at 11:00 a.m.;

**IT IS FURTHER ORDERED** pursuant to subsection 127(8) of the Act that the Amended Temporary Order is extended until close of business on August 31, 2010, subject to further extension by order of the Commission.

**DATED** at Toronto this 21st day of July, 2010.

"Mary G. Condon"

### 2.2.3 York Rio 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  
YORK RIO RESOURCES INC.,  
BRILLIANTE BRASILCAN RESOURCES CORP.,  
VICTOR YORK, ROBERT RUNIC, GEORGE SCHWARTZ,  
PETER ROBINSON, ADAM SHERMAN,  
RYAN DEMCHUK, MATTHEW OLIVER,  
GORDON VALDE AND SCOTT BASSINGDALE**

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

**WHEREAS** on March 2, 2010, the Commission issued a Notice of Hearing pursuant to sections 37, 127 and 127.1 of the Act accompanied by a Statement of Allegations dated March 2, 2009, issued by Staff of the Commission ("Staff") with respect to York Rio Resources Inc. ("York Rio"), Brillante Brasilcan Resources Corp. ("Brillante"), Victor York ("York"), Robert Runic ("Runic"), George Schwartz ("Schwartz"), Peter Robinson ("Robinson"), Adam Sherman ("Sherman"), Ryan Demchuk ("Demchuk"), Matthew Oliver ("Oliver"), Gordon Valde ("Valde") and Scott Bassingdale ("Bassingdale"), (collectively, the "Respondents");

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

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

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

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

**AND WHEREAS** on April 12, 2010, the Commission heard submissions from counsel for Staff, Demchuk and counsel for York;

**AND WHEREAS** on April 13, 2010, the hearing was adjourned to June 10, 2010;

**AND WHEREAS** on June 10, 2010, Staff appeared before the Commission and informed the Commission that all parties had either been served with notice of the hearing or that service had been previously attempted on all parties;

**AND WHEREAS** on June 10, 2010, upon hearing submissions from Staff, the hearing was adjourned to July 21, 2010;

**AND WHEREAS** on July 21, 2010, Staff appeared before the Commission and informed the Commission that all parties had either been served with notice of today's hearing or that service had been previously attempted on all parties;

**AND WHEREAS** on July 21, 2010, Staff, Schwartz and agents for counsel for Robinson and Oliver appeared before the Commission and Brillante, York, and counsel for Sherman provided information to Staff that was communicated to the Commission;

**AND WHEREAS** on July 21, 2010, Staff, Schwartz and agents for counsel for Robinson and Oliver made submissions to the Commission that the hearing be adjourned to August 30, 2010 at 11:00 a.m. for the purpose of conducting a pre-hearing conference with the Respondents;

**IT IS ORDERED THAT** the hearing is adjourned to August 30, 2010 at 11:00 a.m. for the purpose of conducting a pre-hearing conference or such other date as is agreed to by the parties and determined by the Office of the Secretary.

**DATED** at Toronto this 21st day of July, 2010.

"Mary G. Condon"

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

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

**AND**

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

**ORDER**

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

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

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

**AND WHEREAS** Staff served the Respondents with copies of the Notice of Hearing and Staff's Statement of Allegations dated December 17, 2009, as evidenced by the Affidavit of Kathleen McMillan sworn on January 11, 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 Platinum and Robinson attended before the Commission and made submissions, including requesting that the hearing be 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 ordered that hearing be adjourned to June 30, 2010 at 11:00 a.m. at which time the pre-hearing conference would be continued;

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

**AND WHEREAS** on June 30, 2010, the Commission ordered that hearing be adjourned to July 22, 2010 at 11:00 a.m. at which time the pre-hearing conference would be continued;

**AND WHEREAS** on July 22, 2010, Staff and a student-at-law in the office of counsel for Platinum and Robinson attended before the Commission for the continuation of the pre-hearing conference, made submissions to the Commission, and requested that the pre-hearing conference be continued on August 30, 2010 at 10:30 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 August 30, 2010, at 10:30 a.m. at which time the pre-hearing conference will be continued.

**DATED** at Toronto this 22nd day of July, 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 in securities by Uranium308 Resources Inc. ("U308 Inc.") shall cease and that all trading in Uranium308 Resources Inc. securities shall cease; that all trading in securities by Uranium308 Resources Plc. ("U308 Plc.") shall cease and that all trading in Uranium308 Resources Plc. securities shall cease; that all trading in securities by Innovative Gifting Inc. ("IGI") shall cease; and, that Michael Friedman ("Friedman"), Peter Robinson ("Robinson"), George Schwartz ("Schwartz"), and Alan Marsh Shuman ("Shuman") cease trading in all securities (the "Temporary Order");

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**AND WHEREAS** 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, 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. until the completion of the hearing on the merits in this matter;

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

**AND WHEREAS** on June 30, 2010, the Commission adjourned the pre-hearing conference to continue on July 22, 2010 at 10:00 a.m.;

**AND WHEREAS** on July 22, 2010, the pre-hearing conference continued and Khan and Schwartz were present at the pre-hearing conference. A student-at-law with the office of counsel for Robinson was also present. Counsel for Friedman and U308 Inc. was not able to attend on July 22, 2010, but Staff advised the Commission of the reason for their non-attendance;

**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 this matter is adjourned to August 30, 2010, at 10:00 a.m. at which time the pre-hearing conference will be continued.

**DATED** at Toronto this 22nd day of July, 2010.

"Mary G. Condon"



**2.2.6 Irwin Boock et al.**

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

**AND**

**IN THE MATTER OF  
IRWIN BOOCK, STANTON DEFREITAS,  
JASON WONG, SAUDIA ALLIE, ALENA DUBINSKY,  
ALEX KHODJAINTS, SELECT AMERICAN  
TRANSFER CO., LEASESMART, INC., ADVANCED  
GROWING SYSTEMS, INC., INTERNATIONAL ENERGY  
LTD., NUTRIONE CORPORATION, POCKETOP  
CORPORATION, ASIA TELECOM LTD.,  
PHARM CONTROL LTD., CAMBRIDGE RESOURCES  
CORPORATION, COMPUSHARE TRANSFER  
CORPORATION, FEDERATED PURCHASER, INC., TCC  
INDUSTRIES, INC., FIRST NATIONAL ENTERTAINMENT  
CORPORATION, WGI HOLDINGS, INC. AND  
ENERBRITE TECHNOLOGIES GROUP**

**ORDER**

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

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

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

**AND WHEREAS** on December 10, 2009, the Commission ordered that the hearing on the merits of this matter shall commence on February 1, 2010;

**AND WHEREAS** on January 29, 2010, the Commission ordered that the hearing on the merits of this matter be adjourned *sine die* pending the release of the Commission's decision on the Motion;

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

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

**AND WHEREAS** counsel for Boock advised the Commission at an attendance on February 24, 2010 that the Divisional Court had advised that it was expected that the JR Application could be heard in advance of the dates scheduled for the commencement of a hearing into the merits of this matter;

**AND WHEREAS** on February 24, 2010, the Commission made an order that:

- a) the Disclosure Decision be stayed on an interim basis until the earlier of the date of a decision on the merits in the JR Application or September 13, 2010, or until such further date as ordered by the Commission;
- b) the parties shall attend at the offices of the Commission on September 13, 2010 at 9:00 a.m. to advise the Commission of the status of the determination of the JR Application (the "Status Hearing"); and
- c) the hearing on the merits of this matter shall commence on October 18, 2010 and, excluding October 26, 2010, shall continue for three weeks until November 5, 2010 and thereafter on such dates as may be determined by the parties and the Office of the Secretary (the "Select American Hearing Dates");

**AND WHEREAS** Boock is no longer represented by counsel and is currently acting in person;

**AND WHEREAS** on June 18, 2010, pursuant to Staff's request for an earlier Status Hearing, Staff, Boock, counsel to Stanton DeFreitas ("DeFreitas"), and counsel to Jason Wong ("Wong") attended before the Commission;

**AND WHEREAS** on June 18, 2010 Boock and Staff provided the Commission with a status update with respect to the JR Application and the Commission made an order adjourning the Status Hearing until June 29, 2010 to give Boock an opportunity to take steps toward perfecting the JR Application;

**AND WHEREAS** on June 29, 2010, Staff, Boock, counsel to Stanton DeFreitas ("DeFreitas"), and counsel to Jason Wong ("Wong") attended before the Commission;

**AND WHEREAS** on June 29, 2010, upon hearing submissions from Staff and Boock, the Commission adjourned the Status Hearing until Thursday, July 15, 2010 at 10:00 a.m. to give Boock an opportunity to take further steps toward perfecting the JR application;

**AND WHEREAS** on July 15, 2010, the Commission was advised that the JR Application has been perfected and that a hearing date of October 27, 2010 has been set by the Superior Court of Justice (Divisional Court) for the hearing of the JR Application;

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

**IT IS HEREBY ORDERED THAT**

- a) the Select American Hearing Dates, previously set to commence on October 18, 2010, shall be vacated;
- b) the Status Hearing currently scheduled for September 13, 2010 shall be vacated;
- c) the Status Hearing shall be adjourned until November 29, 2010 at 9:30 a.m. at the offices of the Commission; and
- d) the Disclosure Decision shall be stayed on an interim basis until the earlier of the date of a decision on the merits in the JR Application or November 29, 2010, or until such further date as ordered by the Commission

Dated at Toronto this 15th day of July, 2010

"Mary G. Condon"

**2.2.7 North American Nickel 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.

**Applicable Legislative Provisions**

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  
NORTH AMERICAN NICKEL INC.**

**ORDER  
(Section 144)**

**WHEREAS** the securities of North American Nickel Inc. (the "**Applicant**") are subject to a Temporary Order of the Director made on behalf of the Ontario Securities Commission (the "**Commission**"), pursuant to subsections 3 of Section 127 of the Act on June 23, 1992, as extended by a further order of the Director on July 3, 1992 on behalf of the Commission pursuant to subsection 127(3) of the Act (collectively the "**Cease Trade Order**"), directing that trading in the securities of the Applicant cease until the Cease Trade Order is revoked by a further order of revocation;

**AND UPON** the Applicant having applied to 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 incorporated under the *Business Corporations Act* (British Columbia) on September 20, 1983 and is a reporting issuer in the Provinces of Ontario and British Columbia;
- 2. The Registered and Records office of the Applicant is Suite 1750 – 1185 West Georgia Street, Vancouver, B.C. Canada V6E 4E6;
- 3. The head office of the Applicant is Suite 208 – 828 Harbourside Drive, North Vancouver, BC Canada V7P 3R9;
- 4. The British Columbia Securities Commission is the principal regulator of the Applicant;

5. The authorized capital of the Applicant consists of an unlimited number of common shares, of which 25,441,730 are issued and outstanding; and 100,000,000 Series 1 convertible preferred shares without par value, of which 604,724 are issued and outstanding as of the date hereof;
6. The common shares of the Applicant are quoted on FINRA's Over-the-Counter Bulletin Board in the United States under the symbol WCRFD;
7. The Cease Trade Order was issued by reason of the failure of the Applicant to file with the Commission its audited annual statements for the year ended December 31, 1991 and its interim financial statements for the three-month period ended March 31, 1992 (the "**CTO Financial Statements**"), as required by the Act;
8. The Applicant has filed the CTO Financial Statements with the Commission and all outstanding continuous disclosure documents that are required to be filed under Ontario securities law;
9. Except for the Cease Trade Order, the Applicant is not otherwise in default of any requirements of the Act or the rules and regulation made thereunder;
10. The Applicant has paid all outstanding fees to the Commission, including all participation and late fees;
11. The Applicant's SEDAR profile and SEDI issuer profile are current and accurate;
12. The Applicant is not considering, nor is it involved in any discussions relating to a reverse-take over, merger, amalgamation or other form of combination or transaction similar to the foregoing;
13. The Applicant held its last annual general meeting of shareholders on April 8, 2010;
14. Upon the issuance of this revocation order, the Applicant will issue a news release;

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

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

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

DATED this 22nd day of July, 2010.

"Jo-Anne Matear"  
Assistant Manager, Corporate Finance

## 2.2.8 MF Global Canada Co. – s. 74(1)

### Headnote

Application by investment dealer (Applicant) for relief from prospectus requirement in connection with distribution of "contracts for difference" and foreign exchange contracts (collectively CFDs) to investors resident in Ontario, subject to four-year sunset clause and other terms and conditions – Applicant acts as both market intermediary and the principal or counterparty to the CFD with the client – Applicant registered in Ontario as investment dealer and a member of the Investment Industry Regulatory Organization of Canada (IIROC) – Applicant will comply with IIROC Rules and IIROC acceptable practices applicable to offerings of CFDs – Applicant seeking relief to permit Applicant to offer CFDs to investors in Ontario on the basis of clear and plain language risk disclosure document rather than a prospectus – risk disclosure document contains disclosure substantially similar to risk disclosure document required for recognized options in OSC Rule 91-502 Trades in Recognized Options, the regime for OTC derivatives contemplated by former proposed OSC Rule 91-504 OTC Derivatives (which was not adopted), and the Quebec Derivatives Act – Relief consistent with relief contemplated by OSC Staff Notice 91-702 Offerings of contracts for difference and foreign exchange contracts to investors in Ontario (OSC SN 91-702) – Relief granted, subject to terms and conditions, including

- all CFDs offered by Applicant to clients in Ontario shall be distributed through Applicant;
- Applicant remains registered as an investment dealer and a member of IIROC;
- all distributions of CFDs by Applicant to clients in Ontario be conducted in accordance with IIROC Rules and IIROC acceptable practices applicable to offerings of CFDs;
- prior to a client's first CFD trade, the Applicant has provided the client the risk disclosure document and have delivered, or previously delivered, a copy of the risk disclosure document to the Commission;
- prior to the client's first CFD trade and as part of the account opening process, the Applicant has obtained a written or electronic acknowledgement from the client confirming that the client has received, read and understood the risk disclosure document;
- Applicant shall promptly inform the Commission in writing of any material change affecting Filer, being any change in the business, activities, operations or financial results or condition of Filer that may reasonably be perceived by a counterparty to a derivative to be material;

- within 90 days following the end of its financial year, Filer shall submit to the Commission the audited annual financial statements of Filer's parent and a statement presenting the number of contracts concluded with Ontario residents for any CFDs offered to the public during the most recent financial year; and
- the Requested Relief shall immediately expire upon the earliest of
- four years from the date that the Order is issued;
- the issuance of an order or decision by a court, the AMF or other similar regulatory body that suspends or terminates the ability of the Filer to offer CFDs to clients in Québec; and
- the coming into force in Ontario of legislation or a rule regarding the distribution of OTC derivatives to investors in Ontario.

