

The Ontario Securities Commission

OSC Bulletin

October 1, 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

October 1, 2010

CURRENT PROCEEDINGS

BEFORE

ONTARIO SECURITIES COMMISSION

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

The Harry S. Bray Hearing Room
Ontario Securities Commission
Cadillac Fairview Tower
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Mary G. Condon	—	MGC
Margot C. Howard	—	MCH
Kevin J. Kelly	—	KJK
Paulette L. Kennedy	—	PLK
Patrick J. LeSage	—	PJL
Carol S. Perry	—	CSP
Charles Wesley Moore (Wes) Scott	—	CWMS

SCHEDULED OSC HEARINGS

October 4, 6-8, 13-15 and December 6, 8-10, 2010

Sextant Capital Management Inc., Sextant Capital GP Inc., Otto Spork, Robert Levack and Natalie Spork

s. 127

10:00 a.m.

T. Center in attendance for Staff

October 5, 2010

Panel: JDC/CSP

1:00 p.m.

October 4, 6-8, 13-15, 18-19, 25 and 27-29, 2010

Coventree Inc., Geoffrey Cornish and Dean Tai

s. 127

November 1-3, 2010

J. Waechter in attendance for Staff

December 1-3 and 8-17, 2010

Panel: JEAT/MGC/PLK

10:00 a.m.

October 5, 2010

Abel Da Silva

s. 127

10:00 a.m.

M. Boswell in attendance for Staff

Panel: JEAT

October 12, 2010

Brilliant Brasilcan Resources Corp., York Rio Resources Inc., Brian W. Aidelman, Jason Georgiadis, Richard Taylor and Victor York

3:30 p.m.

s. 127

H. Craig in attendance for Staff

Panel: MGC

October 13, 2010

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

10:00 a.m.

s. 127

M. Boswell in attendance for Staff

Panel: TBA

October 13, 2010	QuantFX Asset Management Inc., Vadim Tsatskin, Lucien Shtromvaser and Rostislav Zemlinsky	October 25, 2010	Axxess Automation LLC, Axxess Fund Management, LLC, Axxess Fund, L.P., Gordon Alan Driver, David Rutledge, 6845941 Canada Inc. carrying on business as Anesis Investments, Steven M. Taylor, Berkshire Management Services Inc. carrying on business as International Communication Strategies, 1303066 Ontario Ltd. carrying on business as ACG Graphic Communications, Montecassino Management Corporation, Reynold Mainse, World Class Communications Inc. and Ronald Mainse
10:30 a.m.	s. 127	10:00 a.m.	s. 127
	H. Craig in attendance for Staff		Y. Chisholm in attendance for Staff
	Panel: TBA		Panel: CSP
October 18, 2010	Howard Jeffrey Miller and Man Kin Cheng (a.k.a. Francis Cheng)		
10:00 a.m.	s. 127		
	T. Center in attendance for Staff		
	Panel: JDC		
October 21, 2010	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	October 25-29, 2010	IBK Capital Corp. and William F. White
10:00 a.m.	s. 127	10:00 a.m.	s. 127
	P. Foy in attendance for Staff		M. Vaillancourt in attendance for Staff
	Panel: JDC		Panel: JDC/CWMS
October 21, 2010	Lehman Brothers & Associates Corp., Greg Marks, Michael Lehman (a.k.a. Mike Laymen), Kent Emerson Lounds and Gregory William Higgins	October 27, 2010	Shaun Gerard McErlean, Securus Capital Inc., and Acquiesce Investments
12:00 p.m.	s. 127	1:00 p.m.	s. 127
	H. Craig in attendance for Staff		M. Britton in attendance for Staff
	Panel: JDC		Panel: MGC
October 22, 2010	Chartcandle Investments Corporation, CCI Financial, LLC, Chartcandle Inc., PSST Global Corporation, Stephen Michael Chesnowitz and Charles Pauly	November 4, 2010	Lehman Cohort Global Group Inc., Anton Schnedl, Richard Unzer, Alexander Grundmann and Henry Hehlsinger
10:00 a.m.	s. 127 and 127.1	11:00 a.m.	s. 127
	S. Horgan in attendance for Staff		H. Craig in attendance for Staff
	Panel: JDC/PJL		Panel: JEAT/CSP/SA

November 8, 2010	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	November 22, 2010	Georges Benarroch, Linda Kent, Marjorie Ann Glover and Credifinance Securities Limited
10:00 a.m.		10:00 a.m.	s. 21.7
	s. 127		A. Heydon in attendance for Staff
	H. Craig in attendance for Staff		Panel: JDC/CSP
	Panel: TBA	November 29, 2010	Irwin Boock, Stanton Defreitas, Jason Wong, Saudia Allie, Alena Dubinsky, Alex Khodjiaints
November 8, 2010	Global Energy Group, Ltd. and New Gold Limited Partnerships	9:30 a.m.	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
10:00 a.m.	s. 127		s. 127 and 127.1
	H. Craig in attendance for Staff		H. Craig in attendance for Staff
	Panel: TBA		Panel: MGC
November 8, 2010	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	November 29, 2010	Paladin Capital Markets Inc., John David Culp and Claudio Fernando Maya
10:00 a.m.	s. 127	10:00 a.m.	s. 127
	M. Britton in attendance for Staff		C. Price in attendance for Staff
	Panel: TBA		Panel: JEAT
November 12, 2010	Imagin Diagnostic Centres Inc., Patrick J. Rooney, Cynthia Jordan, Allan McCaffrey, Michael Shumacher, Christopher Smith, Melvyn Harris and Michael Zelyony	November 30, 2010	Locate Technologies Inc., Tubtron Controls Corp., Bradley Corporate Services Ltd., 706166 Alberta Ltd., Lorne Drever, Harry Niles, Michael Cody and Donald Nason
10:00 a.m.	s. 127 and 127.1	2:30 p.m.	s. 127
	J. Feasby in attendance for Staff		A. Heydon in attendance for Staff
	Panel: MGC/MCH		Panel: JDC
November 15-18, 2010	Juniper Fund Management Corporation, Juniper Income Fund, Juniper Equity Growth Fund and Roy Brown (a.k.a. Roy Brown-Rodrigues)		
November 24 – December 2, 2010			
10:00 a.m.	s. 127 and 127.1		
	D. Ferris in attendance for Staff		
	Panel: TBA		

December 2, 2010	Richvale Resource Corp., Marvin Winick, Howard Blumenfeld, Pasquale Schiavone, and Shafi Khan	January 17-21, 2011	Merax Resource Management Ltd. carrying on business as Crown Capital Partners, Richard Mellon and Alex Elin
9:30 a.m.	s. 127(7) and 127(8)	10:00 a.m.	s. 127
	H. Craig in attendance for Staff		H. Craig in attendance for Staff
	Panel: TBA		Panel: TBA
December 7, 2010	Mega-C Power Corporation, Rene Pardo, Gary Usling, Lewis Taylor Sr., Lewis Taylor Jr., Jared Taylor, Colin Taylor and 1248136 Ontario Limited	January 26, 2011	Rezwealth Financial Services Inc., Pamela Ramoutar, Chris Ramoutar, Justin Ramoutar, Tiffin Financial Corporation, Daniel Tiffin, 2150129 Ontario Inc. and Sylvan Blackett
2:00 p.m.	s. 127	10:00 a.m.	s. 127(1) and (5)
	M. Britton/J.Feasby in attendance for Staff		A. Heydon in attendance for Staff
	Panel: JDC/KJK		Panel: CSP
December 15-16, 2010	Questrade Inc.	January 31 – February 7, February 9-18, February 23, 2011	Anthony Ianno and Saverio Manzo
10:00 a.m.	s. 21.7		s. 127 and 127.1
	A. Heydon in attendance for Staff		A. Clark in attendance for Staff
	Panel: JDC/CSP	10:00 a.m.	Panel: TBA
January 10, 12-21 and 24, 2011	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	January 31, February 1-7 and 9-11, 2011	Nest Acquisitions and Mergers, IMG International Inc., Caroline Myriam Frayssignes, David Pelcowitz, Michael Smith, and Robert Patrick Zuk
10:00 a.m.	s. 127 and 127.1	10:00 a.m.	s. 37, 127 and 127.1
	H. Daley in attendance for Staff		C. Price in attendance for Staff
	Panel: TBA		Panel: TBA
January 10, 12-21, January 26 – February 1, 2011	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	February 11, 2011	Shallow Oil & Gas Inc., Eric O'Brien, Abel Da Silva, Gurdip Singh Gahunia aka Michael Gahunia and Abraham Herbert Grossman aka Allen Grossman
10:00 a.m.	s. 127	10:00 a.m.	s. 127(7) and 127(8)
	A. Perschy/C. Rossi in attendance for Staff		M. Boswell in attendance for Staff
	Panel: TBA		Panel: TBA