#### Legislation Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 53, 74(1).  
NI 45-106 Prospectus and Registration Exemptions, s. 2.3.  
OSC Rule 91-502 Trades in Recognized Options.  
OSC Rule 91-503 Trades in Commodity Futures Contracts and Commodity Futures Options Entered into on Commodity Futures Exchanges Situate Outside of Ontario.  
Proposed OSC Rule 91-504 OTC Derivatives (not adopted).

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

**AND**

**IN THE MATTER OF  
MF GLOBAL CANADA CO.**

**ORDER  
(Subsection 74(1) of the Act)**

**UPON** the application (the **Application**) of MF Global Canada Co. (the **Applicant**) to the Ontario Securities Commission (the **Commission**) for an order, pursuant to subsection 74(1) of the Act, that the Applicant and its respective officers, directors and representatives be exempt from the prospectus requirement of section 53 of the Act in respect of the distribution of contracts for difference and foreign exchange contracts (collectively, **CFDs**) to investors resident in Ontario (the **Requested Relief**) subject to the terms and conditions below;

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

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

1. The Applicant is a corporation incorporated under the laws of Nova Scotia with its principal office in Toronto, Ontario.
2. The Applicant is a subsidiary of MF Global Holdings Ltd., a leading broker of exchange-listed futures and options in the world with offices in New York, London, Chicago, Paris, Mumbai, Singapore, Sydney, Toronto, Tokyo, Hong Kong, Taipei and Dubai. MF Global Holdings Ltd. is a public company listed on the New York Stock Exchange. The Applicant and its affiliates are referred to herein as **MF Global**.
3. MF Global provides execution and clearing services for exchange-traded and over-the-counter derivative products as well as for non-derivative foreign exchange products and securities in the cash market. MF Global operates across a broad range of trading markets, including interest rates, equities, currencies, energy and metals, agricultural and other commodities. MF Global operates in 12 countries on more than 70 exchanges, providing access to the largest and fastest growing financial markets in the world. It is the leader by volume on many of these markets and on a single day averages eight million lots, more than most of the world's largest derivatives exchanges.
4. MF Global's U.S. affiliate, MF Global Inc. (**MF Global U.S.**), does not offer CFDs to U.S. investors. It does, however, offer over-the-counter foreign exchange contracts to investors in the U.S. Pursuant to U.S. securities laws, MF Global U.S. is registered as a Futures Commission Merchant with the U.S. Commodity Futures Trading Commission and is a member of the National Futures Association.
5. The Applicant is registered as a dealer in the category of investment dealer in all provinces and territories and is a member of the Investment Industry Regulatory Organization of Canada (**IIROC**, formerly the Investment Dealers' Association or **IDA**).
6. The Applicant is not, to the best of its knowledge, in default of any requirements of IIROC, securities legislation in Ontario or securities or derivatives legislation in Québec.
7. The Applicant has previously offered foreign exchange contracts (but not other types of CFDs) to investors in Ontario on the basis of a good faith determination that its foreign exchange contracts did not constitute securities for the purposes of Ontario securities law. Consequently, such offerings were made in compliance with applicable IIROC Rules and other IIROC acceptable practices (as defined below) but were not made under a prospectus or an exemption from the prospectus requirement of Ontario securities law.

In October 2009, OSC staff published OSC Staff Notice 91-702 *Offerings of Contracts for Difference and Foreign Exchange Contracts to Investors (OSC SN 91-702)*. The Applicant has considered the guidance in OSC SN 91-702 and wishes to continue to offer its foreign exchange contracts to investors in Ontario on the basis of the exemptive relief contemplated by OSC SN 91-702.

8. In Québec, the Applicant has applied for an order from the *Autorité des marchés financiers* (the **AMF**) to offer CFDs to both accredited and non-accredited investors (referred to herein as retail investors) pursuant to the provisions of the *Derivatives Act* (Québec)(the **QDA**). The AMF Order will, if granted, exempt the Applicant from the qualifying requirement set forth in section 82 of the QDA relating to the creation or marketing of CFDs offered to the public, subject to certain terms and conditions.
9. The Applicant wishes to offer CFDs to investors, including retail investors, in Ontario on a similar basis as in Québec and on substantially the same terms and conditions as articulated in the QDA and in the AMF Order. For the Interim Period (defined below), the Applicant is seeking the Requested Relief in connection with this proposed offering in Ontario.
10. The Applicant is required by IIROC to maintain a certain level of capital to address the business risks associated with its activities. The capital reporting required by IIROC (as per the calculation in the Joint Regulatory Financial Questionnaire (the **JRFQ**) and the Monthly Financial Reports to IIROC) is based predominantly on the generation of financial statements and calculations as to ensure capital adequacy. The Applicant as an IIROC member is required to have a specified minimum capital which includes having any additional capital required with regards to margin requirements and other risks. This risk calculation is summarized as a risk adjusted capital calculation which is submitted in the firm's JRFQ and required to be kept positive at all times.
11. As a member of IIROC, the Applicant will only be permitted to distribute CFDs pursuant to IIROC Rules. The Applicant is not, to the best of its knowledge, in default of any IIROC Rules. In addition, IIROC has communicated to its members certain additional expectations as to acceptable business practices (**IIROC acceptable practices**) as articulated in the IIROC CFD Paper (as defined below) for any IIROC member proposing to offer CFDs or foreign exchange contracts (**forex contracts**) to investors. To the best of its knowledge, the Applicant is (and will be) in compliance with IIROC acceptable practices for its offerings of CFDs. The Applicant will offer CFDs

in accordance with IIROC acceptable practices as may be established from time to time.

### Structure of CFDs

12. A CFD is a derivative product that allows clients to obtain economic exposure to the price movement of an underlying instrument, such as a share, index, market sector, foreign currency, treasury or commodity, without the need for ownership and physical settlement of the underlying instrument.
13. CFDs offered by the Applicant may be traded via a direct market access (**DMA**) model or a market maker model. DMA-traded CFDs result in an order being passed directly through to the underlying physical market with no market maker intervention. In the DMA model, pricing is identical to that in the underlying market. In the market maker model, the provider will receive an order from its client and then may hedge their underlying position in a number of ways such as offsetting orders against other clients, buying shares, buying options, warrants or futures. In the market maker model, pricing approximates the underlying market but can also provide additional liquidity than that which is available in the underlying market.
14. CFDs to be offered by the Applicant shall be distributed on an OTC basis and are not transferable.
15. In the case of CFDs offered by the Applicant in respect of which the underlying interest is a security, the CFDs do not confer the right or obligation to acquire or deliver the underlying security, and do not confer any other rights of holders of the underlying security, such as voting rights.
16. The contractual relationship between the Applicant and the proposed client is one of a bilateral arrangement whereby the Applicant acts as both the market intermediary and the principal or counterparty to the CFD with the client.
17. CFDs allow clients to obtain exposure to markets and instruments that may not be available directly, or may not be available in a cost-effective manner. Commissions are charged to clients for the execution and clearing of CFDs. The commissions vary depending on the market traded and are typically quoted in basis points of the underlying value of the equity.
18. The ability to leverage an investment has traditionally been one of the principal features of CFDs. Leverage allows clients to magnify potential investment returns (or losses) by reducing the initial capital outlay required to achieve the same market exposure that would be

obtained by investing directly in the underlying instrument.

19. IIROC Rules and IIROC acceptable practices set out detailed requirements and expectations relating to leverage and margin for offerings of CFDs and forex contracts. Consequently, CFDs offered in Canada in accordance with IIROC Rules and IIROC acceptable practices will generally employ the same degree of leverage as traditional margin accounts for long and short positions in securities. However, the degree of leverage may be amended in accordance with IIROC Rules and IIROC acceptable practices as may be established from time to time.
20. CFDs are currently available to retail clients without a prospectus in OTC markets in countries, including, but not limited to, United Kingdom, Germany, Switzerland, Singapore, Australia and New Zealand. With the implementation of the European Markets in Financial Instruments Directive in November 2007, CFDs are now considered "core" investment services and activities that registered investment firms can offer throughout Europe (via a "passport system" of securities regulation).
21. In Québec, the Applicant intends to offer CFDs to investors, including retail investors, pursuant to the provisions of the QDA and the conditions contained in the AMF Order.
22. A detailed description of CFDs can be found in the publication titled "Regulatory Analysis of Contracts for Differences (CFDs)" published by IIROC on June 6, 2007 (the **IIROC CFD Paper**), as amended on September 12, 2007.

#### CFDs Distributed in Ontario

23. CFDs and similar OTC derivative contracts, when offered to investors in Ontario, may be considered to be "securities" under the Act.
24. Pursuant to Section 13.12 *Restriction on lending to clients of National Instrument 31-103 Registration Requirements* which came into force as of September 28, 2009, only those firms that are registered as investment dealers (a condition of which is to be a member of IIROC) may lend money, extend credit or provide margin to a client.
25. Investors wishing to purchase CFDs must open an account with the Applicant and complete a trading agreement.
26. Prior to a client's first CFD trade and as part of the account opening process, the Applicant will provide the client with a separate risk disclosure document that clearly explains, in plain language, the product and the risks associated with an investment in the product (the **risk disclosure**

**document**). The risk disclosure document includes the required risk disclosure set forth in Schedule A to the Regulations to the QDA and leverage risk disclosure required under IIROC Rules. The risk disclosure document contains disclosure that is substantially similar to the risk disclosure statement required for recognized options in OSC Rule 91-502 *Trades in Recognized Options* (which provides both registration and prospectus exemptions) and the regime for OTC derivatives contemplated by proposed OSC Rule 91-504 *OTC Derivatives* (which was not adopted) (**Proposed Rule 91-504**). The Applicant will ensure that, prior to a client's first CFD trade, a complete copy of the risk disclosure document provided to that client has been delivered, or has previously been delivered, to the Commission.

27. Prior to the client's first CFD trade and as part of the account opening process, the Applicant will obtain a written or electronic acknowledgement from the client confirming that the client has received, read and understood the risk disclosure document. Such acknowledgment will be separate and prominent from other acknowledgements provided by the client as part of the account opening process.
28. Clients purchase CFDs through the Applicant's on-line trading platform which is similar to those developed for on-line brokerages and day-trading in that the investor trades without other communication with, or advice from, the dealer. The on-line platform is not a "marketplace" as defined in National Instrument 21-101 *Marketplace Operation* since a marketplace is any facility that brings together multiple buyers and sellers by matching orders in fungible contracts in a non-discretionary manner. The on-line platform does not bring together multiple buyers and sellers; rather it offers clients direct access to the underlying market.
29. The role of the Applicant is limited primarily to acting as an execution-only dealer except where it provides broker assistance to certain types of foreign exchange trades. The Applicant is, among other things, responsible for marketing, trade execution, administration of account opening and investor approval (including know-your-client diligence and suitability confirmations) for all Canadian clients.
30. IIROC Rules exempt member firms that provide execution-only services such as discount brokerage from the obligation to determine whether each trade is suitable for the client. However, IIROC has exercised its discretion to impose additional requirements on members proposing to issue CFDs and requires that:

- (a) Applicable risk disclosure documents and client suitability waivers provided must be in a form acceptable to IIROC.
- (b) The firm's policies and procedures, amongst other things, must assess the depth of investment knowledge and trading experience of the client to assess whether the CFD product itself is appropriate for the client before an account is approved to be opened. IIROC has also imposed its proficiency requirements for futures trading on the Applicant's registered salespeople, who conduct the know your client and initial product suitability analysis, as well as their supervisory trading officer.
- (c) The relationship and responsibilities, including conflicts of interest between the issuer and dealer, must be fully disclosed to the client and acknowledged in writing.
- (d) Cumulative loss limits for each client's account must be established (this is a measure normally applied by IIROC in connection with futures trading accounts).
31. The CFDs shall be offered in compliance with the leverage (margin) rates approved by IIROC and other IIROC acceptable practices. IIROC has prescribed margin limits for CFDs based on IIROC methodologies and principles as applied to existing products offered in Canada (particularly Montreal Bourse single stock futures).
32. IIROC limits the underlying instruments in respect of which a member firm may issue CFDs since only certain securities are eligible for reduced margin rates. For example, underlying equity securities must be listed or quoted on certain "recognized exchanges" (as that term is defined in IIROC rules) such as TSX or the NYSE. The purpose of these limits is to ensure that CFDs offered in Canada will only be available in respect of underlying instruments that are traded in well-regulated markets, in significant enough volumes and with adequate publicly available information, so that investors can form a sufficient understanding of the exposure represented by a given CFD.
- Rationale for the Requested Relief**
33. The Requested Relief, if granted, would substantially harmonize the Commission's position on the offering of CFDs to investors in Ontario with how those products are offered to investors in Quebec under the QDA. The QDA provides a legislative framework to govern derivatives activities within the province. Among other things, the QDA requires such products to be offered to investors through an IIROC member and the distribution of a standardized risk disclosure document rather than a prospectus in order to distribute CFDs to investors resident in Quebec.
34. The Requested Relief, if granted, would be consistent with the guidelines articulated by OSC Staff in OSC SN 91-702. OSC SN 91-702 provides guidance with regards to the distributions of contracts for difference (CFDs), foreign exchange contracts (forex or FX contracts) and similar OTC derivative products to investors in Ontario.
35. The Commission has previously recognized that the prospectus requirement may not be well suited for the distribution of certain derivative products to investors in Ontario, and that alternative requirements, including requirements based on clear and plain language risk disclosure, may be better suited for certain derivatives. Both OSC Rule 91-502 *Trades in Recognized Options* (OSC Rule 91-502) and OSC Rule 91-503 *Trades in Commodity Futures Contracts and Commodity Futures Options Entered into on Commodity Futures Exchanges Situate Outside of Ontario* (OSC Rule 91-503) provide for a prospectus exemption for the trading of derivative products to clients. The Requested Relief is consistent with the principles and requirements of OSC Rule 91-502, OSC Rule 91-503 and Proposed Rule 91-504.
36. The Applicant also submits that the Requested Relief, if granted, would harmonize the Commission's position on the offering of CFDs with certain other foreign jurisdictions. Other CFD providers distribute CFDs to retail clients in numerous other jurisdictions around the world. Securities regulators in these jurisdictions appear to have concluded that a clear, plain language risk disclosure document is appropriate for retail CFD clients.
37. The Applicant is of the view that requiring compliance with the prospectus requirements for the distribution of CFDs to retail clients in Ontario would not be appropriate for the following reasons:
- the disclosure of a great deal of the information required under the prospectus and under the reporting issuer regime is not material to a CFD client. The information to be given to a CFD client should principally focus on enhancing the client's appreciation of product risk including counterparty risk;
  - CFDs are in continuous distribution;
  - most CFDs are of short duration (positions are generally opened and

closed on the same day and are in any event marked to market and cash settled daily); and

- d. there are frequent changes to the array of available underlying financial instruments.

38. The Applicant is regulated by IIROC which has a robust compliance regime including specific requirements to address market, capital and operational risks.

39. The Applicant submits that the regulatory regimes developed by the AMF and IIROC for the offering of CFDs adequately addresses issues relating to the potential risk to the client of the Applicant acting as counterparty. In view of these regulatory regimes, investors would receive little or no additional benefit from requiring the Applicant to also comply with the prospectus requirement for the distribution of CFDs to investors in Ontario.

40. The Requested Relief is conditional on the Applicant being registered as an investment dealer with the Commission and maintaining its membership with IIROC and that all CFD trades distributed by the Applicant be conducted pursuant to IIROC Rules imposed on members seeking to distribute CFDs and in accordance with IIROC acceptable practices.

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

**IT IS ORDERED**, pursuant to subsection 74(1) of the Act, that for the duration of the Interim Period (as defined below) the Requested Relief is granted, provided that:

- (a) all CFDs offered by MF Global to clients resident in Ontario shall be distributed through the Applicant;
- (b) the Applicant remains registered as a dealer in the category of investment dealer with the Commission and a member of IIROC;
- (c) all distributions of CFDs by the Applicant to clients resident in Ontario be conducted pursuant to IIROC Rules imposed on members seeking to distribute CFDs and foreign exchange contracts and in accordance with IIROC acceptable practices, as amended from time to time;
- (d) all distributions of CFDs by the Applicant to clients resident in Ontario be conducted pursuant to the rules and regulations of the QDA and the AMF, as amended from time to time, unless and to the extent there is a conflict between i) the rules and regulations of the QDA and the AMF, and ii) the requirements of Ontario securities law, the IIROC

Rules and IIROC acceptable practices, in which case the latter shall prevail;

- (e) prior to a client's first CFD trade, the Applicant has provided to the client the risk disclosure document described in paragraph 26 and have delivered, or have previously delivered, a copy of the risk disclosure document provided to that client to the Commission;
- (f) prior to the client's first CFD trade and as part of the account opening process, the Applicant has obtained a written or electronic acknowledgement from the client, as described in paragraph 27, confirming that the client has received, read and understood the risk disclosure document;
- (g) the Applicant has furnished to the Commission the name and principal occupation of its officers or directors, together with either the personal information form and authorization of indirect collection, use and disclosure of personal information provided for in National Instrument 41-101 *General Prospectus Requirements* or the registration information form for an individual provided for in Form 33-109F4 of National Instrument 33-109 *Registration Information Requirements* completed by any officer or director;
- (h) the Applicant shall promptly inform the Commission in writing of any material change affecting the Applicant, being any change in the business, activities, operations or financial results or condition of the Applicant that may reasonably be perceived by a counterparty to a derivative to be material;
- (i) the Applicant shall promptly inform the Commission in writing if a self-regulatory organization or any other regulatory authority or organization initiates proceedings or renders a judgment related to disciplinary matters against the Applicant concerning the conduct of activities with respect to CFDs; and
- (j) within 90 days following the end of its financial year, the Applicant shall submit to the Commission the audited annual financial statements of the Applicant and a statement presenting the number of transactions concluded with Ontario residents for any CFD offering to the public during the most recent financial year.
- (k) the Requested Relief shall immediately expire upon the earliest of
  - (i) four years from the date that this Order is issued;
  - (ii) the issuance of an order or decision by a court, the AMF or other similar regulatory body that suspends or terminates the



ability of the Applicant to offer CFDs to clients in Quebec; and

- (iii) the coming into force in Ontario of legislation or a rule regarding the distribution of OTC derivatives to investors in Ontario (the **Interim Period**).

July 16, 2010

"Paulette Kennedy"  
Commissioner

"Mary Condon"  
Commissioner

## 2.2.9 Canaccord Genuity Corp. – ss. 74(1), 144(1)

### Headnote

Subsection 144(1) of Securities Act (Ontario) (the Act) – revocation of an order previously granted to the Applicant dated October 31, 1008.

Subsection 74(1) of the Act – relief from the registration requirements of paragraph 25(1)(a) of the Act granted to non-Ontario registered dealing representatives of the Applicant trading on behalf of one or more Ontario charitable foundation in connection with a charitable gift program.

### Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 25(1)(a), 74(1), 144(1).

July 23, 2010

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

**AND**

**IN THE MATTER OF  
CANACCORD GENUITY CORP.**

**ORDER  
(Subsection 74(1) and Subsection 144(1))**

**UPON** the application (the **Application**) of Canaccord Genuity Corp. (the Applicant) to the Ontario Securities Commission (the **Commission**) for an order:

- (a) Pursuant to subsection 144(1) of the Act, revoking the exemption order granted by the Commission to Canaccord Capital Corporation on October 31, 1008 (the **Previous Order**, as described below); and
- (b) pursuant to subsection 74(1) of the Act that the registration requirements contained in paragraph 25(1)(a) of the Act (the **Dealer Registration Requirements**) shall not apply to non-Ontario registered dealing representatives of the Applicant (the **Dealing Representatives**) in respect of trading on behalf of one or more public foundations (each, a **Foundation**, as described below) in connection with the Applicant's charitable gift program (the **Charitable Gift Program**, as described below);

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

**AND UPON** the Applicant having represented to the Commission as follows:

**The Applicant**

1. The Applicant is a corporation continued under the *Business Corporations Act* (Ontario) and is registered as a dealer in the category of investment dealer in Ontario and in all other provinces and territories in Canada. The Applicant is also a member of the Investment Industry Regulatory Organization of Canada (IIROC).

**The Dealing Representatives**

2. Each Dealing Representative is employed by the Applicant and is registered in one or more provinces or territories in Canada as a dealing representative of the Applicant. Each Dealing Representative is also approved by IIROC as a registered representative.

**The Foundations**

3. Each Foundation is an independent non-profit charitable organization with registered charitable status as a public foundation under the *Income Tax Act* (Canada) (the **Tax Act**). The head office of each Foundation is in Ontario.
4. The purpose of each Foundation is to support charities and other permitted entities as defined under the *Tax Act* (**Qualified Donees**) through charitable gifts received from donors. Each Foundation specializes in the management and administration of donor-advised charitable gift funds and has entered into an agreement with the Applicant in connection with its Charitable Gift Program.

**The Charitable Gift Program**

5. Prospective charitable donors to each Foundation will, prior to making a donation, receive a document (the **Program Details Document**) which will outline the details of the operation of the Charitable Gift Program and its fees.
6. Donors (each, a **Donor**) make an irrevocable charitable gift of cash and/or securities to a Foundation and receive a tax receipt generally equal to the cash, or fair market value of securities, donated to the Foundation. Securities donated to the Foundation will be liquidated by the Applicant.
7. The applicable Foundation will deposit the proceeds of each Donor's gift into an individual account which it will open with the Applicant (each, an **Account**). Donors may also make subsequent gifts to the applicable Foundation

under the Charitable Gift Program from time to time.

8. Each Account will be opened in the name of the applicable Foundation in a manner in which the Donor can be identified. The Donor, or his/her successor or designate, will be responsible for providing the applicable Foundation with recommendations regarding the disbursements from the Account to Qualified Donees.
9. In order to comply with the *Tax Act*, the Charitable Gift Program will require that all gifts to the applicable Foundation held in the Account are disbursed to Qualified Donees in accordance with the disbursement quotas established under the *Tax Act* or held as required under the *Tax Act*. In particular, any property held in the Account which is "enduring property" as defined in subparagraph (c) of the definition of "enduring property" under section 149.1(1) of the *Tax Act* (also known as a "ten year gift") will be held for the required ten year period or expended strictly in accordance with any applicable exemption permitted by the *Tax Act*.
10. Legislation applicable to the Foundations requires that all donated assets be invested in accordance with the "prudent investor" standard. In accordance with this requirement, each Foundation will pre-select a list of mutual funds and portfolio mandates for managed accounts offered by the Applicant under the Charitable Gift Program (the **Eligible Investment Vehicles**). Every Account opened as a result of a donation under the Charitable Gift Program will be restricted to investments in one or more Eligible Investment Vehicles. Each of the Eligible Investment Vehicles is expected to be either a fixed income or a well-diversified balanced portfolio. The Donor will be provided an opportunity to express to the applicable Foundation his or her preference (if any) regarding which Eligible Investment Vehicles the Account should be invested in from time to time.
11. In the event that an Eligible Investment Vehicle is a mutual fund, the mutual fund will be qualified by way of a prospectus in accordance with National Instrument 81-101 *Mutual Fund Prospectus Disclosure* and available for distribution in Ontario and the province or territory in which the Donor resides.
12. The Dealing Representative that solicits the Donor's gift to a Foundation will initially service the Account set up with the proceeds of that Donor's gift and may also have an ongoing relationship with the Donor. The Dealing Representative may make a recommendation to the Donor as to the initial choice of Eligible Investment Vehicle and may subsequently recommend changes to the choice of Eligible Investment Vehicle.

13. The applicable Foundation will have final authority over all investment decisions in each Account, except Accounts that are opened as managed accounts. In particular, after receiving the preferences of a Donor, the applicable Foundation will make all final decisions on investments for the Account, and will send trading instructions to the Dealing Representative servicing that Account.
14. In the case where an Account is a managed account, investment decisions will be made by the Dealing Representative responsible for the Account, in accordance with the investment objectives of the Account pursuant to the portfolio mandate(s) selected by the Donor as an Eligible Investment Vehicle. The applicable Foundation has the ability to select another Dealing Representative to manage the managed account. Each Dealing Representative exercising discretionary authority over an Account that is a managed account will be appropriately qualified to provide portfolio management services.
15. The Applicant will deliver trade confirmations and account statements (**Account Statements**) to the applicable Foundation with respect to each Account as required under the securities legislation in the jurisdiction where such Account is located. The Applicant will make a copy of any or all Account Statements available to the applicable Donor upon request. The Applicant will deliver a semi-annual donor statement (**Donor Statement**) to each Donor, which will provide certain relevant Account information to the Donor.

#### The Previous Order

16. On October 31, 2008, the Commission granted Canaccord Capital Corporation an exemption from the registration requirement contained in, then, paragraph 25(1)(a) of the Act in respect of non-Ontario registered salespersons trading on behalf of a public foundation in connection with a charitable gift program (the **Previous Order**).
17. On December 12, 2009, Canaccord Capital Corporation changed its name to Canaccord Financial Ltd.
18. On May 10, 2010, Canaccord Financial Ltd. changed its name to Canaccord Genuity Corp. At the same time as the name change, Canaccord Genuity Corp. continued from the *Business Corporations Act* (British Columbia) to the *Business Corporations Act* (Ontario).
19. The Applicant is seeking a new order for the following reasons: 1) it has since changed its name, 2) it is proposing to trade on behalf of one or more Foundations, and 3) instead of the Foundation delivering a quarterly Donor statement to each Donor, it is proposing that it, the Applicant,

deliver a semi-annual Donor Statement to each Donor.

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

**IT IS ORDERED**, pursuant to subsection 144(1) of the Act, that the Previous Order is revoked;

**IT IS FURTHER ORDERED**, pursuant to subsection 74(1) of the Act, that the Dealer Registration Requirements shall not apply to the Dealing Representatives in respect of registrable activities undertaken on behalf of a Foundation in connection with the Applicant's Charitable Gift Program, provided that:

- (a) each Dealing Representative undertaking registrable activities on behalf of a Foundation is registered in one or more provinces or territories in Canada as a dealing representative of the Applicant and is approved by IIROC as a registered representative;
- (b) each Dealing Representative exercising discretionary authority over a managed account in connection with the Charitable Gift Program will be appropriately qualified to provide portfolio management services;
- (c) all fees, expenses and commissions related to the Charitable Gift Program will be fully disclosed in the Program Details Document, and the Program Details Document shall be provided to every Donor by the Applicant or the applicable Dealing Representative prior to the Donor making a gift to a Foundation;
- (d) the Donor making a gift to a Foundation receives, upon request, a duplicate copy of any or all Account Statements delivered to the Foundation by the Applicant; and
- (e) the Applicant delivers a semi-annual Donor Statement to each Donor.

"Paulette L. Kennedy"  
Commissioner  
Ontario Securities Commission

"Mary G. Condon"  
Commissioner  
Ontario Securities Commission

**2.2.10 Jefferies Asset Management, LLC – s. 80 of the CFA**

**Headnote**

Section 80 of the Commodity Futures Act (Ontario) – International adviser exempted from the adviser registration requirement in section 22(1)(b) of the CFA where such adviser acts as an adviser in respect of commodity futures contracts or commodity futures options (commodities) for certain institutional investors in Ontario – Commodities are primarily traded on commodity futures exchanges outside of Canada and primarily cleared outside of Canada.