February 14-18, February 23-28, March 7, March 9-11, March 28-31, 2011	Agoracom Investor Relations Corp., Agora International Enterprises Corp., George Tsiolis and Apostolis Kondakos (a.k.a. Paul Kondakos)	March 30, 2011 10:00 a.m.	Oversea Chinese Fund Limited Partnership, Weizhen Tang and Associates Inc., Weizhen Tang Corp., and Weizhen Tang
10:00 a.m.	s. 127 T. Center in attendance for Staff Panel: TBA		s. 127 and 127.1 M. Britton in attendance for Staff Panel: TBA
February 14-18, February 23 – March 1, 2011	Nelson Financial Group Ltd., Nelson Investment Group Ltd., Marc D. Boutet, Stephanie Lockman Sobol, Paul Manuel Torres, H.W. Peter Knoll	TBA	Yama Abdullah Yaqeen
	s. 127 P. Foy in attendance for Staff Panel: TBA		s. 8(2) J. Superina in attendance for Staff Panel: TBA
February 25, 2011	Hillcorp International Services, Hillcorp Wealth Management, Suncorp Holdings, 1621852 Ontario Limited, Steven John Hill, and Danny De Melo	TBA	Microsourceonline Inc., Michael Peter Anzelmo, Vito Curalli, Jaime S. Lobo, Sumit Majumdar and Jeffrey David Mandell
10:00 a.m.	s. 127 A. Clark in attendance for Staff Panel: TBA		s. 127 J. Waechter in attendance for Staff Panel: TBA
March 1-7, 9-11, 21 and 23-31, 2011	Paul Donald		Frank Dunn, Douglas Beatty, Michael Gollogly
10:00 a.m.	s. 127 C. Price in attendance for Staff Panel: TBA		s. 127 K. Daniels in attendance for Staff Panel: TBA
March 7, 2011	Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Ciavarella and Michael Mitton	TBA	Biovail Corporation, Eugene N. Melnyk, Brian H. Crombie, John R. Miszuk and Kenneth G. Howling
10:00 a.m.	s. 127 H. Craig in attendance for Staff Panel: TBA		s. 127(1) and 127.1 J. Superina, A. Clark in attendance for Staff Panel: TBA

TBA	<p>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</p> <p>s. 127</p> <p>M. Boswell in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p>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</p> <p>s. 127 and 127.1</p> <p>Y. Chisholm in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p>FactorCorp Inc., FactorCorp Financial Inc. and Mark Twerdun</p> <p>s. 127</p> <p>C. Price in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p>Uranium308 Resources Inc., Michael Friedman, George Schwartz, Peter Robinson, and Shafi Khan</p> <p>s. 127</p> <p>M. Boswell in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p>MRS Sciences Inc. (formerly Morningside Capital Corp.), Americo DeRosa, Ronald Sherman, Edward Emmons and Ivan Cavric</p> <p>s. 127 and 127(1)</p> <p>D. Ferris in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p>Innovative Gifting Inc., Terence Lushington, Z2A Corp., and Christine Hewitt</p> <p>s. 127</p> <p>M. Boswell in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p>Goldpoint Resources Corporation, Lino Novielli, Brian Moloney, Evanna Tomeli, Robert Black, Richard Wylie and Jack Anderson</p> <p>s. 127(1) and 127(5)</p> <p>M. Boswell in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p>Gold-Quest International, 1725587 Ontario Inc. carrying on business as Health and Harmony, Harmony Club Inc., Donald Iain Buchanan, Lisa Buchanan and Sandra Gale</p> <p>s. 127</p> <p>H. Craig in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p>Goldbridge Financial Inc., Wesley Wayne Weber and Shawn C. Lesperance</p> <p>s. 127</p> <p>C. Johnson in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p>Lyndz Pharmaceuticals Inc., James Marketing Ltd., Michael Eatch and Rickey McKenzie</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 **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 **Gold-Quest International, Health and Harmony, Iain Buchanan and Lisa Buchanan**

s. 127

H. Craig in attendance for Staff

Panel: JEAT/CSP/SA

TBA **Global Energy Group, Ltd., New Gold Limited Partnerships, Christina Harper, Vadim Tsatskin, Michael Schaumer, Elliot Feder, Oded Pasternak, Alan Silverstein, Herbert Groberman, Allan Walker, Peter Robinson, Vyacheslav Brikman, Nikola Bajovski, Bruce Cohen and Andrew Shiff**

s. 37, 127 and 127.1

H. Craig in attendance for Staff

Panel: 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

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

s. 127

H. Craig in attendance for Staff

Panel: TBA

TBA **Sulja Bros. Building Supplies, Ltd., Petar Vucicevich, Kore International Management Inc., Andrew Devries, Steven Sulja, Pranab Shah, Tracey Banumas and Sam Sulja**

s. 127 and 127.1

J. Feasby in attendance for Staff

Panel: PJJ/SA

ADJOURNED SINE DIE

Global Privacy Management Trust and Robert Cranston

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

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

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

ADJOURNED SINE DIE

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

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

1.1.2 Notice of Commission Approval – Material Amendments to CDS Rules Relating to the Destruction of Non-Transferable Issues

CDS CLEARING AND DEPOSITORY SERVICES INC. (CDS®)

MATERIAL AMENDMENTS TO CDS RULES

DESTRUCTION OF NON-TRANSFERABLE ISSUES

NOTICE OF COMMISSION APPROVAL

In accordance with the Rule Protocol between the Ontario Securities Commission (“Commission”) and CDS, the Commission approved on September 14, 2010 amendments filed by CDS to its rules relating to the destruction of non-transferable issues (“NTI”). The amendments were effective on September 29, 2010.

Summary of Material Rule

A copy and description of the amendments were published for comment on May 1, 2009 at (2009) 32 OSCB 3855.

The majority of security certificates currently stored in CDS’s vaults are NTI. Issuers of NTI securities are usually inactive or insolvent and the lack of transfer agent services generally renders such security certificates non-transferable. Under the material rule, CDS is implementing an imaging and destruction program for NTI security certificates (“NTI Program”) that have been non-transferable for at least 7 consecutive years. CDS participant’s ledger positions in CDSX® and inventory positions will be maintained under the NTI Program.

Summary of Public Comments

CDS received two sets of public comments which are summarized in Appendix A.

Revisions to the Material Rule

In consultation with its regulators, CDS has decided to make a non-significant revision to the proposed amendments for clarity purposes. The revision clarifies that an NTI must be non-transferable for seven consecutive years (as opposed to an aggregate of seven years) prior to becoming eligible for the NTI Program.

The rule amendments that were approved by the Commission are provided in Appendix B (the non-significant revision has been marked to indicate the change from the previously published version).

APPENDIX A

SUMMARY OF COMMENTS

(Public Comment Period from 2009-May-1 to 2009-May-31)

Summarized Comments	CDS Response
A commenter indicated that there should be a back-up plan in the event of failure on the main database and that prior to destruction of NTI certificates, CDS should advise Participants as well as the names of the companies that are set to be destroyed.	The databases will be backed-up each business day and to further ensure no data loss, the databases will be mirrored to CDS's disaster recovery site. Prior to destruction of NTI certificates, CDS will issue a CDS bulletin identifying the NTI security name and ISIN number.
A commenter noted that to replace a destroyed security certificate, an indemnity bond may be required.	Under the NTI program, NTI security certificates are imaged and destroyed within a controlled environment. Where a security certificate is destroyed, it would be impossible for that certificate to be subsequently presented for transfer by a good faith purchaser. As such, there should be no need for an indemnity bond against potential loss. However, in any event, CDS has secured an insurance policy that would cover the cost of obtaining an indemnity bond if required.
A commenter also questioned whether the NTI Program would apply to transfer documents associated with the NTIs.	<p>As CDS views all endorsements, powers of attorney or other transfer documents that were delivered to CDS at the time the securities were deposited as part of the security certificate, these associated documents would be included in the NTI Program. This approach is similar to that of The Depository Trust Company ("DTC") in the United States. Further details regarding DTC's program can be accessed at: http://edocket.access.gpo.gov/2004/pdf/04-15285.pdf</p> <p>When a security is deposited into CDSX, the depositing participant guarantees the signatures of the registered holder and each other endorser of the certificate evidencing the deposited securities (Rule 6.2.12). The guaranty is given both to CDS and to the transfer agent for that security. Additionally, the guaranty is given by the action of requesting a deposit, and is effective without the need for the participant to sign or otherwise mark the certificate. Thus the guaranty is independent of the security certificate and of any accompanying transfer documents, such as endorsements or powers of attorney. The fact that the deposited issue is NTI at the time of deposit, or becomes NTI after the deposit, does not affect the guaranty. The imaging and subsequent destruction of certificates evidencing NTI securities, and of accompanying transfer documents, is a matter of internal inventory control by CDS, and does not affect the original deposit or the participant's contractual obligations arising from the deposit.</p>
A commenter noted that a current transfer agent may not be able to confirm if a certificate is still outstanding or has been reported lost, replaced and subsequently transferred. If so, prima facie evidence of the ownership of the securities is the security certificate.	Under the NTI program, CDS images the securities certificate (front and back) and will be able to present such image to the transfer agent. Furthermore, CDS can provide an affidavit or certificate of destruction in regards to the circumstances in which that original certificate was destroyed. CDS is a good faith purchaser for value, or a protected purchaser, of securities deposited with it. If the certificate has been re-registered into CDS nominee name, then CDS acquires the security free of any adverse claim, including the claim of an original holder. If the certificate is in "street form" (having been deposited while the security was NTI), then CDS and the transfer agent can rely on the signature guaranty given by the depositing participant.

**APPENDIX B
RULE AMENDMENT**

Text of CDS Participant Rules marked to reflect non-significant revisions to the proposed Rule published for comment on May 1, 2009	Text CDS Participant Rules reflecting the adoption of non-significant revisions to the proposed Rule published for comment on May 1, 2009
<p>6.4.2 Custody of Securities</p> <p>With respect to any Security held in the Depository Service, CDS shall determine how such Securities shall be handled and in particular CDS in its discretion may determine whether or not:</p> <ul style="list-style-type: none"> (a) to require the issuance of a Security Certificate; (b) to cause any Security Certificate to be issued in bearer form, order form or registered form; (c) to cause any Security Certificate in registered form to be registered in the name of CDS, a Nominee, a Custodian or a nominee of a Custodian; (d) to hold any Security Certificate itself or to appoint another Person to hold any Security Certificate in its behalf; (e) to appoint a Custodian for any Security; or (f) to destroy any Security Certificate in respect of which transfers have not been available from a Transfer Agent for at least 7 <u>consecutive</u> years. <p>In exercising or determining whether to exercise any of the foregoing powers, CDS shall take reasonable care in what it, in good faith, considers to be in the best interests of all Participants.</p> <p>In certain circumstances, including the maturity of a Security or a re-organization of the Issuer or a process involving the Tender of a Security, CDS may release certificates or other instruments evidencing a Security held in the Depository Service to the Issuer, its Transfer Agent, its paying agent, or a Depositary Agent, in order to complete the procedure and receive any entitlements or payments owing in respect of the Security.</p>	<p>6.4.2 Custody of Securities</p> <p>With respect to any Security held in the Depository Service, CDS shall determine how such Securities shall be handled and in particular CDS in its discretion may determine whether or not:</p> <ul style="list-style-type: none"> (a) to require the issuance of a Security Certificate; (b) to cause any Security Certificate to be issued in bearer form, order form or registered form; (c) to cause any Security Certificate in registered form to be registered in the name of CDS, a Nominee, a Custodian or a nominee of a Custodian; (d) to hold any Security Certificate itself or to appoint another Person to hold any Security Certificate in its behalf; (e) to appoint a Custodian for any Security; or (f) to destroy any Security Certificate in respect of which transfers have not been available from a Transfer Agent for at least 7 consecutive years. <p>In exercising or determining whether to exercise any of the foregoing powers, CDS shall take reasonable care in what it, in good faith, considers to be in the best interests of all Participants.</p> <p>In certain circumstances, including the maturity of a Security or a re-organization of the Issuer or a process involving the Tender of a Security, CDS may release certificates or other instruments evidencing a Security held in the Depository Service to the Issuer, its Transfer Agent, its paying agent, or a Depositary Agent, in order to complete the procedure and receive any entitlements or payments owing in respect of the Security.</p>

1.2 Notices of Hearing

1.2.1 Howard Jeffrey Miller et al. – ss. 127(1), 127.1

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

AND

**IN THE MATTER OF
HOWARD JEFFREY MILLER AND
MAN KIN CHENG (a.k.a. FRANCIS CHENG)**

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

TAKE NOTICE that the Ontario Securities Commission (the “Commission”) will hold a hearing pursuant to section 127(1) and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”) at its offices at 20 Queen Street West, 17th Floor, Toronto, Ontario, commencing on October 18, 2010 at 10:00 a.m. or as soon thereafter as the hearing can be held:

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

- (a) that the registration granted to Howard Miller (“Miller”) under securities law be suspended or restricted for such period as is specified by the Commission, or be terminated, or that terms and conditions be imposed on the registration, pursuant to paragraph 1 of section 127(1) of the Act;
- (b) that trading in any securities by Miller and Francis Cheng (“Cheng”) (collectively the “Respondents”) cease permanently or for such period as is specified by the Commission, pursuant to paragraph 2 of section 127(1) of the Act;
- (c) that acquisition of any securities by the Respondents is prohibited, permanently or for such other period as is specified by the Commission, pursuant to paragraph 2.1 of section 127(1) of the Act;
- (d) that any exemptions contained in Ontario securities law do not apply to the Respondents permanently or for such period as is specified by the Commission, pursuant to paragraph 3 of section 127(1) of the Act;
- (e) that the Respondents be reprimanded, pursuant to paragraph 6 of section 127(1) of the Act;
- (f) that the Respondents resign all positions that they hold as a director or officer of any issuer, registrant or investment fund manager, pursuant to paragraphs 7, 8.1 and 8.3 of section 127(1) of the Act;
- (g) the Respondents be prohibited from becoming or acting as a director or officer of any issuer, registrant or investment fund manager, pursuant to paragraphs 8, 8.2 and 8.4 of section 127(1) of the Act;
- (h) the Respondents be prohibited from becoming or acting as a registrant, as an investment fund manager or as a promoter, pursuant to paragraph 8.5 of section 127(1) of the Act;
- (i) that each Respondent pay an administrative penalty of not more than \$1 million for each failure by that Respondent to comply with Ontario securities law;
- (j) that each of the Respondents disgorge to the Commission any amounts obtained as a result of non-compliance by that Respondent with Ontario securities law;
- (k) the Respondents be ordered to pay the costs of the Commission investigation and the hearing, pursuant to section 127.1 of the Act; and,
- (l) such other order as the Commission may deem appropriate.

BY REASON OF the allegations set out in the Statement of Allegations of Staff of the Commission dated September 22, 2010 and such further allegations as counsel may advise and the Commission may permit;

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

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

DATED at Toronto this 22nd day of September, 2010.

"John Stevenson"
Secretary to the Commission

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

AND

**IN THE MATTER OF
HOWARD JEFFREY MILLER AND
MAN KIN CHENG (a.k.a. FRANCIS CHENG)**

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

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

I. OVERVIEW

1. In or about November and December of 2004 (the "Relevant Period"), Howard Jeffrey Miller ("Miller") and Man Kin Cheng a.k.a. Francis Cheng ("Cheng") (collectively the "Respondents") engaged in illegal insider trading and tipping in securities of a reporting issuer, Masonite International Corporation ("Masonite"), in breach of sections 76(1) and (2) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), and in a manner that was contrary to the public interest.

II. THE RESPONDENTS

2. Miller is a resident of Toronto, Ontario. During the Relevant Period, Miller was employed by TD Waterhouse Canada Inc. ("TD") and was registered with the Ontario Securities Commission (the "Commission") as a trading officer under the dealer category of investment dealer. Miller is currently registered with the Commission as a dealing representative with Raymond James Ltd., subject to terms and conditions.

3. Cheng was a resident of Toronto, Ontario during the Relevant Period. During the Relevant Period, Cheng was also employed by TD, and was registered with the Commission as a salesperson under the dealer category of investment dealer. Cheng is not currently registered with the Commission.

4. During the Relevant Period, Cheng and Miller worked from the same office. In early 2007, Miller and Cheng formed the "Miller/Cheng Advisory Group".

III. MASONITE INTERNATIONAL CORPORATION

5. Masonite International Corporation ("Masonite") was, during the Relevant Period, a reporting issuer in Ontario (among other provinces) trading on the TSX and NYSE under the symbol MHM, with its head office in Ontario.

6. On December 22, 2004, trading in Masonite was halted and Masonite issued a press release (the "Press Release"). The Press Release announced that Masonite had entered into a definitive agreement to be acquired by a wholly-owned subsidiary of Kohlberg Kravis Roberts & Co. ("KKR"), at a price of \$40.20 per share.

7. Between November 16, 2004 and December 22, 2004, Masonite traded on the TSX between the range of \$32.51 and \$35.50. Just prior to the halt, Masonite traded at a high of, and closed at, \$35.50. After trading resumed on December 23, 2004, Masonite opened at \$40.26, and closed that day at \$41.15.

IV. INSIDER TRADING, TIPPING AND CONDUCT CONTRARY BY MILLER

8. In or about November 2004, by virtue of subsection 76(5)(e) of the Act, Miller became a person in a special relationship with Masonite when he learned of a material fact with respect to Masonite from a person who he knew or ought reasonably to have known was a person in such a relationship. In particular, Miller learned that a transaction (the "Transaction") was pending which would involve a takeover of Masonite (the "Material Fact"), prior to this information having been generally disclosed.

9. On November 24, 2004, Miller sent the following e-mails to a client in reference to Masonite:

"Call me I have a tip

. . .

"Stock trades on TSX at around \$34 - cash takeover of \$40 Timing should be before xmas but you never know with lawyers ... I'm long

10. The e-mails demonstrate that Miller was aware of the following specific details relating to the Transaction, prior to the information having been generally disclosed:

- (a) **The Transaction contemplated a takeover price of \$40.00 (or a 20% premium on the price of Masonite's stock, which was trading around \$34.00):** The Press Release announced that the Masonite's shareholders would receive \$40.20 per share;
- (b) **The Transaction would be structured as an all cash deal:** The Press Release announced that the offeror was KKR, a private equity organization, and the arrangement would be an all cash transaction;
- (c) **The timing of the Transaction would be before Christmas 2004:** Masonite issued the Press Release before Christmas, on December 22, 2004; and
- (d) **Lawyers had been retained in connection with the Transaction:** Lawyers retained by Masonite were actively involved in the matter commencing in and around November 16, 2004.