Terms and conditions on exemption ruling correspond to the relevant terms and conditions on the comparable exemption from the adviser registration requirement available to international advisers in respect of securities set out in section 8.26 of NI 31-103 Registration Requirements and Exemptions – Exemption also subject to a “sunset clause” condition.

**Statutes Cited**

Securities Act, R.S.O. 1990, c. S.5, as am.  
Commodity Futures Act, R.S.O. 1990, c. C.20. as am., ss. 1(1), 22(1)(b), 80.

**Instruments Cited**

National Instrument 31-103 Registration Requirements and Exemptions, s. 8.26.

July 23, 2010

**IN THE MATTER OF  
THE COMMODITY FUTURES ACT,  
R.S.O. 1990, CHAPTER C.20, AS AMENDED  
(the CFA)**

**AND**

**IN THE MATTER OF  
JEFFERIES ASSET MANAGEMENT, LLC**

**ORDER  
(Section 80 of the CFA)**

**UPON** the application (the “**Application**”) of Jefferies Asset Management, LLC (the “**Applicant**”) to the Ontario Securities Commission (the “**Commission**”) pursuant to section 80 of the CFA that the Applicant and any individuals engaging, in or holding themselves out as engaging in, the business of advising others on the Applicant’s behalf (the “**Representatives**”) be exempt from the requirement to register under the CFA, subject to certain terms and conditions;

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

**AND WHEREAS** for the purposes of this Order;

**“CFA Adviser Registration Requirement”** means the requirement in the CFA that prohibits a person or company from acting as an adviser unless the person or company is registered in the appropriate category of registration under the CFA;

**“CFTC”** means the United States Commodity Futures Trading Commission;

**“Contract”** has the meaning ascribed to that term in subsection 1(1) of the CFA;

**“Foreign Contract”** means a Contract that is primarily traded on one or more organized exchanges that are located outside of Canada and primarily cleared through one or more clearing corporations that are located outside of Canada;

**“International Adviser Exemption”** means the exemption set out in section 8.26 of NI 31-103 from the OSA Adviser Registration Requirement;

**“NFA”** means the United States National Futures Association;

**“NI 31-103”** means National Instrument 31-103 *Registration Requirements and Exemptions*, as amended;

**“OSA”** means the *Securities Act*, R.S.O. 1990, c. S.5, as amended;

**“OSA Adviser Registration Requirement”** means the requirement in the OSA that prohibits a person or company from acting as an adviser unless the person or company is registered in the appropriate category of registration under the OSA;

**“Permitted Client”** has the meaning ascribed to that term in subsection 8.26(2) [*international adviser*] of NI 31-103;

**“SEC”** means the United States Securities and Exchange Commission; and

**“U.S. Advisers Act”** means the United States Investment Advisers Act of 1940.

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

1. The Applicant is a limited liability company organized under the laws of the State of Delaware, United States of America. The Applicant’s head office and principal place of business are located in the United States of America.
2. The Applicant is a specialized portfolio manager that manages investments for institutional investors across multiple strategies and financial

instruments. The Applicant is part of the Jefferies group of companies, a global institutional securities and investment banking group. As at December 31, 2009, the Applicant and its affiliates had over US\$3.4 billion in assets under management.

3. The Applicant is registered in the United States with the SEC as an investment adviser under the U.S. Advisers Act.
4. The Applicant is not registered under the OSA and relies on the International Adviser Exemption to advise Permitted Clients in Ontario with respect to foreign securities.
5. The Applicant is registered with the CFTC as a commodity trading advisor and is an approved member of the NFA. The Applicant engages in the business of commodity trading advising in the United States.
6. The Applicant is not registered in any capacity under the CFA.
7. Institutional investors that are Permitted Clients seek to engage the Applicant as a discretionary investment manager for purposes of implementing certain specialized investment strategies.
8. The Applicant seeks to act as a discretionary investment manager on behalf of prospective institutional investors that are Permitted Clients. The proposed advisory services would include the use of specialized investment strategies employing Foreign Contracts.
9. Were the proposed advisory services limited to securities, the Applicant could rely on the International Adviser Exemption and carry out such activities on behalf of Permitted Clients on a basis that would be exempt from the OSA Adviser Registration Requirement.
10. There is currently no exemption from the CFA Adviser Registration Requirement that is equivalent to the International Adviser Exemption under NI 31-103. Consequently, in order to advise Permitted Clients in Ontario as to trading in Foreign Contracts, the Applicant would be required to satisfy the CFA Adviser Registration Requirement and would have to apply for registration in Ontario as an adviser under the CFA in the category of commodity trading manager.
11. The Applicant submits that it would not be prejudicial to the public interest for the Commission to grant the requested relief as:
  - (a) the Applicant will only advise Permitted Clients as to trading in Foreign Contracts;

- (b) Permitted Clients seek to access certain specialized portfolio management services provided by the Applicant, including advice on trading Foreign Contracts;
- (c) the Applicant meets the prescribed conditions to rely on the International Adviser Exemption in connection with the provision of advice to Permitted Clients with respect to foreign securities; and
- (d) the Applicant would provide advice to Permitted Clients as to trading in Foreign Contracts on terms and conditions that are analogous to the prescribed terms and conditions of the International Adviser Exemption.

**AND UPON** being satisfied that it would not be prejudicial to the public interest for the Commission to grant the exemption requested on the basis of the terms and conditions proposed,

**IT IS ORDERED** pursuant to Section 80 of the CFA that the Applicant and its Representatives are not subject to the requirements of paragraph 22(1)(b) of the CFA in respect of the provision of advice to Permitted Clients as to the trading of Foreign Contracts, for a period of five years, provided that:

1. the Applicant provides advice to Permitted Clients only as to trading in Foreign Contracts and does not advise in Canada as to trading in Contracts that are not Foreign Contracts, unless providing such advice is incidental to its providing advice on Foreign Contracts;
2. the Applicant's head office or principal place of business remains in the United States;
3. the Applicant remains registered in the United States in a category of registration that permits it to carry on the activities in the United States that registration as an adviser under the CFA Adviser Registration Requirement would permit it to carry on in Ontario;
4. the Applicant continues to engage in the business of adviser, as defined in the CFA, in the United States;
5. as at the end of the Applicant's most recently completed financial year, not more than 10% of the aggregate consolidated gross revenue of the Applicant, its affiliates and its affiliated partnerships is derived from the portfolio management activities of the Applicant, its affiliates and its affiliated partnerships in Canada;
6. before advising a Permitted Client with respect to Foreign Contracts, the Applicant notifies the Permitted Client of all of the following:

- (i) the Applicant is not registered in the local jurisdiction to provide the advice described under paragraph 1 of this Order;
  - (ii) the foreign jurisdiction in which the Applicant's head office or principal place of business is located;
  - (iii) all or substantially all of the Applicant's assets may be situated outside of Canada;
  - (iv) there may be difficulty enforcing legal rights against the Applicant because of the above;
  - (v) the name and address of the Applicant's agent for service of process in Ontario;
7. the Applicant has submitted to the Commission a completed Form 31-103F2 *Submission to Jurisdiction and Appointment of Agent for Service*;
8. the Permitted Client is a resident of Canada; and
9. by December 1 of each year, the Applicant notifies the Commission if it is relying on the exemption from registration granted pursuant to this order.

"Paulette L. Kennedy"  
Commissioner  
Ontario Securities Commission

"Mary G. Condon"  
Commissioner  
Ontario Securities Commission

## 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
North American Nickel Inc. (formerly International Gemini Technology Inc.)	23 June 92	03 July 92	03 July 92	22 July 10
4504020 Canada Inc.	21 July 10	03 Aug 10		

Please note that 4504020 Canada Inc. hearing date as been changed to August 3, 2010 from August 2, 2010 as shown in last weeks bulletin.

### 4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/ Expire	Date of Issuer Temporary Order

THERE ARE NO ITEMS FOR THIS WEEK.

### 4.2.2 Outstanding Management & Insider Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
Coalcorp Mining Inc.	07 Oct 09	19 Oct 09	19 Oct 09		

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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
02/01/2009 to 12/01/2009	17	Aberdeen Canada - Global Equity Fund - Units	546,596,812.38	6,742,144.19
07/08/2010	14	Adventure Gold Inc. - Common Shares	67,500.00	450,000.00
05/13/2009	7	African Agricorp Ltd. - Receipts	918,115.00	2,295,288.00
03/23/2010	1	Alturas Minerals Corp. - Common Shares	145,999.99	1,536,842.00
03/29/2010	25	Arctic Star Diamond Corp. - Units	735,000.00	14,700,000.00
05/14/2010	3	Argosy Energy Inc. - Common Shares	500,000.00	500,000.00
07/07/2010	2	AutoNavi Holdings Limited - American Depository Shares	592,143.75	45,000.00
07/14/2010	1	Axela Inc. - Debentures	250,500.00	1.00
05/20/2010	34	Azabache Energy Inc. - Units	3,401,093.13	47,619,046.00
06/18/2010	1	Azure Dynamics Corporation - Common Shares	6,324,000.00	21,080,000.00
07/13/2010	1	Bankrate, Inc. - Notes	510,246.55	1.00
06/30/2010	17	Base Oil & Gas Ltd. - Common Shares	395,549.90	1,318,499.00
05/19/2010	14	Big Red Diamond Corporation - Units	470,500.00	941.00
03/12/2010 to 03/16/2010	2	Bison Prime Mortgage Fund - Trust Units	502,000.00	50,200.00
03/12/2009	1	Bontan Corporation Inc. - Units	62,280.00	10,380,000.00
07/08/2010	8	Bytemark Games Inc. - Debentures	675,000.00	N/A
07/20/2010	3	Camelot Information Systems Inc. - Common Shares	3,878,831.00	335,000.00
07/05/2010	12	Canadian Oil Recovery & Remediation Enterprises Ltd. - Units	750,000.00	5,000,000.00
06/07/2010	2	Canuc Resources Corporation - Units	80,000.00	400,000.00
07/01/2010	2	Capital Direct I Income Trust - Trust Units	76,700.00	7,670.00
03/29/2010	3	CardioComm Solutions Inc. - Common Shares	81,250.00	1,625,000.00
04/14/2010	1	CardioComm Solutions Inc. - Units	500,000.00	10,000,000.00
05/27/2010	9	Caspian Energy Inc. - Common Shares	1,864,000.00	9,320,000.00
07/14/2010	4	Caspian Energy Inc. - Common Shares	0.00	306,929.00
04/28/2010	29	Cliffmont Resources Ltd. - Units	450,000.00	3,000,000.00

**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>
07/07/2010	12	Cobra Venture Corporation - Flow-Through Shares	300,000.00	1,999,998.00
03/03/2009	1	Colt Resources Inc. - Units	75,000.00	300,000.00
05/21/2010	41	Columbus Gold Corporation - Units	926,500.00	4,632,500.00
05/12/2010	8	Continental Nickel Limited - Units	5,000,400.00	8,334,000.00
07/09/2010	4	Copper Creek Ventures Ltd. - Units	750,000.00	10,714,284.00
06/23/2010	37	Covenant Resources Ltd. - Units	487,500.00	N/A
05/05/2010	1	Currie Rose Resources Inc. - Common Shares	12,500.00	250,000.00
07/08/2010	1	Development Notes Limited Partnership - Units	100,000.00	100,000.00
06/21/2010	3	Dianor Resources Inc. - Common Shares	66,901.87	955,741.00
06/21/2010	3	Dianor Resources Inc. - Common Shares	66,901.87	955,741.00
05/21/2010	71	Ethos Capital Corp. - Units	1,483,200.00	3,708,000.00
06/30/2010	2	ExamWorks Group, Inc. - Common Shares	8,540,572.00	202,005.00
05/04/2010	19	Excelsior Mining Corp. - Common Shares	1,244,975.25	8,299,835.00
07/09/2010	1	First Leaside Fund - Trust Units	58,209.00	58,209.00
07/09/2010	2	First Leaside Fund - Trust Units	91,702.00	91,702.00
07/08/2010	1	First Leaside Ultimate Limited Partnership - Units	73,909.63	70,754.00
07/07/2010	1	First Leaside Universal Limited Partnership - Units	75,000.00	75,000.00
05/13/2010	5	Focus Metal Inc. - Units	750,000.00	7,500,000.00
06/10/2010	13	Forent Energy Ltd. - Common Shares	81,942.75	N/A
04/15/2010	61	Forent Energy Ltd. - Units	4,420,146.00	N/A
03/30/2010	11	Garson Gold Corp. - Common Shares	142,500.00	2,850,000.00
07/15/2010	2	GDC Investments Inc. - Common Shares	40,000.00	400.00
05/21/2010	19	Globlex Mining Enterprises Inc. - Common Shares	1,825,239.00	957,600.00
05/06/2010	45	Golden Hope Mines Limited - Units	1,905,259.90	10,584,276.00
12/31/2009	4	Goldeye Explorations Limited - Flow-Through Units	400,000.00	4,705,880.00
05/21/2010	1	HedgeForum Chilton China Opportunities Ltd. - Units	209,740.00	N/A
05/21/2010	1	HedgeForum Paulson Advantage Plus Ltd. - Units	157,305.00	N/A
06/28/2010 to 06/30/2010	16	IGW Real Estate Investment Trust - Units	984,886.43	N/A
06/21/2010	18	ImagineOptix Corporation - Preferred Shares	851,616.50	94,679.00
07/14/2010	6	Indicator Minerals Inc. - Units	244,500.00	2,037,500.00