11. While in a special relationship with Masonite, and with knowledge of the Material Fact that had not been generally disclosed, beginning on November 22, 2004, Miller made the following purchases of Masonite securities, on behalf of himself and his wife, contrary to subsection 76(1) of the Act:

- (a) On November 22, 23 and 29, 2004, Miller purchased 3,000 Masonite shares for his TD account. Miller disposed of these shares pursuant to the Transaction on or around April 6, 2005 (the effective date of the sale of Masonite to KKR), for a realized profit of approximately \$24,500; and
- (b) On December 1, 3, 7, 8, and 20, 2004, Miller purchased 4,300 Masonite shares for his wife's TD account. Miller sold these shares after the Press Release, on January 4, February 16 and 18, 2005, for a realized profit of approximately \$29,000.

12. With knowledge of the Material Fact that had not been generally disclosed, Miller also recommended investing in Masonite to several of his family members, friends and TD Waterhouse clients, contrary to the public interest. In particular,

- (a) On November 29, and December 7, 2004, four of Miller's relatives' TD accounts purchased 3,300 Masonite shares. The account holders sold these shares after the Press Release, on January 5, February 15, 16 and 18, 2005, for a realized profit of approximately \$20,000;
- (b) Between November 23 and December 22, 2004, two of Miller's friends purchased 15,100 Masonite shares valued at approximately \$520,000 for 5 accounts held outside of TD; and
- (c) Between November 23 and December 22, 2004, a total of 21 client accounts at TD purchased 30,000 Masonite shares, valued at approximately \$1,020,000.

13. Miller also informed Cheng, and at least one client, of the Material Fact and of specific details regarding the Transaction, prior to the information having been generally disclosed, contrary to subsection 76(2) of the Act.

V. INSIDER TRADING, TIPPING AND CONDUCT CONTRARY BY CHENG

14. By virtue of subsection 76(5)(e) of the Act, Cheng became a person in a special relationship with Masonite when he learned of the Material Fact with respect to Masonite from Miller, who was a person who he knew or ought reasonably to have known was a person in such a relationship, prior to the information having been generally disclosed.

15. While in a special relationship with Masonite, and with knowledge of the Material Fact that had not been generally disclosed, beginning on November 29, 2004, Cheng made the following purchase of Masonite securities, contrary to subsection 76(1) of the Act:

- (a) On November 29, 2004, Cheng purchased 900 Masonite shares for his wife's account outside of TD. Cheng sold these shares after the Press Release, on January 4, 2005, for a realized profit of approximately \$6,300; and
- (b) On November 30, December 7, 8 and 10, 2004, Cheng purchased 6,000 Masonite shares for his brother's TD account (the "Man Leung Cheng Account"). Cheng's brother, Man Leung Cheng, is a resident of Hong Kong. Cheng sold these shares February 7 and 9, 2005, after the Press Release, for a realized profit of approximately \$37,000. Cheng ultimately received much of the proceeds from this sale.

16. With knowledge of the Material Fact that had not been generally disclosed, Cheng also recommended investing in Masonite to several of his family members and TD clients, contrary to the public interest. In particular,

- (a) On December 7 and 10, 2004, three of Cheng's relatives' TD accounts purchased 2,200 Masonite shares. The account holders sold the shares on January 4, 26 and February 9, 2005, after the Press Release, for a realized profit of approximately \$15,000.
- (b) On December 7 and 8, 2004, four client accounts at TD purchased 4,000 Masonite shares valued at approximately \$135,000; and
- (c) On December 13, 2004, one of Cheng's clients purchased 100 Masonite shares valued at approximately \$3,400 in one account outside of TD.

17. In addition, Cheng informed persons of the Material Fact and of specific details regarding the Transaction, prior to the information having been generally disclosed, contrary to subsection 76(2) of the Act. In particular, on December 7, 2004, Cheng sent the following email to a client:

"I'm back in town and would like to talk to you about your account. Kindly contact me at your convenience. I'm buying MHM on Toronto Exchange for clients and 20% return is expected before Christmas. I'm looking forward to seeing you soon."

18. In addition, on December 8, 2004, Cheng sent the following email to a prospective client:

"Take a look at MHM (<http://www.masonite.com/>), listed on the Toronto Stock Exchange. It's a takeover target and I was told that it'll be done at Cdn\$40.00 before Christmas. It's currently trading at Cdn\$34.00 and I don't see much downside from here even if the deal ended up falling through."

VI. SUMMARY OF TRADING

19. In aggregate, as at December 22, 2004, the date of the Press Release, Miller, Cheng and their families and clients owned 68,900 shares of Masonite with a book value of approximately \$2.35 million.

20. Following the Press Release, Miller, Cheng and their family members sold most of their Masonite securities to realize a profit. In particular:

- (a) Miller and his family purchased 10,600 Masonite shares valued at approximately \$360,000, and realized profit of approximately \$73,500 (or 20%); and
- (b) Cheng and his family purchased 9,100 Masonite shares valued at approximately \$300,000, and realized profit of approximately \$58,300 (or 19%).

VII. CONDUCT CONTRARY TO ONTARIO SECURITIES LAW AND THE PUBLIC INTEREST

21. By trading securities of Masonite with knowledge of the Material Fact obtained from persons who Miller and Cheng knew or ought to have known were in a special relationship with Masonite, that had not generally been disclosed, Miller and Cheng engaged in illegal insider trading, contrary to subsection 76(1) of the Act, and engaged in conduct contrary to the public interest.

22. By recommending the purchase of securities of Masonite with knowledge of the Material Fact obtained from persons who Miller and Cheng knew or ought to have known were in a special relationship with Masonite, that had not generally been disclosed, Miller and Cheng engaged in conduct contrary to the public interest.

23. By informing other persons of the Material Fact, prior to that information being generally disclosed, Miller and Cheng engaged in unlawful tipping, contrary subsection 76(2) of the Act, and engaged in conduct contrary to the public interest.

24. Such additional allegations as Staff may advise and the Commission may permit.

Dated at Toronto this 22nd day of September, 2010.

1.4 Notices from the Office of the Secretary

1.4.1 Howard Jeffrey Miller et al.

**FOR IMMEDIATE RELEASE
September 22, 2010**

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

AND

**IN THE MATTER OF
HOWARD JEFFREY MILLER AND
MAN KIN CHENG (a.k.a. FRANCIS CHENG)**

TORONTO – The Office of the Secretary issued a Notice of Hearing setting the matter down to be heard on October 18, 2010 at 10:00 a.m. or as soon thereafter as the hearing can be held in the above named matter.

A copy of the Notice of Hearing dated September 22, 2010 and Statement of Allegations of Staff of the Ontario Securities Commission dated September 22, 2010 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

For media inquiries:

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

Theresa Ebdon
Senior Communications Specialist
416-593-8307

Robert Merrick
Senior Communications Specialist
416-593-2315

For investor inquiries:

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

1.4.2 Rezwealth Financial Services Inc. et al.

**FOR IMMEDIATE RELEASE
September 23, 2010**

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

AND

**IN THE MATTER OF
REZWEALTH FINANCIAL SERVICES INC.,
PAMELA RAMOUTAR, CHRIS RAMOUTAR,
JUSTIN RAMOUTAR, TIFFIN FINANCIAL
CORPORATION, DANIEL TIFFIN,
2150129 ONTARIO INC. AND SYLVAN BLACKETT**

TORONTO – The Commission issued an Order, with certain provisions, extending the Temporary Order to January 27, 2011 and adjourning the Hearing to Wednesday, January 26, 2011 at 10:00 am. in the above named matter.

A copy of the Order dated September 22, 2010 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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

1.4.3 Shaun Gerard McErlean et al.

**FOR IMMEDIATE RELEASE
September 27, 2010**

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

AND

**IN THE MATTER OF
SHAUN GERARD MCERLEAN,
SECURUS CAPITAL INC., AND
ACQUIESCE INVESTMENTS**

TORONTO – The Commission issued an Order in the above named matter which provides that the Temporary Order be extended to October 28, 2010 and the hearing in this matter be adjourned to October 27, 2010 at 1:00 p.m.

A copy of the Temporary Order dated September 27, 2010 is available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Goodman & Company, Investment Counsel Ltd. and Dynamic Precious Metals Fund

Headnote

National Policy 11-203 Process For Exemptive Relief Applications in Multiple Jurisdictions – mutual fund granted relief from 10 per cent concentration restriction in subsection 2.1(1) of National Instrument 81-102 Mutual Funds in connection with the acquisition by the mutual fund of common shares and common share purchase warrants as a result of a plan of arrangement – the mutual fund will hold securities in essentially the same amounts as it held in common shares of the two previous issuers – mutual fund voted in favour of arrangement – mutual fund must divest common shares acquired through any exercise of the common share purchase warrants.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, s. 2.1(1).

September 17, 2010

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(THE “PRINCIPAL JURISDICTION”)

AND

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

AND

IN THE MATTER OF
GOODMAN & COMPANY,
INVESTMENT COUNSEL LTD.,
ON BEHALF OF
DYNAMIC PRECIOUS METALS FUND
(THE “FILER” or “GOODMAN”)

DECISION

Background

The principal regulator in the Principal Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Principal Jurisdiction (the “**Legislation**”) for a decision under section 19.1 of National Instrument 81-102 - *Mutual Funds* (“**NI 81-102**”) that the Filer be exempt from the issuer concentration restriction contained in subsection 2.1(1) of NI 81-102 in connection

with the acquisition by Dynamic Precious Metals Fund (the “**Fund**”) of securities of Kinross Gold Corporation (“**Kinross**”) in exchange for the shares the Fund presently holds in Red Back Mining Inc. (“**Red Back**”), in the circumstances described in this Order (the “**Relief**”).

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

- (a) the Ontario Securities Commission is the principal regulator for this application and
- (b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (“**MI 11-102**”) is intended to be relied upon in British Columbia, Alberta, Quebec, Saskatchewan, Manitoba, Ontario, New Brunswick and Nova Scotia, Prince Edward Island, Newfoundland & Labrador, Northwest Territories, Yukon, and Nunavut (the “**Jurisdictions**”).

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and in MI 11-102 have the same meanings in this decision, unless they are otherwise defined in this decision.

Representations

1. Goodman acts as the manager, promoter, trustee and portfolio adviser of the Fund. The Fund is distributed under a simplified prospectus and annual information form in the Jurisdictions. Goodman is registered with the Commission and with the securities regulatory authorities in each of Alberta, British Columbia, Manitoba, New Brunswick, Nova Scotia, Quebec and Saskatchewan in the category of Portfolio Manager and with the Commission in the category of Commodity Trading Manager as well. To the best of Goodman’s knowledge, neither Goodman nor the Fund are in default of securities legislation in any of the Jurisdictions. The head office of the Filer is in Toronto, Ontario.
2. The Fund presently holds common shares in Red Back, a publicly held Canadian based resource company based in Vancouver, Canada. The Red Back shares are listed on the Toronto Stock Exchange.
3. The Fund presently holds common shares in Kinross, a publicly held Canadian based gold mining company. The Kinross shares are listed on the Toronto and New York stock exchanges.

4. On August 2, 2010, Red Back and Kinross announced their agreement to merge through a plan of arrangement under the *Canada Business Corporations Act*, whereby Kinross will acquire all the issued and outstanding common shares of Red Back and Red Back will become a wholly-owned subsidiary of Kinross. The boards of directors of both Red Back and Kinross have approved the Arrangement and the shareholders of each company approved the Arrangement at special meetings held on September 15, 2010. If all necessary regulatory approvals are obtained in favour of the Arrangement, Red Back shareholders will receive 1.7780 Kinross common shares (each, a “**Kinross Share**”) plus 0.110 of a Kinross common share purchase warrant (each, a “**Kinross Warrant**”) for each Red Back common share held at the closing of the Arrangement.
5. If the Arrangement had been completed on September 3, 2010, the Fund’s percentage of net assets in Kinross Shares would have increased to 13.29% (or 15.39%, assuming exercise of all of the warrants received).
6. The Red Back shares presently held by the Fund were acquired in compliance with section 2.1 of NI 81-102. The 10 percent concentration restriction prescribed by section 2.1 was not breached at the time of purchase of the Red Back shares by the Fund, and the position passively exceeded the 10% concentration restriction for the Fund due to significant market appreciation.
7. The Kinross Shares presently held by the Fund were acquired in compliance with section 2.1 of NI 81-102. The 10 percent concentration restriction prescribed by section 2.1 was not breached at the time of purchase of the Kinross Shares by the Fund. If the Arrangement is completed, the Fund will hold in excess of 10 percent of its net assets in Kinross Shares.
8. On behalf of the Fund, Goodman voted the shares of Red Back and Kinross held by the Fund in favour of the Arrangement as, in the opinion of Goodman, the exchange ratio proposed for the Arrangement was fair and reasonable to the Fund and there are many benefits to be gained by the Fund from the Arrangement: such as the premium being offered to shareholders of Red Back in acquiring their shares, the diversification of assets that would result from the increased number of operations the merged Kinross and the combined strength of the merged Kinross gold production, to name a few. Goodman was of the view that it would not have been in the best interests of the Fund to vote against the Arrangement or abstain from voting.
9. NI 81-102 prohibits a mutual fund from purchasing a security of an issuer if, immediately after the transaction, more than 10 percent of the net assets of the mutual fund, taken at market value at the time of the transaction, would be invested in securities of any issuer. The word “purchase” is defined in section 1.1 of NI 81-102 as meaning “in connection with an acquisition of a portfolio asset by a mutual fund, an acquisition that is the result of a decision made and action taken by the mutual fund”. Section 2.13 of the Companion Policy to NI 81-102 (“**CP 81-102**”) sets out several examples of transactions that would, in the view of the Canadian securities regulatory authorities, constitute a purchase within the meaning of section 1.1 and section 2.1 of NI 81-102. Paragraph 2.13(2)3 of CP 81-102 suggests that where a mutual fund receives a security as a result of a merger for which the mutual fund voted in favour, then that acquisition would constitute a “purchase”. Paragraphs 2.13(3)1 and 2 of CP 81-102 suggest that such an acquisition would not constitute a “purchase” if the mutual fund voted against the merger or if it acquired the security as a result of a compulsory acquisition by an issuer following completion of a successful take-over bid.
10. Without the Relief requested under this Application, the Fund would be considered to have “purchased” the additional Kinross securities it will acquire if the Arrangement is completed, under the interpretation of section 2.1 of NI 81-102. Accordingly, the Fund may be in breach of section 2.1(1) of NI 81-102 since it may, if the Arrangement is completed, acquire Kinross securities in excess of the 10 percent concentration restriction.
11. Goodman does not believe that it is in the best interests of the Fund to sell down the Red Back shares held by the Fund either in anticipation of or immediately following the Arrangement, if implemented, for the sole purpose of being within the 10 percent threshold of section 2.1 of NI 81-102.
12. Given that Goodman believes the Arrangement would be in the best interests of the Fund and that immediately after the Arrangement the Fund would hold shares in the merged Kinross in essentially the same amounts as its current holdings in shares of each Red Back and Kinross, Goodman submits that the Relief requested is in the best interests of the Fund.

Decision

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

The decision of the principal regulator under the Legislation is that the Relief sought is granted, so long as the Fund’s exposure to securities of Kinross exceeds 10 percent of the net assets of the Fund, provided that:

- (i) Subject to (ii) below, the Fund will not make any further purchase of securities of Kinross after the completion of the Arrangement;
- (ii) The Fund may from time to time exercise the Kinross Warrants obtained pursuant to the Arrangement, provided that it must immediately before or after such exercise dispose of a number of Kinross Shares equal to that number of Kinross Shares received on any such exercise.

"Vera Nunes"
Assistant Manager, Investment Funds Branch
Ontario Securities Commission

2.1.2 Terra Industries Inc.

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 – requested relief granted.

Applicable Legislative Provisions

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

September f22, 2010

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO, ALBERTA, SASKATCHEWAN,
MANITOBA, QUEBEC AND
NEWFOUNDLAND AND LABRADOR
(the Jurisdictions)**

AND

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

AND

**IN THE MATTER OF
TERRA INDUSTRIES INC. (the Filer)**

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Maker**) received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) that the Filer is not a reporting issuer (the **Exemptive Relief Sought**).

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

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

Interpretation

Terms defined in National Instrument 14-101 *Definitions* have the same 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 laws of the state of Maryland, United States.
2. The Filer's head and registered office is located at 600 Fourth Street, P.O. Box 6000, Sioux City, Iowa 51102-6000.
3. The Filer is a reporting issuer in each of the Jurisdictions.
4. On April 15, 2010, the Filer became an indirect wholly-owned subsidiary of CF Industries Holdings, Inc. (CF) pursuant to an agreement and plan of merger that was entered into on March 12, 2010 between the Filer, CF and one of CF's subsidiaries. CF is the sole shareholder of the Filer. The financial results of the Filer are included in CF's consolidated financial statements since April 5, 2010.
5. 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.
6. The common stock of the Filer was delisted from the New York Stock Exchange effective as of April 26, 2010.
7. No securities of the Filer are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*.
8. 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.
9. The Filer voluntarily surrendered its status as a reporting issuer in British Columbia pursuant to BC Instrument 11-102 *Voluntary Surrender of Reporting Issuer Status* effective as of July 8, 2010.
10. The Filer is not in default of any of its obligations under the Legislation as a reporting issuer, except for its obligation to file and deliver on or before August 30, 2010 interim financial statements and management's discussion and analysis for the quarterly period ended June 30, 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 in default of certain filing obligations under the Legislation as described in paragraph 10 above.

12. The Filer has no current intention to seek public financing by way of an offering of its securities.
13. Upon the grant of the Exemptive Relief Sought, the Filer will no longer be a reporting issuer or the equivalent in any jurisdiction of Canada.

Decision

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

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

"James Turner"
Commissioner
Ontario Securities Commission

"James Carnwath"
Commissioner
Ontario Securities Commission

2.1.3 RBC Global Asset Management Inc.

Headnote

Multilateral Instrument 11-102 Passport System – National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – National Instrument 33-109 Registration Information (NI 33-109) – Ontario Securities Commission Rule 33-506 Registration Information – relief from certain filing requirements of NI 33-109 and OSC Rule 33-506 in connection with a bulk transfer of business locations and registered and permitted individuals under an amalgamation in accordance with section 3.4 of the Companion Policy to NI 33-109 and section 3.4 of the Companion Policy to OSC Rule 33-506.