**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>
05/24/2010	3	Innexus Biotechnology Inc. - Common Shares	225,000.00	N/A
07/20/2010	6	Interactive Data Corporation - Notes	4,578,810.00	1.00
07/12/2010	1	KingSett Canadian Real Estate Income Fund LP - Units	345,070.56	345.07
07/09/2010	16	LED Medical Diagnostics Inc. - Units	715,000.00	1,430,000.00
06/30/2010	9	Lion Gate Lighting Corp. - Units	7,743,380.00	7,300,000.00
03/24/2010 to 03/31/2010	4	Manicouagan Minerals Inc. - Units	1,000,000.00	N/A
06/11/2010	11	Manitou Gold Inc. - Units	2,887,500.00	3,850,000.00
06/24/2010	1	Manning & Napier Advisors Inc. - Units	60,000,000.00	6,374,366.55
07/05/2010 to 07/12/2010	37	Medallion Resources Ltd. - Flow-Through Shares	715,000.00	N/A
05/12/2010	20	Mediterranean Resources Ltd. - Common Shares	1,130,000.00	14,125,000.00
06/30/2010	1	Merna Reinsurance III Ltd. - Notes	265,150,000.00	N/A
05/15/2010	1	Milton Hydro Distribution Inc. - Debentures	4,000,000.00	1.00
03/11/2010	3	Mint Technology Corp. - Units	22,500.00	180,000.00
06/22/2010 to 06/25/2010	9	Miracle Mile Limited Partnership - Units	337,300.00	N/A
03/26/2010	107	Multiplied Media Corporation - Common Shares	5,000,000.00	20,000,000.00
03/31/2010	6	Murgor Resources Inc. - Common Shares	370,699.56	2,059,442.00
06/22/2010 to 07/02/2010	3	Nakina Systems Inc. - Notes	935,500.00	N/A
06/30/2010	28	Nemaska Exploration Inc. - Flow-Through Shares	1,122,500.00	N/A
06/30/2010 to 07/08/2010	5	Nemaska Exploration Inc. - Flow-Through Shares	870,000.00	N/A
06/30/2010	1	Nemaska Exploration Inc. - Units	500,000.00	N/A
07/12/2010	6	Newbaska Gold and Copper Mines Ltd. - Common Shares	84,083.40	660,556.00
05/27/2010	1	Northern Superior Resources inc. - Units	4,687,000.00	25,000,000.00
05/14/2010	5	Nuinsco Resources Limited - Common Shares	50,000.00	625,000.00
12/31/2009	2	Nuinsco Resources Limited - Units	33,300.00	370,000.00
01/25/2010	1	Pacific & Western Credit Corp. - Common Shares	6,150,000.00	250,000.00
03/29/2010	1	Pacific & Western Credit Corp. - Preferred Shares	50,000.00	2,000.00
05/21/2010	2	Petaquilla Minerals Ltd - Units	2,000,040.00	4,000,080.00
07/12/2010	1	Pico-Tesla Magnetic Therapies, LLC - Units	41,516.00	4.00

**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>
07/05/2010 to 07/06/2010	3	Plasco Energy Group Inc. - Units	44,133.32	N/A
03/19/2010	2	Plato Gold Corp - Units	220,000.00	N/A
06/30/2010	21	Puget Ventures Inc. - Flow-Through Shares	1,515,600.00	4,200,000.00
07/14/2010	34	Rallyemont Energy Inc. - Common Shares	1,000,598.40	771,997.00
07/15/2010	8	RealD Inc. - Common Shares	5,258,092.00	315,900.00
06/21/2010	2	REC Minerals Corp. - Common Shares	6,250.00	50,000.00
05/07/2010	1	Red Back Mining Inc. - Common Shares	600,000,000.00	24,000,000.00
07/02/2010	2	Redev Properties Capital Pool Inc. - Bonds	34,100.00	341.00
07/02/2010	2	Redev Properties Capital Pool Inc. - Common Shares	34.10	341.00
03/01/2009 to 09/30/2009	38	Robson Alpha Scout Fund - Units	26,476.30	26,152,357.00
07/16/2010	7	Rosterware Inc. - Common Shares	170,000.00	1,700.00
05/26/2010	20	RT Minerals Corp. - Units	1,150,000.00	4,000,000.00
07/08/2009	6	Rx Exploration Inc. - Units	363,000.00	181,500.00
07/08/2009	11	Rx Exploration Inc. - Units	420,000.00	2,100,000.00
05/13/2010	1	Rx Exploration Inc. - Units	2,500,000.00	5,000,000.00
07/15/2010	11	Salmon River Resources Ltd. - Common Shares	1,500,000.00	15,000,000.00
06/30/2010	18	Selwyn Resources Ltd. - Flow-Through Shares	1,000,000.00	3,725,000.00
06/30/2010	5	Shoreline Oil & Gas Ltd. - Flow-Through Shares	200,000.00	200,000.00
06/25/2010	13	SiteBrand Inc. - Units	158,625.00	2,115,000.00
03/31/2010	5	Slam Exploration Ltd. - Flow-Through Shares	325,050.00	3,334,000.00
07/08/2010	2	Solar Income Fund Developments Inc. - Units	30,000.00	300.00
05/18/2010	6	Source Exploration Corp. - Common Shares	551,250.00	N/A
06/30/2010	4	SPN Group Inc. - Loans	2,000,000.00	2,000,000.00
07/02/2010	11	Striker Energy Corp. - Common Shares	408,100.00	1,500,000.00
07/09/2010	20	Sylogist Ltd. - Common Shares	6,904,800.00	3,288,000.00
04/06/2010	1	Taglish Lake Gold Corp. - Common Shares	713,200.00	14,264,000.00
06/30/2010	1	Tahoe Resources Inc. - Common Shares	2,185,824.00	364,304.00
07/01/2010	1	The Toronto United Church Council - Notes	25,000.00	N/A
07/05/2010	20	Timbercreek Mortgage Investment Corporation - Common Shares	2,675,000.00	N/A
03/30/2010	107	Trelawney Mining and Exploration Inc. - Common	14,949,999.75	14,238,095.00

**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>
		Shares		
07/09/2010	7	Trilliant Incorporated - Warrants	66,000,052.80	25,536,000.00
05/03/2010	13	TrueContext Mobile Solutions Corporation - Common Shares	750,000.00	N/A
02/20/2009 to 02/27/2009	12	Valhalla Executive Technologies Inc. - Common Shares	1,420,000.00	26,400,000.00
04/01/2010	10	Valucap Investments Inc. - Units	500,000.00	500,000.00
07/05/2010 to 07/09/2010	6	Wellington Portland Limited Partnership - Units	350,000.00	350.00
07/09/2010 to 07/13/2010	3	Wimberly Fund - Trust Units	110,000.00	110,000.00
07/13/2010 to 07/15/2010	2	XPV Water Fund Limited Partnership - Limited Partnership Units	15,604,500.00	15,000,000.00
01/22/2010 to 01/25/2010	7	Yorbeau Resources Inc. - Common Shares	776,250.00	3,105,000.00
01/22/2010 to 01/25/2010	1	Yorbeau Resources Inc. - Warrants	0.00	4,250.00
03/26/2010	1	Yukon-Nevada Gold Corp. - Common Shares	5,000,000.00	22,727,272.00
06/28/2010	5	ZoomerMedia Limited - Common Shares	18,600,000.00	N/A

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## Chapter 11

# IPOs, New Issues and Secondary Financings

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**Issuer Name:**

Andean Resources Limited  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Short Form Prospectus dated July 27, 2010  
NP 11-202 Receipt dated July 27, 2010

**Offering Price and Description:**

\$234,500,000.00 - 70,000,000 Common Shares Price:  
\$3.35 per Common Share

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

BMO Nesbitt Burns Inc.  
RBC Dominion Securities Inc.  
CIBC World Markets Inc.  
Paradigm Capital Inc.  
UBS Securities Canada Inc.  
Dundee Securities Corporation  
TD Securities Inc.  
Haywood Securities Inc.

**Promoter(s):**

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**Project #1610240**

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**Issuer Name:**

Brasol Exploration Corporation  
Principal Regulator - Alberta

**Type and Date:**

Amended and Restated Preliminary Long Form Prospectus  
dated July 21, 2010  
NP 11-202 Receipt dated July 22, 2010

**Offering Price and Description:**

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

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

TD Securities Inc.  
GMP Securities L.P.  
Raymond James Ltd.  
BMO Nesbitt Burns Inc.  
Cormark Securities Inc.  
FirstEnergy Capital Corp.  
Macquarie Capital Markets Canada Ltd.  
Peters & Co. Limited  
Acumen Capital Finance Partners Limited

**Promoter(s):**

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**Project #1604113**

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**Issuer Name:**

Capital Desjardins Inc.  
Principal Regulator - Quebec

**Type and Date:**

Preliminary Base Shelf Prospectus dated July 20, 2010  
NP 11-202 Receipt dated July 21, 2010

**Offering Price and Description:**

\$ 3,000,000,000.00 - Debt Securities (Senior Notes) Class  
C Preferred Shares

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

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**Promoter(s):**

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**Project #1608405**

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**Issuer Name:**

CGX Energy Inc.  
Principal Regulator - Ontario

**Type and Date:**

Amended and Restated Preliminary Short Form Prospectus  
dated July 22, 2010  
NP 11-202 Receipt dated July 23, 2010

**Offering Price and Description:**

Up to \$15,000,000.00 - 30,000,000 Common Shares Price:  
\$0.50 per Common Share

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

Cormark Securities Inc.  
RBC Dominion Securities Inc.  
Canaccord Genuity Corp.  
Dundee Securities Corporation  
Macquarie Capital Markets Canada Ltd.  
Jennings Capital Inc.  
Toll Cross Securities Inc.

**Promoter(s):**

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**Project #1595905**

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**Issuer Name:**

Dynamic Aurion Total Return Bond Class  
Dynamic Aurion Total Return Bond Fund  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Simplified Prospectuses dated July 20, 2010  
NP 11-202 Receipt dated July 22, 2010

**Offering Price and Description:**

Series A, F, I and O Units, and Series A, F, FT, T, I and O  
Shares

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

Goodman & Company, Investment Counsel Ltd.

**Promoter(s):**

Goodman & Company, Investment Counsel Ltd.

**Project #1608671**

**Issuer Name:**

Geomega Resources Inc.  
Principal Regulator - Quebec

**Type and Date:**

Preliminary Long Form Prospectus dated July 23, 2010  
NP 11-202 Receipt dated July 23, 2010

**Offering Price and Description:**

Minimum Offering: \$2,100,000.00 (6,000,000 Units);  
Maximum Offering: \$2,905,000.00 (8,300,000 Units) Price  
per Unit: \$0.35 Minimum Subscription: 500 Units (\$175)

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

Industrial Alliance Securities Inc.

**Promoter(s):**

Benoit Moreau

Simon Britt

**Project #1609395**

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**Issuer Name:**

Kilkenny Capital Corporation  
Principal Regulator - Quebec

**Type and Date:**

Preliminary CPC Prospectus dated July 20, 2010  
NP 11-202 Receipt dated July 22, 2010

**Offering Price and Description:**

\$200,000.00 - 2,000,000 Class A common shares Price:  
\$0.10 per Class A common share

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

Macquarie Private Wealth Inc.

**Promoter(s):**

Guy Girard

Andre Goguen

**Project #1608923**

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**Issuer Name:**

Northwest Tactical Yield Fund  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Simplified Prospectus dated July 23, 2010  
NP 11-202 Receipt dated July 26, 2010

**Offering Price and Description:**

(Series A, I, F and T Units)

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

Credential Asset Management Inc.

**Promoter(s):**

Northwest & Ethical Investments L.P

**Project #1609838**

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**Issuer Name:**

Rodinia Lithium Inc.  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Short Form Prospectus dated July 20, 2010  
NP 11-202 Receipt dated July 21, 2010

**Offering Price and Description:**

\$5,010,000.00 - 700,000 Units rice: \$ 0.30 per Unit

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

Canaccord Genuity Corp.

**Promoter(s):**

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**Project #1608698**

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**Issuer Name:**

Sino Vanadium Inc.  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Short Form Prospectus dated July 26, 2010  
NP 11-202 Receipt dated July 26, 2010

**Offering Price and Description:**

\$20,000,000.00\* Units Price: \$ \* per Unit

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

Global Maxfin Capital Inc.

**Promoter(s):**

Ma Zhaoyang

Liu Bingqiang

**Project #1609754**

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**Issuer Name:**

Sypher Resources Ltd.  
Principal Regulator - British Columbia

**Type and Date:**

Preliminary Long Form Prospectus dated July 23, 2010  
NP 11-202 Receipt dated July 23, 2010

**Offering Price and Description:**

\$450,000.00 - 3,000,000 Common Shares Price: \$0.15 per  
Common Share

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

LEEDE FINANCIAL MARKETS INC.

**Promoter(s):**

Richard A. Graham

**Project #1609465**

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**Issuer Name:**

Viterra Inc.  
Principal Regulator - Saskatchewan

**Type and Date:**

Preliminary Base Shelf Prospectus dated July 22, 2010  
NP 11-202 Receipt dated July 23, 2010

**Offering Price and Description:**

\$500,000,000.00 - Senior Unsecured Notes

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

-

**Promoter(s):**

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**Project #1609233**

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**Issuer Name:**

BMO Guardian Global Small Cap Fund  
Principal Regulator - Ontario

**Type and Date:**

Amendment #1 dated July 20, 2010 to the Simplified Prospectus and Annual Information Form dated June 28, 2010

NP 11-202 Receipt dated July 22, 2010

**Offering Price and Description:**

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

BMO INVESTMENTS INC.  
Guardian Group of Funds Ltd.

**Promoter(s):**

BMO INVESTMENTS INC.

**Project #1592982**

**Issuer Name:**

CanBanc Income Corp.  
Principal Regulator - Ontario

**Type and Date:**

Final Long Form Prospectus dated July 26, 2010

NP 11-202 Receipt dated July 27, 2010

**Offering Price and Description:**

Maximum \$250,000,000.00 (25,000,000 Shares) \$10.00 per Share

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

CIBC World Markets Inc.  
National Bank Financial Inc.  
RBC Dominion Securities Inc.  
BMO Nesbitt Burns Inc.  
Scotia Capital Inc.  
TD Securities Inc.  
Canaccord Genuity Corp.  
HSBC Securities (Canada) Inc.  
Raymond James Ltd.  
Wellington West Capital Markets Inc.  
Dundee Securities Corporation  
GMP Securities L.P.  
Macquarie Private Wealth Inc.  
Mackie Research Capital Corporation

**Promoter(s):**

First Asset Investment Management Inc.