Applicable Legislative Provisions

Multilateral Instrument 11-102 Passport System.
National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions.
National Instrument 33-109 Registration Information and Companion Policy 33-109CP.
Ontario Securities Commission Rule 33-506 Registration Information and Companion Policy 33-506CP.

September 7, 2010

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

AND

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

AND

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

AND

**IN THE MATTER OF
RBC GLOBAL ASSET MANAGEMENT INC.**

DECISION

Background

The Director in Ontario has received an application from RBC Asset Management Inc. (the **Filer**), on behalf of a new amalgamated entity, RBC Global Asset Management Inc. for:

- (a) a decision (the **Passport Decision**) under the securities legislation of the Jurisdiction of the principal regulator (the Legislation) for relief

pursuant to section 7.1 of National Instrument 33-109 *Registration Information* (**NI 33-109**); and

- (b) a decision (the **Ontario-only Decision**) under the CFA for relief pursuant to section 7.1 of Ontario Securities Commission Rule 33-506 *Registration Information* (**OSC Rule 33-506**);

to allow the bulk transfer of all of the registered and permitted individuals, except for the individuals registered under the mutual fund dealer registration of Phillips, Hager & North Investment Management Ltd. (**PH&N**), and all of the locations of each of the Filer and PH&N to RBC Global Asset Management Inc. (as described below) (the **Bulk Transfer**), on or about November 1, 2010 in accordance with section 3.4 of the Companion Policy to NI 33-109 and section 3.4 of the Companion Policy to OSC Rule 33-506 from the following requirements (the **Exemption Sought**):

1. to submit a notice regarding the termination of each employment, partner, or agency relationship under section 4.2 of NI 33-109 and section 4.3 of OSC Rule 33-506;
2. to submit a registration application or a reinstatement notice for each individual seeking to be a registered individual under section 2.2 or 2.3 of NI 33-109 and section 2.2 or 2.3 of OSC Rule 33-506;
3. to submit a Form 33-109F4 or Form 33-109F7 for each permitted individual under section 2.5 of NI 33-109 and to submit a Form 33-506F4 or Form 33-506F7 for each permitted individual under section 2.4 of OSC Rule 33-506;
4. to notify the regulator of a change to the business location information in Form 33-109F3 under section 3.2 of NI 33-109 and in Form 33-506F3 under section 3.2 of OSC Rule 33-506.

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

- (a) the Ontario Securities Commission is the principal regulator in respect of the Passport Decision, and
- (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 other provinces and territories of Canada (together with Ontario, the **Jurisdictions**) for purposes of the Passport Decision.

Interpretation

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

Representations

The Passport Decision and Ontario-only Decision are based on the following facts represented by the Filer:

The Filer

1. The Filer is currently registered as an adviser in the category of portfolio manager under securities legislation in each of the Jurisdictions and, in addition, is registered under securities legislation in the Jurisdiction and Newfoundland and Labrador as a dealer in the category of exempt market dealer. The Filer is also registered as a commodity trading manager under the CFA.
2. The Filer's head office is located in Ontario.
3. The Filer is not in default of the securities legislation in any of the Jurisdictions.

PH&N

4. PH&N is an affiliate of the Filer.
5. PH&N is currently registered as an adviser in the category of portfolio manager under securities legislation in each of the Jurisdictions and, in addition, is registered under securities legislation in the Jurisdiction as a dealer in the category of mutual fund dealer.
6. PH&N's head office is located in British Columbia.
7. PH&N is not in default of the securities legislation in any of the Jurisdictions.

The Amalgamation

8. On or about November 1, 2010, the Filer and PH&N will amalgamate (the **Amalgamation**) to form a new corporate entity, RBC Global Asset Management Inc. (**Amalco**). Following the Amalgamation, the Filer and PH&N will no longer exist as separate legal entities. The head office of Amalco will be in Toronto, Ontario.
9. Effective on November 1, 2010, all of the current registrable activities of the Filer and PH&N will become the responsibility of Amalco. Amalco will assume all of the existing registrations and approvals for all of the registered individuals, except as otherwise described below, and all of the locations of the Filer and PH&N transferred to it. It is not anticipated that there will be any disruption in the ability of Amalco to conduct the respective businesses of the Filer and PH&N (as applicable) on behalf of their respective clients, and Amalco should be able to advise and trade (as and where applicable) on behalf of such clients immediately after the Amalgamation.

10. For greater certainty, Amalco will assume:
 - (i) all registered advising representatives, registered associate advising representatives and permitted individuals from the Filer and PH&N's respective portfolio manager registrations under securities legislation in each of the Jurisdictions and the Filer's commodity trading manager registration under the CFA; and
 - (ii) all of the Filer's registered dealing representatives from the Filer's exempt market dealer registrations under securities legislation in the Jurisdiction and Newfoundland and Labrador.
11. In addition, the individuals registered under PH&N's mutual fund dealer registration may be assumed by Amalco, subject to further regulatory approval.
12. Amalco will be registered in the same categories of registration as the Filer was registered immediately following the Amalgamation in the respective Jurisdictions, and will be subject to, and will comply with, all applicable securities laws and the CFA.
13. Amalco will carry on the same businesses of the Filer and PH&N transferred to it in substantially the same manner with essentially the same personnel.
14. A client communication plan has been developed and clients of the Filer and PH&N will be advised in writing of the Amalgamation. For institutional clients, notification will be provided pursuant to a written letter. Retail clients will be provided with notification by way of inserts that will be included in quarterly statement mailings. In addition, a notification will be included in the annual opt-in card mailing for Management Report of Fund Performance (MRFPs) and financial statements for unitholders of investment funds of the Filer and PH&N.
15. The head office of Amalco will be the Filer's current head office location, which is located at 155 Wellington Street West, 22nd Floor, RBC Centre, Toronto, Ontario M5V 3K7.
16. The officers and directors of Amalco will be comprised of a combination of certain officers and directors of the Filer and PH&N.
17. The compliance department of Amalco will carry on in substantially the same manner with essentially the same personnel as the compliance departments of the Filer and PH&N, and there will be written policies and procedures for Amalco based on the written policies and procedures of the Filer and PH&N.

18. The Exemption Sought will not be contrary to the public interest and will have no negative consequences on the ability of Amalco to comply with all applicable regulatory requirements or the ability to satisfy any obligations in respect of the clients of the Filer and PH&N, respectively.
19. Given the significant number of registered and permitted individuals of the Filer and PH&N, it would be extremely difficult to transfer each individual to Amalco in accordance with the requirements of NI 33-109 and OSC Rule 33-506 if the Exemption Sought is not granted.

Decision

The Director is satisfied that the Passport Decision and the Ontario-only Decision meet the test set out in the Legislation and the CFA, respectively, for the Director to make the decision.

The decision of the Director under the Legislation and under the CFA is that the Exemption Sought is granted provided that the Filer makes acceptable arrangements with CDS Inc. for the payment of the costs associated with the Bulk Transfer, and make such payment in advance of the Bulk Transfer.

“Erez Blumberger”
Deputy Director, Compliance and Registrant Regulation
Ontario Securities Commission

2.1.4 MethylGene Inc. et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Hybrid application for exemptive relief – Equity line of credit distribution – Corporation to enter into an equity purchase agreement with a purchaser acting as an underwriter to distribute shares of the Corporation through the facilities of the TSX in the context of an equity line of credit distribution – Corporation granted exemption from the Prospectus Disclosure Requirements, subject to conditions – Purchaser granted exemption from the Dealer Registration Requirement and Prospectus Delivery Requirement, subject to conditions.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 25(1), 71, 74(1), 147.

National Instrument 44-101 Short Form Prospectus Distributions.

National Instrument 44-102 Shelf Distributions.

August 31, 2010

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
QUÉBEC AND ONTARIO
(THE “JURISDICTIONS”)

AND

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

AND

IN THE MATTER OF
METHYLGENE INC.
 (“METHYLGENE” OR THE “CORPORATION”),
DUTCHESS OPPORTUNITY CAYMAN FUND, LTD.
 (THE “PURCHASER”) AND
DUTCHESS CAPITAL MANAGEMENT II, LLC
 (THE “MANAGER” AND, TOGETHER WITH THE
CORPORATION AND THE PURCHASER,
THE “FILERS”)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (each, a “**Decision Maker**”) has received an application from the Filers for a decision under the securities legislation of the Jurisdictions (collectively, the “**Legislation**”) that:

- a) the following prospectus disclosure requirements under the Legislation (the “**Prospectus Disclosure Requirements**”) do not fully apply to the Corporation in connection with the Distribution (as defined below):
 - i) the statement in the Prospectus Supplement (as defined below) respecting statutory rights of withdrawal and rescission or damages in the form prescribed by item 20 of Form 44-101F1 of *Regulation 44-101 respecting Short Form Prospectus Distributions* (“**Regulation 44-101**”); and
 - ii) the statements in the Base Shelf Prospectus required by subsections 5.5(2) and (3) of *Regulation 44-102 respecting Shelf Distributions* (“**Regulation 44-102**”);
- b) the prohibition from acting as a dealer unless the person is registered as such (the “**Dealer Registration Requirement**”) does not apply to the Purchaser and the Manager in connection with the Distribution; and
- c) the requirement that a dealer send a copy of the Prospectus (as defined below) to a subscriber or purchaser in the context of a distribution (the “**Prospectus Delivery Requirement**”) does not apply to the Purchaser, the Manager or

the dealer(s) through whom the Purchaser sells the Shares (as defined below) and that, as a result, rights of withdrawal or rights of rescission, price revision or damages for non-delivery of the Prospectus do not apply in connection with the Distribution;

(collectively, the “**Exemptive Relief Sought**”).