**Project #1601325**

**Issuer Name:**

CIBC Canadian T-Bill Fund (Class A and Premium Class units)  
CIBC Money Market Fund (Class A and Class O and Premium Class units)  
CIBC U.S. Dollar Money Market Fund (Class A and Class O and Premium Class units)  
CIBC Short-Term Income Fund (Class A and Class O units)  
CIBC Canadian Bond Fund (Class A and Class O and Premium Class units)  
CIBC Monthly Income Fund (Class A and Class O units)  
CIBC Global Bond Fund (Class A and Class O units)  
CIBC Global Monthly Income Fund (Class A and Class O units)  
CIBC Balanced Fund (Class A units)  
CIBC Dividend Income Fund (Class A and Class O units)  
CIBC Dividend Growth Fund (Class A and Class O units)  
CIBC Canadian Equity Fund (Class A units)  
CIBC Canadian Equity Value Fund (Class A and Class O units)  
CIBC Canadian Small-Cap Fund (Class A units)  
CIBC Disciplined U.S. Equity Fund (Class A and Class O units)  
CIBC U.S. Small Companies Fund (Class A and Class O units)  
CIBC Global Equity Fund (Class A units)  
CIBC Disciplined International Equity Fund (Class A and Class O units)  
CIBC European Equity Fund (Class A and Class O units)  
CIBC Emerging Markets Fund (Class A and Class O units)  
CIBC Asia Pacific Fund (Class A and Class O units)  
CIBC Latin American Fund (Class A units)  
CIBC International Small Companies Fund (Class A units)  
CIBC Financial Companies Fund (Class A units)  
CIBC Canadian Resources Fund (Class A units)  
CIBC Energy Fund (Class A units)  
CIBC Canadian Real Estate Fund (Class A units)  
CIBC Precious Metals Fund (Class A units)  
CIBC Global Technology Fund (Class A units)  
CIBC Canadian Short-Term Bond Index Fund (Class A and Class O units)  
CIBC Canadian Bond Index Fund (Class A units)  
CIBC Global Bond Index Fund (Class A units)  
CIBC Balanced Index Fund (Class A units)  
CIBC Canadian Index Fund (Class A and Class O units)  
CIBC U.S. Broad Market Index Fund (Class A and Class O units)  
CIBC U.S. Index Fund (Class A units)  
CIBC International Index Fund (Class A units)  
CIBC European Index Fund (Class A units)  
CIBC Emerging Markets Index Fund (Class A units)  
CIBC Asia Pacific Index Fund (Class A units)  
CIBC Nasdaq Index Fund (Class A units)  
CIBC Managed Income Portfolio (Class A and Class T4 and Class T6 units)  
CIBC Managed Income Plus Portfolio (Class A and Class T4 and Class T6 units)  
CIBC Managed Balanced Portfolio (Class A and Class T4, Class T6, and Class T8 units)  
CIBC Managed Monthly Income Balanced Portfolio (Class A and Class T6 and Class T8 units)  
CIBC Managed Balanced Growth Portfolio (Class A and Class T4, Class T6, and Class T8 units)

CIBC Managed Growth Portfolio (Class A and Class T4, Class T6, and Class T8 units)  
 CIBC Managed Aggressive Growth Portfolio (Class A and Class T4, Class T6, and Class T8 units)  
 CIBC U.S. Dollar Managed Income Portfolio (Class A and Class T4 and Class T6 units)  
 CIBC U.S. Dollar Managed Balanced Portfolio (Class A and Class T4, Class T6, and Class T8 units)  
 CIBC U.S. Dollar Managed Growth Portfolio (Class A and Class T4, Class T6, and Cla  
 Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectuses dated July 26, 2010  
 NP 11-202 Receipt dated July 27, 2010

**Offering Price and Description:**

Class A, Class O, Premium Class, Class T4 and Class T6 units

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

CIBC Securities Inc.

**Promoter(s):**

-

**Project #1593694**

**Issuer Name:**

Crombie Real Estate Investment Trust  
 Principal Regulator - Nova Scotia

**Type and Date:**

Final Short Form Prospectus dated July 21, 2010  
 NP 11-202 Receipt dated July 21, 2010

**Offering Price and Description:**

\$29,503,500.00 - 2,670,000 Units Price: \$11.05 per Unit

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

CIBC World Markets Inc.

TD Securities Inc.

Scotia Capital Inc.

BMO Nesbitt Burns Inc.

National Bank Financial Inc.

Canaccord Genuity Corp.

Macquarie Capital Markets Canada Ltd.

Beacon Securities Limited

Raymond James Ltd.

Jennings Capital Inc.

**Promoter(s):**

-

**Project #1606644**

**Issuer Name:**

EdgePoint Canadian Portfolio

EdgePoint Global Portfolio

EdgePoint Canadian Growth & Income Portfolio

EdgePoint Global Growth & Income Portfolio

(Series A Units, Series B Units, Series F Units, Series I

Units, Series O Units, Series A(N) Units, Series

B(N)

Units and Series F(N) UnitsPrincipal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectuses dated July 26, 2010

NP 11-202 Receipt dated July 27, 2010

**Offering Price and Description:**

-

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

EdgePoint Wealth Management Inc.

**Promoter(s):**

EdgePoint Wealth Management Inc.

**Project #1603106**

**Issuer Name:**

Faircourt Gold Income Corp.

Principal Regulator - Ontario

**Type and Date:**

Final Short Form Prospectus dated July 21, 2010

NP 11-202 Receipt dated July 21, 2010

**Offering Price and Description:**

Class C Warrants to Subscribe for up to 3,083,102 Shares at an Exercise Price of \$9.83

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

Canaccord Genuity Corp.

**Promoter(s):**

-

**Project #1597018**

**Issuer Name:**

Faircourt Gold Income Corp.

Principal Regulator - Ontario

**Type and Date:**

Final Short Form Prospectus dated July 21, 2010

NP 11-202 Receipt dated July 21, 2010

**Offering Price and Description:**

\$100,000,000.00 Maximum ( 10,427,528 Shares)

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

Canaccord Genuity Corp.

**Promoter(s):**

-

**Project #1597015**

**Issuer Name:**

Harmony Canadian Enhanced Fixed Income Pool Class  
(classes of Harmony Tax Advantage  
Group Limited)  
Harmony Canadian Equity Pool  
Harmony Canadian Equity Pool Class (classes of Harmony  
Tax Advantage Group Limited)  
Harmony Canadian Fixed Income Pool  
Harmony Money Market Pool (offering only Embedded  
Series, Series F and Wrap Series)  
Harmony Non-traditional Pool  
Harmony Non-Traditional Pool Class (classes of Harmony  
Tax Advantage Group Limited)  
Harmony Overseas Equity Pool  
Harmony Overseas Equity Pool Class (classes of Harmony  
Tax Advantage Group Limited)  
Harmony U.S. Equity Pool  
Harmony U.S. Equity Pool Class (classes of Harmony Tax  
Advantage Group Limited)  
Harmony Balanced and Income Portfolio  
Harmony Balanced Growth Portfolio  
Harmony Balanced Growth Portfolio Class (classes of  
Harmony Tax Advantage Group Limited)  
Harmony Balanced Portfolio  
Harmony Conservative Portfolio  
Harmony Growth Plus Portfolio  
Harmony Growth Plus Portfolio Class (classes of Harmony  
Tax Advantage Group Limited)  
Harmony Growth Portfolio  
Harmony Growth Portfolio Class (classes of Harmony Tax  
Advantage Group Limited)  
Harmony Maximum Growth Portfolio  
Harmony Maximum Growth Portfolio Class (classes of  
Harmony Tax Advantage Group Limited)  
(Embedded Series, Series F, Series T, Series V and Wrap  
Series)  
Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectuses dated July 16, 2010  
NP 11-202 Receipt dated July 22, 2010

**Offering Price and Description:**

EMBEDDED SERIES, SERIES F, SERIES T, SERIES V  
AND WRAP SERIES SECURITIES @ net asset value

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

AGF Funds Inc.

**Promoter(s):**

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**Project #1597172**

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**Issuer Name:**

Ithaca Energy Inc.  
Principal Regulator - Alberta

**Type and Date:**

Final Short Form Prospectus dated July 20, 2010  
NP 11-202 Receipt dated July 21, 2010

**Offering Price and Description:**

\$80,920,000.00 - 47,600,000 Common Shares \$1.70 per  
Common Share

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

CIBC World Markets Inc.  
Wellington West Capital Market Inc.  
GMP Securities LP  
RBC Dominion Securities Inc.  
Fraser Mackenzie Limited  
Acumen Capital Finance Partners Limited  
FirstEnergy Capital Corp.  
Mackie Research Capital Corporation  
Macquarie Capital Markets Canada Ltd.  
Thomas Weisel Partners Canada Inc.

**Promoter(s):**

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**Project #1606420**

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**Issuer Name:**

Man Canada AHL DP Investment Fund  
Principal Regulator - Ontario

**Type and Date:**

Amendment No. 1 dated June 14, 2010 (amendment no. 1)  
to the Amended and Restated Long Form Prospectus  
dated April 7, 2010, amending and restating the Long Form  
Prospectus dated November 12, 2009.  
NP 11-202 Receipt dated July 22, 2010

**Offering Price and Description:**

Class A, B, C, D, F, I, O, P, Q, R and S Units

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

-

**Promoter(s):**

Man Investments Canada Corp.

**Project #1444657**

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**Issuer Name:**

MEG Energy Corp.  
Principal Regulator - Alberta

**Type and Date:**

Final Long Form PREP Prospectus dated July 26, 2010  
NP 11-202 Receipt dated July 26, 2010

**Offering Price and Description:**

-

**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):**

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**Project #1596295**

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**Issuer Name:**

Harmony Canadian Enhanced Fixed Income Pool Class  
(classes of Harmony Tax Advantage  
Group Limited)  
Harmony Canadian Equity Pool  
Harmony Canadian Equity Pool Class (classes of Harmony  
Tax Advantage Group Limited)  
Harmony Canadian Fixed Income Pool  
Harmony Money Market Pool (offering only Embedded  
Series, Series F and Wrap Series)  
Harmony Non-traditional Pool  
Harmony Non-Traditional Pool Class (classes of Harmony  
Tax Advantage Group Limited)  
Harmony Overseas Equity Pool  
Harmony Overseas Equity Pool Class (classes of Harmony  
Tax Advantage Group Limited)  
Harmony U.S. Equity Pool  
Harmony U.S. Equity Pool Class (classes of Harmony Tax  
Advantage Group Limited)  
Harmony Balanced and Income Portfolio  
Harmony Balanced Growth Portfolio  
Harmony Balanced Growth Portfolio Class (classes of  
Harmony Tax Advantage Group Limited)  
Harmony Balanced Portfolio  
Harmony Conservative Portfolio  
Harmony Growth Plus Portfolio  
Harmony Growth Plus Portfolio Class (classes of Harmony  
Tax Advantage Group Limited)  
Harmony Growth Portfolio  
Harmony Growth Portfolio Class (classes of Harmony Tax  
Advantage Group Limited)  
Harmony Maximum Growth Portfolio  
Harmony Maximum Growth Portfolio Class (classes of  
Harmony Tax Advantage Group Limited)  
(Embedded Series, Series F, Series T, Series V and Wrap  
Series)  
Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectuses dated July 22, 2010  
NP 11-202 Receipt dated July 26, 2010

**Offering Price and Description:**

-

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

-

**Promoter(s):**

Return on Innovation Management Ltd.  
**Project #1594787**

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**Issuer Name:**

Russell LifePoints Balanced Income Portfolio (Series A, B, F, F-5 and I-5) (formerly LifePoints Balanced Income Portfolio)  
 Russell LifePoints Balanced Portfolio (Series A, B, F, F-6 and I-6) (formerly LifePoints Balanced Portfolio)  
 Russell LifePoints Balanced Growth Portfolio (Series A, B, F, F-7 and I-7) (formerly LifePoints Balanced Growth Portfolio)  
 Russell LifePoints Long-Term Growth Portfolio Series A, B and F) (formerly LifePoints Long-Term Growth Portfolio)  
 Russell LifePoints All Equity Portfolio (Series A, B and F) (formerly LifePoints All Equity Portfolio)  
 Russell LifePoints Balanced Class Portfolio (Series B, F, F-6 and I-6) (formerly LifePoints Balanced Class Portfolio)  
 Russell LifePoints Balanced Growth Class Portfolio (Series B, F, F-7 and I-7) (formerly LifePoints Balanced Growth Class Portfolio)  
 Russell LifePoints Long-Term Growth Class Portfolio (Series B and F) (formerly LifePoints Long-Term Growth Class Portfolio)  
 Russell LifePoints All Equity Class Portfolio (Series B and F) (formerly LifePoints All Equity Class Portfolio)  
 (Classes of shares of Russell Investments Corporate Class Inc.)  
 Russell Canadian Fixed Income Fund (Series A and B)  
 Russell Canadian Equity Fund (Series A and B)  
 Russell US Equity Fund (Series A and B)  
 Russell Overseas Equity Fund (Series A and B)  
 Russell Global Equity Fund (Series A and B)  
 Russell Fixed Income Pool (Series A, B, E, F and O)  
 Russell Core Plus Fixed Income Pool (Series A, B, E, F and O)  
 Russell Canadian Dividend Pool (Series A, B, E and O)  
 Russell Canadian Equity Pool (Series A, B, E, F and O)  
 Russell US Equity Pool (Series A, B, E, F and O)  
 Russell Overseas Equity Pool (Series A, B, E, F and O)  
 Russell Global Equity Pool (Series A, B, E, F and O)  
 Russell Emerging Markets Equity Pool (Series A, B, E, F and O)  
 Russell Money Market Pool (Series A, B, E, F and O)  
 Russell Retirement Essentials Portfolio (Series B, E, E-5, E-6, E-7, F, F-5, F-6, F-7, I-5, I-6, I-7 and O)  
 Russell Diversified Monthly Income Portfolio (Series E-5, E-7, F-5, F-7, I-5, I-7 and OS)  
 Russell Enhanced Canadian Growth & Income Portfolio (Series B, E, E-5, E-6, E-7, F, F-5, F-6, F-7, I-5, I-6, I-7 and O)  
 Russell Managed Yield Class (Series B, E, E-3, E-5, F, F-3, F-5, I-3 and I-5)  
 Russell Canadian Dividend Class (Series B, E and F)  
 Russell Canadian Equity Class (Series B, E and F)  
 Russell US Equity Class (Series B, E and F)  
 Russell Overseas Equity Class (Series B, E and F)  
 Russell Global Equity Class (Series B, E and F)  
 Russell Emerging Markets Equity Class (Series B, E and F)  
 Russell Money Market Class (Series B, E and F)

Russell Retirement Essentials Class Portfolio (Series B, E, E-5, E-6, E-7, F, F-5, F-6, F-7, I-5, I-6 and I-7)

Russell Diversified Monthly Income Class Portfolio (Series B, E, E-5, E-7, F, F-5, F-7, I-5 and I-7)

Russell Enhanced Canadian Growth & Income Class Portfolio (Series B, E, E-5, E-6, E-7, F, F-5, F-6, F-7, I-5, I-6 and I-7)

(Classes of shares of Russell Investments Corporate Class Inc.)

Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectuses dated July 20, 2010

NP 11-202 Receipt dated July 22, 2010

**Offering Price and Description:**

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

Russell Investments Canada Limited

**Promoter(s):**

Russell Investments Canada Limited

**Project #1597869**

**Issuer Name:**

Sceptre Income & Growth Fund (Class A, D, F and O units)

Sceptre Bond Fund (Class A, D and O units)

Sceptre High Income Fund (Class A, D, F, and O units)

Sceptre Canadian Equity Fund (Class A, D, F, and O units)

Sceptre Equity Growth Fund (Class A, D, F, and O units)

Sceptre U.S. Equity Fund (Class O units)

Sceptre Global Equity Fund (Class A, D and O units)

Sceptre Money Market Fund (Class A and O units)

Sceptre Large Cap Canadian Equity Fund (Class O units)

Principal Regulator - Ontario

**Type and Date:**

Amendment #1 dated July 2, 2010 to the Simplified Prospectuses and Annual Information Forms dated August 26, 2009

NP 11-202 Receipt dated July 21, 2010

**Offering Price and Description:**

Class A, D, F and O units @ net asset value

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

Sceptre Investment Counsel Limited

**Promoter(s):**

-

**Project #1449144**

**Issuer Name:**

TD Canadian T-Bill Fund (Investor Series Securities)  
 TD Canadian Money Market Fund (Investor Series, Institutional Series and O-Series Securities)  
 TD Premium Money Market Fund (Investor Series Securities)  
 TD U.S. Money Market Fund (Investor Series, Institutional Series, O-Series and Premium Series Securities)  
 TD Ultra Short Term Bond Fund (Investor Series Securities)  
 TD Short Term Bond Fund (Investor Series, Institutional Series, O-Series and Premium Series Securities)  
 TD Mortgage Fund (Investor Series, Institutional Series, O-Series Securities)  
 TD Canadian Bond Fund (Investor Series, Institutional Series, O-Series and Premium Series Securities)  
 TD Income Advantage Portfolio (Investor Series, Institutional Series, O-Series, Premium Series and H-Series Securities)  
 TD Canadian Core Plus Bond Fund (Investor Series, Institutional Series, O-Series and Premium Series Securities)  
 TD Corporate Bond Capital Yield Fund (Investor Series, Institutional Series and Premium Series Securities)  
 TD Real Return Bond Fund (Investor Series, Institutional Series and O-Series Securities)  
 TD Global Bond Fund (Investor Series and Institutional Series Securities)  
 TD High Yield Bond Fund (Investor Series, Institutional Series, O-Series, H-Series and Q-Series Securities) (formerly TD High Yield Income Fund)  
 TD Monthly Income Fund (Investor Series, Institutional Series, O-Series, H-Series and D-Series Securities)  
 TD Balanced Income Fund (Investor Series, Institutional Series and D-Series Securities)  
 TD Diversified Monthly Income Fund (Investor Series, O-Series and H-Series Securities)  
 TD Balanced Growth Fund (Investor Series, Institutional Series Securities)  
 TD Dividend Income Fund (Investor Series, Institutional Series, O-Series and H-Series Securities)  
 TD Dividend Growth Fund (Investor Series, Institutional Series, O-Series and H-Series Securities)  
 TD Canadian Blue Chip Equity Fund (Investor Series, Institutional Series, O-Series Securities)  
 TD Canadian Equity Fund (Investor Series, Institutional Series, O-Series Securities)  
 TD Canadian Value Fund (Investor Series, Institutional Series, O-Series Securities)  
 TD Canadian Small-Cap Equity Fund (Investor Series, Institutional Series, O-Series Securities)  
 TD North American Dividend Fund (Investor Series and Institutional Series Securities)  
 TD U.S. Blue Chip Equity Fund (Investor Series, Institutional Series and O-Series Securities)  
 TD U.S. Quantitative Equity Fund (Investor Series and Institutional Series Securities)

TD U.S. Large-Cap Value Fund (Investor Series, Institutional Series and O-Series Securities)  
 TD U.S. Large-Cap Value Currency Neutral Fund (Investor Series Securities)  
 TD U.S. Equity Portfolio (Investor Series Securities) (formerly TD U.S. Equity Advantage Portfolio)  
 TD U.S. Equity Currency Neutral Portfolio (Investor Series Securities) (formerly TD U.S. Equity Advantage Currency Neutral Portfolio)  
 TD U.S. Mid-Cap Growth Fund (Investor Series, Institutional Series and O-Series Securities)  
 TD U.S. Small-Cap Equity Fund (Investor Series, Institutional Series and O-Series Securities)  
 TD Global Dividend Fund (Investor Series, Institutional Series, O-Series and H-Series Securities)  
 TD Global Value Fund (Investor Series, Institutional Series and O-Series Securities)  
 TD Global Growth Fund (Investor Series, Institutional Series and O-Series Securities) (formerly TD Global Select Fund)  
 TD Global Equity Portfolio (Investor Series Securities) (formerly TD Global Equity Advantage Portfolio)  
 TD Global Multi-Cap Fund (Investor Series, Institutional Series and O-Series Securities)  
 TD Global Sustainability Fund (Investor Series, Institutional Series and O-Series Securities)  
 TD International Value Fund (Investor Series, Institutional Series and O-Series Securities) (formerly TD International Equity Fund)  
 TD International Growth Fund (Investor Series, Institutional Series and O-Series Securities) (formerly TD International Equity Growth Fund)  
 TD European Growth Fund (Investor Series and Institutional Series Securities)  
 TD Japanese Growth Fund (Investor Series and Institutional Series Securities)  
 TD Asian Growth Fund (Investor Series and Institutional Series and O-Series Securities)  
 TD Pacific Rim Fund (Investor Series Securities)  
 TD Emerging Markets Fund (Investor Series, Institutional Series and O-Series Securities)  
 TD Latin American Growth Fund (Investor Series Securities)  
 TD Resource Fund (Investor Series and Institutional Series Securities)  
 TD Energy Fund (Investor Series Securities)  
 TD Precious Metals Fund (Investor Series Securities)  
 TD Entertainment & Communications Fund (Investor Series and Institutional Series Securities)  
 TD Science & Technology Fund (Investor Series and Institutional Series Securities)  
 TD Health Sciences Fund (Investor Series, Institutional Series and O-Series Securities)  
 TD Canadian Bond Index Fund (Investor Series, e-Series, Institutional Series and O-Series Securities)  
 TD Balanced Index Fund (Investor Series and e-Series Securities)  
 TD Canadian Index Fund (Investor Series, e-Series, Institutional Series and O-Series Securities)  
 TD Dow Jones Industrial Average Index Fund (Investor Series and e-Series Securities)



TD U.S. Index Fund (Investor Series, e-Series, Institutional Series and O-Series Securities)  
 TD U.S. Index Currency Neutral Fund (Investor Series, e-Series, Institutional Series and O-Series Securities)  
 TD Nasdaq® Index Fund (Investor Series and e-Series Securities)  
 TD International Index Fund (Investor Series, e-Series, Institutional Series and O-Series Securities)  
 TD International Index Currency Neutral Fund (3) (Investor Series, e-Series and Institutional Series Securities)  
 TD European Index Fund (Investor Series and e-Series Securities)  
 TD Japanese Index Fund (Investor Series and e-Series Securities)  
 TD Advantage Balanced Income Portfolio (Investor Series and H-Series Securities) (formerly TD Advantage Conservative Portfolio)  
 TD Advantage Balanced Portfolio (Investor Series and H-Series Securities) (formerly TD Advantage Moderate Portfolio)  
 TD Advantage Balanced Growth Portfolio (Investor Series and H-Series Securities) (formerly TD Advantage Balanced Portfolio)  
 TD Advantage Growth Portfolio (Investor Series Securities)  
 TD Advantage Aggressive Growth Portfolio (Investor Series Securities) (formerly TD Advantage Equity Portfolio)  
 TD Comfort Balanced Income Portfolio (Investor Series Securities) (formerly TD Comfort Conservative Portfolio)  
 TD Comfort Balanced Portfolio (Investor Series Securities) (formerly TD Comfort Moderate Portfolio)  
 TD Comfort Balanced Growth Portfolio (Investor Series Securities) (formerly TD Comfort Balanced Portfolio)  
 TD Comfort Growth Portfolio TD Comfort Aggressive Growth Portfolio (Investor Series Securities) (formerly TD Comfort Equity Portfolio)  
 TD Short Term Investment Class (Investor Series Securities)  
 TD Dividend Growth Class (Investor Series Securities)  
 TD Canadian Blue Chip Equity Class (Investor Series Securities)  
 TD Canadian Equity Class (Investor Series Securities)  
 TD Canadian Value Class (Investor Series Securities)  
 TD Canadian Small-Cap Equity Class (Investor Series Securities)  
 TD U.S. Large-Cap Value Class (Investor Series Securities)  
 TD U.S. Mid-Cap Growth Class (Investor Series Securities)  
 TD Global Growth Class (Investor Series Securities)  
 TD Global Multi-Cap Class (Investor Series Securities)  
 TD Global Sustainability Class (Investor Series Securities)  
 TD International Growth Class (Investor Series Securities)  
 TD Asian Growth Class (Investor Series Securities)  
 TD Emerging Markets Class (Investor Series Securities)  
 (CLASS OF TD MUTUAL FUNDS CORPORATE CLASS LTD.)  
 Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectuses dated July 21, 2010

NP 11-202 Receipt dated July 23, 2010

**Offering Price and Description:**

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

TD Investment Services Inc.

TD Investment Services Inc. (for Investor Series units)

TD Investment Services Inc. (for Investor Series and e-Series units)

TD Investment Services Inc. (for Investor Series units)

TD Investment Services Inc. (for Investor Series and e-Series Units)

TD Investment Services Inc. (for Investor Series)

TD Asset Management Inc. (for Investor Series units)

TD Investment Services Inc. (for Investor Series and Premium Series units)

**Promoter(s):**

TD Asset Management Inc.

**Project #1594953**

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**Issuer Name:**

TD Canadian Money Market Fund (Advisor Series and F-Series Securities)  
 TD Premium Money Market Fund (F-Series Securities)  
 TD Ultra Short Term Bond Fund (Advisor Series and F-Series Securities)  
 TD Short Term Bond Fund (Advisor Series and F-Series Securities)  
 TD Mortgage Fund (Advisor Series and F-Series Securities)  
 TD Canadian Bond Fund (Advisor Series and F-Series Securities)  
 TD Income Advantage Portfolio (Advisor Series, F-Series, T-Series and S-Series Securities)  
 TD Canadian Core Plus Bond Fund (Advisor Series and F-Series Securities)  
 TD Corporate Bond Capital Yield Fund (Advisor Series and F-Series Securities)  
 TD Real Return Bond Fund (Advisor Series and F-Series Securities)  
 TD Global Bond Fund (Advisor Series and F-Series Securities)  
 TD High Yield Bond Fund (Advisor Series, F-Series, T-Series and S-Series Securities) (formerly TD High Yield Income Fund)  
 TD Monthly Income Fund (Advisor Series, F-Series, T-Series and S-Series Securities)  
 TD Balanced Income Fund (Advisor Series and F-Series Securities)  
 TD Diversified Monthly Income Fund (T-Series and S-Series Securities)  
 TD Balanced Growth Fund (Advisor Series and F-Series Securities)  
 TD Dividend Income Fund (Advisor Series, F-Series, T-Series and S-Series Securities)  
 TD Dividend Growth Fund (Advisor Series, F-Series, T-Series and S-Series Securities)  
 TD Canadian Blue Chip Equity Fund (Advisor Series and F-Series Securities)  
 TD Canadian Equity Fund (Advisor Series and F-Series Securities)  
 TD Canadian Value Fund (Advisor Series and F-Series Securities)  
 TD Canadian Small-Cap Equity Fund (Advisor Series and F-Series Securities)  
 TD North American Dividend Fund (Advisor Series and F-Series Securities)  
 TD U.S. Blue Chip Equity Fund (Advisor Series and F-Series Securities)  
 TD U.S. Large-Cap Value Fund (Advisor Series and F-Series Securities)  
 TD U.S. Large-Cap Value Currency Neutral Fund (Advisor Series and F-Series Securities)  
 TD U.S. Equity Portfolio (Advisor Series and F-Series Securities) (formerly TD U.S. Equity Advantage Portfolio)  
 TD U.S. Equity Currency Neutral Portfolio (Advisor Series and F-Series Securities) (formerly TD U.S. Equity Advantage Currency Neutral Portfolio)  
 TD U.S. Mid-Cap Growth Fund (Advisor Series and F-Series Securities)  
 TD U.S. Small-Cap Equity Fund (Advisor Series and F-Series Securities)