Furthermore, the Decision Makers have received an application from the Filers for a decision that the application, its supporting materials, the subsequent correspondence and the decision be declared inaccessible and kept confidential until the earlier of:

- a) the date the Corporation publicly announces by way of a press release the execution of the Distribution Agreement (as defined below);
- b) the date the Corporation advises the principal regulator that there is no longer a need for the application, its supporting materials, the subsequent correspondence and the decision to remain inaccessible and confidential; and
- c) 90 days after the date of this decision;

(the “**Confidentiality Sought**”).

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

- a) the Autorité des marchés financiers is the principal regulator for this application;
- b) the Filers have provided notice that subsection 4.7(1) of *Regulation 11-102 respecting Passport System* (“**Regulation 11-102**”) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Prince-Edward-Island and Newfoundland and Labrador; and
- c) the decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

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

Representations

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

The Corporation

- 1. MethylGene is incorporated under the *Canada Business Corporations Act* and its head and registered office is located at 7220 Frederick Banting Street, Montréal, Québec, H4S 2A1.
- 2. MethylGene is a clinical-stage, biopharmaceutical company focused on the discovery, development and commercialization of novel therapeutics for cancer and other indications.
- 3. MethylGene is a reporting issuer under the securities legislation of each of the provinces of Canada and is not in default of the securities legislation of any jurisdiction in Canada.
- 4. MethylGene’s authorized share capital consists of an unlimited number of common shares (the “**Shares**”), without par value, of which 40,418,580 were issued and outstanding as at July 16, 2010.
- 5. The Shares are listed for trading on the Toronto Stock Exchange (the “**TSX**”). Based on their closing price of \$0.18 on July 16, 2010, the market capitalization of MethylGene was approximately \$7.3 million.
- 6. MethylGene is qualified to file a short form prospectus under section 2.2 and 2.7 of Regulation 44-101 and is also qualified to file a base shelf prospectus under Regulation 44-102.
- 7. MethylGene intends to file with the securities regulator in each of the provinces of Canada a base shelf prospectus pertaining to various securities of the Corporation, including the Shares (such base shelf prospectus and any amendment thereto, the “**Base Shelf Prospectus**”).

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

The Purchaser and the Manager

9. The Purchaser is an investment fund established as a Cayman Islands exempt limited partnership and its head office is located at Codan Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
10. The Purchaser is managed by the Manager, a limited liability corporation incorporated under the laws of Delaware, having its head office at 50 Commonwealth Ave, Suite 2, Boston, Massachusetts, USA. The Manager is an affiliate of the Purchaser under applicable securities laws.
11. Neither the Purchaser nor the Manager is a reporting issuer or registered as a registered firm as defined in *Regulation 31-103 respecting Registration Requirements and Exemptions* in any jurisdiction of Canada. The Purchaser and the Manager are not in default of securities legislation in any jurisdiction in Canada.

The Distribution Agreement

12. MethylGene and the Purchaser propose to enter into an equity line facility agreement (the “**Distribution Agreement**”) pursuant to which the Purchaser will agree to subscribe for, and the Corporation will have the right but not the obligation to issue and sell, up to \$15 million of Shares (the “**Aggregate Commitment Amount**”) over a period of 36 months in a series of drawdowns.
13. The Distribution Agreement will provide the Corporation with the ability to raise capital as needed from time to time. The Purchaser regularly engages in such transactions. The Purchaser will, in most cases, finance its commitment to subscribe for Shares on a drawdown through short-sales or resales out of existing holdings of the Corporation’s securities.
14. Under the Distribution Agreement, the Corporation will have the sole ability to determine the timing and the amount of each drawdown, subject to certain conditions, including a maximum investment amount per drawdown and the Aggregate Commitment Amount.
15. The subscription price per Share and therefore the number of Shares to be issued to the Purchaser for each drawdown will be calculated based on a predetermined percentage discount from the lowest daily volume-weighted average price per Share on the TSX over a period of five consecutive trading days following a drawdown notice sent by the Corporation (the “**Drawdown Pricing Period**”). Specifically, the Shares will be issued at a subscription price equal to the lowest daily volume-weighted average price per Share on the TSX during the Drawdown Pricing Period multiplied by 96%. MethylGene may fix in such drawdown notice a minimum subscription price below which it will not issue any Shares. The Corporation and the Purchaser can mutually agree in writing to amend the minimum price set forth in a drawdown notice during the applicable Drawdown Pricing Period. Notwithstanding the foregoing, the subscription price per Share may not be lower than the volume-weighted average price per Share on the TSX over a period of five consecutive trading days immediately preceding the applicable drawdown notice, less the permitted discount under the private placement rules contained in the TSX Company Manual (the “**Floor Price**”).
16. On the 7th trading day following the date of each drawdown notice (each, a “**Settlement Date**”), the amount of the drawdown will be paid by the Purchaser in consideration for the relevant number of newly issued Shares.
17. The Distribution Agreement will provide that, at the time of each drawdown notice and at each Settlement Date, the Corporation will make a representation to the Purchaser that the Base Shelf Prospectus, as supplemented (the “**Prospectus**”), contains full, true and plain disclosure of all material facts relating to the Corporation and the Shares being distributed. The Corporation would therefore be unable to issue, or decide to issue, Shares when it is in possession of undisclosed information that would constitute a material fact or a material change.
18. On or after each Settlement Date, the Purchaser may seek to sell all or a portion of the Shares subscribed under the drawdown.
19. During the term of the Distribution Agreement, the Purchaser and its affiliates, associates or insiders, as a group, will not own at any time, directly or indirectly, Shares representing more than 9.9% of the issued and outstanding Shares.
20. The Purchaser and its affiliates, associates or insiders, will not hold a “net short position” in Shares during the term of the Distribution Agreement. However, the Purchaser may, after the receipt of a drawdown notice, seek to short-sell

Shares to be subscribed for under the drawdown, or engage in hedging strategies, in order to reduce the economic risk associated with its commitment to subscribe for Shares, provided that:

- a) the Purchaser complies with applicable rules of the TSX and applicable securities regulation;
 - b) the Purchaser and its affiliates, associates or insiders, will not during the period between a drawdown notice and the corresponding Settlement Date, directly or indirectly, sell Shares or grant any right to purchase or acquire any right to dispose of, nor otherwise dispose for value of, any Shares or any securities convertible into or exchangeable for Shares, in an amount exceeding the number of Shares to be subscribed by the Purchaser under the applicable drawdown; and
 - c) notwithstanding the foregoing, the Purchaser and its affiliates, associates or insiders, will not, directly or indirectly, sell Shares or grant any right to purchase or acquire any right to dispose of, nor otherwise dispose for value of, any Shares or any securities convertible into or exchangeable for Shares, between the time of delivery of a drawdown notice and the filing of the press release announcing the drawdown.
21. Disclosure of the activities of the Purchaser and its affiliates, associates or insiders, as well as the restrictions thereon, the whole as described in paragraph 20 above, will be included in the Base Shelf Prospectus. In addition, the Corporation will include in the Base Shelf Prospectus a risk factor that explains that the Purchaser may engage in short-sales, resales or other hedging strategies to reduce or eliminate investment risks associated with a drawdown and that such risk factor will disclose the possibility that such transactions may result in significant dilution to existing shareholders and could have a significant effect on the price of the Shares.
 22. No extraordinary commission or consideration will be paid by the Purchaser or the Manager to a person or company in respect of the disposition of Shares by the Purchaser to purchasers who purchase the same on the TSX through dealer(s) engaged by the Purchaser (the “**TSX Purchasers**”).
 23. The Purchaser and the Manager will also agree, in effecting any disposition of Shares, not to engage in any sales, marketing or solicitation activities of the type undertaken by dealers in the context of a public offering. More specifically, each of the Purchaser and the Manager will not (a) advertise or otherwise hold itself out as a dealer, (b) purchase or sell securities as principal from or to customers, (c) carry a dealer inventory in securities, (d) quote a market in securities, (e) extend, or arrange for the extension of credit, in connection with transactions of securities of the Corporation, (f) run a book of repurchase and reverse repurchase agreements, (g) use a carrying broker for securities transactions, (h) lend securities for customers, (i) guarantee contract performance or indemnify the Corporation for any loss or liability from the failure of the transaction to be successfully consummated, or (j) participate in a selling group.
 24. The Purchaser and the Manager will not solicit offers to purchase Shares in any jurisdiction of Canada and will sell the Shares to TSX Purchasers through one or more dealer(s) unaffiliated with the Purchaser, the Manager and MethylGene.