TD Global Dividend Fund (Advisor Series, F-Series, T-Series and S-Series Securities)  
 TD Global Value Fund (Advisor Series and F-Series Securities)  
 TD Global Growth Fund (Advisor Series and F-Series Securities) (formerly TD Global Select Fund)  
 TD Global Equity Portfolio (Advisor Series and F-Series Securities) (formerly TD Global Equity Advantage Portfolio)  
 TD Global Multi-Cap Fund (Advisor Series and F-Series Securities)  
 TD Global Sustainability Fund (Advisor Series and F-Series Securities)  
 TD International Value Fund (Advisor Series and F-Series Securities) (formerly TD International Equity Fund)  
 TD International Growth Fund (Advisor Series and F-Series Securities) (formerly TD International Equity Growth Fund)  
 TD Japanese Growth Fund (Advisor Series and F-Series Securities)  
 TD Asian Growth Fund (Advisor Series and F-Series Securities)  
 TD Emerging Markets Fund (Advisor Series and F-Series Securities)  
 TD Latin American Growth Fund (Advisor Series and F-Series Securities)  
 TD Resource Fund (Advisor Series and F-Series Securities)  
 TD Energy Fund (Advisor Series and F-Series Securities)  
 TD Precious Metals Fund (Advisor Series and F-Series Securities)  
 TD Entertainment & Communications Fund (Advisor Series and F-Series Securities)  
 TD Science & Technology Fund (Advisor Series and F-Series Securities)  
 TD Health Sciences Fund (Advisor Series and F-Series Securities)  
 TD Canadian Bond Index Fund (Advisor Series and F-Series Securities)  
 TD Canadian Index Fund (Advisor Series and F-Series Securities)  
 TD Dow Jones Industrial Average<sup>SM</sup> Index Fund (Advisor Series and F-Series Securities)  
 TD U.S. Index Fund (Advisor Series and F-Series Securities)  
 TD U.S. Index Currency Neutral Fund (Advisor Series and F-Series Securities)  
 TD Nasdaq<sup>®</sup> Index Fund (Advisor Series and F-Series Securities)  
 TD International Index Fund (Advisor Series and F-Series Securities)  
 TD International Index Currency Neutral Fund (Advisor Series and F-Series Securities)  
 TD European Index Fund (Advisor Series and F-Series Securities)  
 TD Japanese Index Fund (Advisor Series and F-Series Securities)  
 TD Advantage Balanced Income Portfolio (Advisor Series, F-Series, T-Series and S-Series Securities) (formerly TD Advantage Conservative Portfolio)  
 TD Advantage Balanced Portfolio (Advisor Series, F-Series, T-Series and S-Series Securities)

(formerly TD Advantage Moderate Portfolio)  
TD Advantage Balanced Growth Portfolio (Advisor Series, F- Series, T-Series and S-Series Securities) (formerly TD Advantage Balanced Portfolio)  
TD Advantage Growth Portfolio (Advisor Series and F-Series Securities)  
TD Advantage Aggressive Growth Portfolio (Advisor Series and F- Series Securities) (formerly TD Advantage Equity Portfolio)  
TD Short Term Investment Class (Advisor Series and F-Series Securities)  
TD Dividend Growth Class (Advisor Series and F- Series Securities)  
TD Canadian Blue Chip Equity Class (Advisor Series and F- Series Securities)  
TD Canadian Equity Class (Advisor Series and F- Series Securities)  
TD Canadian Value Class (Advisor Series and F- Series Securities)  
TD Canadian Small-Cap Equity Class (Advisor Series and F- Series Securities)  
TD U.S. Large-Cap Value Class (Advisor Series and F-Series Securities)  
TD U.S. Mid-Cap Growth Class (Advisor Series and F-Series Securities)  
TD Global Growth Class (Advisor Series and F- Series Securities)  
TD Global Multi-Cap Class (Advisor Series and F- Series Securities)  
TD Global Sustainability Class (Advisor Series and F-Series Securities)  
TD International Growth Class (Advisor Series and F-Series Securities)  
TD Asian Growth Class (Advisor Series and F- Series Securities)  
TD Emerging Markets Class (Advisor Series and F- Series Securities)  
(Class of TD Mutual Funds Corporate Class Ltd.)  
Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectuses dated July 21, 2010  
NP 11-202 Receipt dated July 22, 2010

**Offering Price and Description:**

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

TD Investment Services Inc. (for Investor Series units)  
TD Investment Services Inc.(for Investor Series units)  
TD Investment Services Inc. (for Investor Series and e-Series Units)  
TD Investment Services Inc. (for Investor Series and e-Series units)  
TD Asset Management Inc. (for Investor Series units)

**Promoter(s):**

TD Asset Management Inc.

**Project #1595014**

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**Issuer Name:**

TD CORPORATE BOND POOL  
TD INCOME OPPORTUNITIES POOL (formerly TD WORLD BOND POOL)  
TD OPPORTUNITIES POOL  
(O-SERIES UNITS)

Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectuses dated July 21, 2010  
NP 11-202 Receipt dated July 22, 2010

**Offering Price and Description:**

O-SERIES UNITS

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

-

**Promoter(s):**

TD Asset Management Inc.

**Project #1595041**

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**Issuer Name:**

Whitecap Resources Inc.  
Principal Regulator - Alberta

**Type and Date:**

Final Short Form Prospectus dated July 23, 2010  
NP 11-202 Receipt dated July 23, 2010

**Offering Price and Description:**

\$40,050,000.00 - 89,000,000 Subscription Receipts each representing the right to receive one Common Share Price \$0.45 per Subscription Receipt

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

GMP Securities L.P.  
National Bank Financial Inc.  
Cormark Securities Inc.  
FirstEnergy Capital Corp.  
Haywood Securities Inc.  
Macquarie Capital Markets Canada Ltd.  
Mackie Research Capital Corporation

**Promoter(s):**

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**Project #1607707**

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**Issuer Name:**

Viterra Inc.

Principal Jurisdiction - Saskatchewan

**Type and Date:**

Preliminary Short Form Prospectus dated May 4, 2010

Withdrawn on July 22, 2010

**Offering Price and Description:**

\$ \* - \* % Senior Unsecured Notes, Series 2010-1, due May  
\*, 2020

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

TD Securities Inc.

RBC Dominion Securities Inc.

CIBC World Markets Inc.

HSBC Securities (Canada) Inc.

J.P. Morgan Securities Canada Inc.

Morgan Stanley Canada Limited

Scotia Capital Inc.

Merrill Lynch Canada Inc.

BMO Nesbitt Burns Inc.

National Bank Financial Inc.

Societe Generale Valeurs Mobilieres Inc.

**Promoter(s):**

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**Project #1575377**

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## Chapter 12

# Registrations

### 12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Name Change	From: Thomas Weisel Partners Canada Inc. To: Stifel Nicolaus Canada Inc.	Investment Dealer	July 19, 2010
Change in Registration Category	Lightwater Partners Ltd.	From: Exempt Market Dealer and Portfolio Manager To: Exempt Market Dealer, Portfolio Manager, and Investment Fund Manager	July 21, 2010
Change in Registration Category	Man Investments Canada Corp.	From: Exempt Market Dealer and Portfolio Manager To: Exempt Market Dealer, Portfolio Manager, and Investment Fund Manager	July 23, 2010
New Registration	Rempart Asset Management Inc.	Portfolio Manager	July 27, 2010
Change in Registration Category	Y.I.S. Financial Inc.	From: Mutual Fund Dealer and Exempt Market Dealer To: Mutual Fund Dealer	July 27, 2010

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## Chapter 13

# SROs, Marketplaces and Clearing Agencies

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### 13.2 Marketplaces

#### 13.2.1 Alpha ATS LP – Notice of Proposed Changes and Request for Feedback

##### ALPHA ATS LP NOTICE OF PROPOSED CHANGES AND REQUEST FOR FEEDBACK

Alpha ATS LP has announced its plans to implement the changes described below in Q4 2010. It is publishing this Notice of Proposed Changes in accordance with the requirements set out in OSC Staff Notice 21-703 - *Transparency of the Operations of Stock Exchanges and Alternative Trading Systems*. Pursuant to OSC Staff Notice 21-703, Commission staff invite market participants to provide the Commission with feedback on the proposed changes.

Feedback on the proposed changes should be in writing and submitted by **August 30, 2010** to:

Market Regulation Branch  
Ontario Securities commission  
Suite 1903, Box 55  
20 Queen Street West  
Toronto, ON M5H 3S8  
Fax (416) 595-8940  
Email: [marketregulation@osc.gov.on.ca](mailto:marketregulation@osc.gov.on.ca)

And to:

Randee Pavalow  
Head of Operations and Legal  
Alpha ATS LP  
70 York Street, suite 1501  
Toronto, ON M5J 1S9  
Email: [randee.pavalow@alphatradingsystems.ca](mailto:randee.pavalow@alphatradingsystems.ca)

If the proposed changes do not raise any regulatory concerns, Alpha ATS may implement the proposed changes by **September 13, 2010**.

### 13.2.2 Alpha ATS LP – Notice of Proposed Changes

#### **ALPHA ATS LP NOTICE OF PROPOSED CHANGES**

Alpha ATS LP has announced its plans to implement the changes described below in Q4 2010. It is publishing this Notice of Proposed Changes in accordance with the requirements set out in OSC Staff Notice 21-703.

Any questions regarding these changes should be addressed to Randee Pavalow, Head of Operations and Legal, Alpha ATS LP: randee.pavalow@alphatradingsystems.ca, T: 647-259-0420

#### **Description of Proposed Changes and Reasons for Changes**

Alpha Self Trade Management is an optional designation that suppresses trades from the public feed where orders on both sides of the trade are from the same Subscriber and have been identified by the Subscriber. Self Trade Management applies only to unintentional self trading. Self-trades are not disseminated on the public trade messages and do not update the last sale price, daily volume, turnover or other trading statistics. The change was introduced to provide Subscribers with similar functionality available on competing marketplaces that is intended to address issues regarding potential wash trades.

#### **Expected Impact of the changes**

Subscribers will be able to enter orders with the assurance that if the order trades against another order of the same subscriber the trade will be suppressed from the public feed and will not cause any potential concerns created by the policy concerns regarding wash trades. Suppressing these trades from the public feed prevents the false or misleading appearance of trading activity or interest in the purchase or sale of the security in question.

#### **Consultations**

Alpha received requests for this order designation from its Subscribers. It also consulted with its User Committee.

#### **Current implementation of changes in the Canadian marketplace and any alternatives considered**

Similar designations are currently available in the Canadian capital markets. Some marketplaces allow firms to prevent two orders from same firm from trading against each other based on unique trading keys defined by the firm. Another marketplace offers a similar marker so that a trade that has occurred between proprietary accounts of the same firm is not publicly reported. The implementation of the Alpha Self Trade Designation was designed to address comments and requests made by its Subscribers. It was determined to be the best alternative for Alpha subscribers amongst all the options considered.



### 13.3 Clearing Agencies

#### 13.3.1 CDS Notice of Effective Date – Technical Amendments to CDS Procedures – Euroclear UK Direct Service

##### CDS CLEARING AND DEPOSITORY SERVICES INC. (CDS®)

##### TECHNICAL AMENDMENTS TO CDS PROCEDURES

##### EUROCLEAR UK DIRECT SERVICE

##### NOTICE OF EFFECTIVE DATE

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

##### *Background*

The CDS Board of Directors approved the termination of the Euroclear UK Direct Service at its meeting in January, 2010, pending regulatory approval. The technical procedure changes to terminate the Euroclear UK Direct service are supported by a change to CDS rules. The rule changes were presented and approved by CDS's legal drafting group on March 18, 2010. CDS Board approved the rule changes at its meeting on April 21, 2010 and it was submitted to CDS's regulators for approval on April 29, 2010.

CDS implemented the Euroclear UK Direct Service in August, 2007 by becoming a sponsoring member into the CREST system operated by Euroclear U.K. and Ireland in order to sponsor its participants for use of the service. This service was implemented as a means to facilitate the settlement of trades executed on the U.K. exchanges or other inter-listed securities trades between CDS participants and other CREST members for securities that are eligible for settlement in the CREST system.

In September 2009, CDS was advised by EUI that, because of changes in anti-money laundering ("AML") legislation in the United Kingdom, CDS would be subject to new CREST Rules that would impose new AML requirements on CDS and its sponsored members. The new rules would also require CDS to certify that it would undertake AML checks on its sponsored participants. These checks would need to be in compliance with applicable law and any relevant authoritative guidance provided as best practice, and CDS would be required to create an AML compliance program.

After a review of the new AML requirements imposed by EUI via its CREST rules, CDS determined that it would not be able to take on a role of AML compliance monitoring that would adequately meet the requirements of the new CREST rules. In its decision to terminate the Euroclear UK Direct Service CDS has determined that participants would not be negatively impacted by this decision, as no participants have ever used the service.

Termination of the Euroclear UK Direct Service would allow CDS Clearing to reduce current operating costs associated with the Euroclear UK Direct Service as well as eliminating any projected costs associated with the foregoing AML compliance program. The proposed amendments reflect the discontinuation of the Euroclear UK Direct Service.

Access the proposed amendments to the CDS Procedures on the User documentation revisions web page (<http://www.cds.ca/cdsclearinghome.nsf/Pages/-EN-blacklined?Open>) and to the CDS Forms (if applicable) on Forms online (Click View by Form Category and in the Select a Form Category list, click External review) on the CDS Services web page ([www.cdsservices.ca](http://www.cdsservices.ca)).

##### *Description of Proposed Amendments*

The proposed amendments to CDS Procedures will redact all references to the Euroclear UK Direct Service from CDS Procedures. References will be removed from the following documents:

- Euroclear UK Direct Participant Procedures (Redacted in its entirety)
- CDSX Procedures and User Guide
- Participating in CDS Services
- CDS Reporting Procedures
- CDS.ca On-line Forms Database

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 SRDC'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 June 17, 2010.

**B. REASONS FOR TECHNICAL CLASSIFICATION**

The amendments proposed pursuant to this Notice are considered technical amendments as they are intended to implement changes to a material rule relating to the discontinuation of the Euroclear UK Direct Service that has been published for comment pursuant to this protocol and only contains 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:

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