The Prospectus Supplements

25. MethylGene intends to file with the securities regulator in each of the provinces of Canada a prospectus supplement to the Base Shelf Prospectus (each, a “**Prospectus Supplement**”) within two business days after the Settlement Date for each drawdown under the Distribution Agreement.
26. The Prospectus Supplement will include (i) the number of Shares issued to the Purchaser, (ii) the price per Share paid by the Purchaser, (iii) the information required by Regulation 44-102, including the disclosure required by subsection 9.1(3) of Regulation 44-102, and (iv) the following statement:

*Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment are not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. **However, such rights and remedies will not be available to purchasers of common shares distributed under this prospectus because the prospectus will not be delivered to purchasers, as permitted under a decision document issued by the Autorité des marchés financiers on August 31, 2010.***

The securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contain a misrepresentation, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. Such remedies remain unaffected by the non-delivery of the prospectus, as permitted under the decision document referred to above.

The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

(the "Amended Statement of Rights")

27. The Base Shelf Prospectus, as supplemented by each Prospectus Supplement, will qualify, *inter alia*, (a) the distribution of Shares to the Purchaser on the Settlement Date, and (b) the disposition of Shares to TSX Purchasers during the period that commences on the date of issuance of a drawdown notice and ends on the earlier of (i) the date on which the disposition of such Shares has been completed or (ii) the 40th day following the relevant Settlement Date (collectively, the "Distribution").
28. The Prospectus Delivery Requirement is not workable in the context of the Distribution because the TSX Purchasers will not be readily identifiable as the dealer(s) acting on behalf of the Purchaser may combine the sell orders made under the Prospectus with other sell orders and the dealer(s) acting on behalf of the TSX Purchasers may combine a number of purchase orders.
29. The Prospectus Supplement will contain an underwriter's certificate in the form set out in section 2.2 of Appendix B to Regulation 44-102 signed by the Purchaser.
30. At least three business days prior to the filing of any Prospectus Supplement, the Corporation will provide for comment to the Decision Makers a draft of such Prospectus Supplement.

Press Releases / Continuous Disclosure

31. Following the execution of the Distribution Agreement, the Corporation will:
 - a) promptly issue and file a press release on SEDAR disclosing the material terms of the Distribution Agreement, including the Aggregate Commitment Amount; and
 - b) within ten days after said execution:
 - i) file a copy of the Distribution Agreement on SEDAR; and
 - ii) file a material change report on SEDAR disclosing at a minimum the information required in subparagraph (a) above.
32. The Corporation will promptly issue and file a press release on SEDAR upon the issuance of each drawdown notice, regardless of the size of the drawdown, disclosing the aggregate amount of the drawdown, the maximum number of Shares to be issued, the minimum price per Share, if any, the Floor Price as well as the fact that the Base Shelf Prospectus is available on SEDAR and specifying how a copy of this document can be obtained.
33. The Corporation will promptly issue and file a press release on SEDAR upon amending the minimum price set forth in a drawdown notice disclosing the amended minimum price per Share and the maximum number of Shares to be issued.
34. The Corporation will :
 - a) issue and file a press release on SEDAR on, or as soon as practicably possible after, the last day of the Drawdown Pricing Period, disclosing:
 - i) the number of Shares issued to, and the price per Share paid by, the Purchaser;
 - ii) that the Base Shelf Prospectus and the relevant Prospectus Supplement will be available on SEDAR and specifying how a copy of these documents can be obtained; and
 - iii) the Amended Statement of Rights; and

- b) file a material change report on SEDAR within ten days of the Settlement Date, if the relevant Distribution constitutes a material change under applicable securities legislation, disclosing at a minimum the information required in subparagraph (a) above.

35. The Corporation will also disclose in its financial statements and management's discussion and analysis filed on SEDAR under *Regulation 51-102 respecting Continuous Disclosure Obligations*, for each financial period, the number and price of Shares issued to the Purchaser pursuant to the Distribution Agreement.

Deliveries upon Request

- 36. The Corporation will deliver to the Decision Makers and to the TSX, upon request, a copy of each drawdown notice delivered by the Corporation to the Purchaser under the Distribution Agreement.
- 37. The Purchaser and the Manager will provide to the Decision Makers, upon request, full particulars of trading and hedging activities by the Purchaser or the Manager (and, if required, trading and hedging activities by their respective affiliates, associates or insiders) in relation to securities of the Corporation during the term of the Distribution Agreement.

Decision

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

The decision of the Decision Makers under the Legislation is that the Exemptive Relief Sought is granted, provided that:

- a) as it relates to the Prospectus Disclosure Requirements:
 - i) the Corporation comply with the representations in paragraphs 8, 21, 26, 27, 31, 32, 33, 34 and 36; and
 - ii) the number of Shares distributed by the Corporation under the Distribution Agreement does not exceed, in any 12 month period, 20% of the aggregate number of Shares outstanding calculated at the beginning of such period;
- b) as it relates to the Prospectus Delivery Requirement and the Dealer Registration Requirement, the Purchaser and/or the Manager, as the case may be, comply with the representations in paragraphs 20, 22, 23, 24, 29 and 37; and
- c) this decision will terminate 25 months after the execution of the Distribution Agreement.

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

Furthermore, the decision of the principal regulator is that the Confidentiality Sought is granted.

"Benoit Longtin"
Interim Corporate Secretary
Autorité des marchés financiers

2.1.5 LAB Research Inc. et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Dual application for exemptive relief in relation to proposed distributions of securities by issuer by way of a committed equity facility (also known as an “equity line of credit”) – An equity line of credit is a type of financing which permits a public company to require, at a time or times of its choosing, that a purchaser purchase newly issued securities of the company at a discount to the market price of the securities at the time of the draw down – the purchaser will generally finance its purchase commitments and offset market risk through short sales, resales or other hedging transactions in the secondary market during the pricing period with a view to monetizing the spread between the discounted purchase price and the market price – a draw down under an equity line may be considered to be an indirect at-the-market distribution of securities of the issuer to investors in the secondary market through the equity line purchaser acting as underwriter – purchaser requires dealer registration relief – issuer and purchaser require prospectus form and prospectus delivery relief – issuer will file shelf prospectus which will qualify resales, short sales and other hedging transactions by purchaser over a specified period – relief granted to the issuer and purchaser from certain registration and prospectus requirements, subject to terms and conditions, including restrictions on the number of securities that may be distributed under an equity line in any 12-month period, certain restrictions on the permitted activities of the purchaser, timely disclosure of each draw down, and certain notification and disclosure requirements.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, ss. 25(1), 25(2), 71(1), 71(2), 74(1), 147.

National Instrument 44-101 Short Form Prospectus, s. 8.1.

Form 44-101 Short Form Prospectus, item 20.

National Instrument 44-102 Shelf Distributions, ss. 5.5.2, 5.5.3, 11.1.

TRANSLATION

June 23, 2010

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

AND

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

AND

IN THE MATTER OF
LAB RESEARCH INC. (“LAB” or
the “Corporation”), DUTCHESS OPPORTUNITY
CAYMAN FUND, LTD. (the “Purchaser”) AND
DUTCHESS CAPITAL MANAGEMENT II, LLC
(the “Manager” and, together with the
Corporation and the Purchaser, the “Filers”)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (each, a “**Decision Maker**”) has received an application from the Filers for a decision under the securities legislation of the Jurisdictions (collectively, the “**Legislation**”):

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

- (i) the statement in the Prospectus Supplement (as defined below) respecting statutory rights of withdrawal and rescission in the form prescribed by item 20 of Form 44-101F1 of *Regulation 44-101 respecting Short Form Prospectus Distributions* ("**Regulation 44-101**"); and
 - (ii) the statements in the Base Shelf Prospectus (as defined below) required by subsections 5.5(2) and (3) of *Regulation 44-102 respecting Shelf Distributions* ("**Regulation 44-102**");
- (b) that the prohibition from acting as a dealer unless the person is registered as such (the "**Dealer Registration Requirement**") does not apply to the Purchaser and the Manager in connection with the Distribution; and
- (c) that the requirement that a dealer send a copy of the Prospectus (as defined below) to a subscriber or purchaser in the context of a distribution (the "**Prospectus Delivery Requirement**") does not apply to the Purchaser, the Manager or the dealer(s) through whom the Purchaser sells the Shares (as defined below) and that, as a result, rights of withdrawal or rights of rescission, price revision or damages for non-delivery of the Prospectus do not apply in connection with the Distribution,
- (collectively, the "**Exemptive Relief Sought**").

Furthermore, the Decision Makers have received an application from the Filers for a decision that the application, its supporting materials, the subsequent correspondence and the decision be declared inaccessible and kept confidential until the earlier of:

- (a) the date the Corporation publicly announces by way of a press release the execution of the Distribution Agreement (as defined below);
- (b) the date the Corporation advises the principal regulator that there is no longer a need for the application, its supporting materials, the subsequent correspondence and the decision to remain inaccessible and confidential; and
- (c) 90 days after the date of this decision (the "**Confidentiality Sought**").

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

- (a) the Autorité des marchés financiers is the principal regulator for this application;
- (b) the Filers have provided notice that subsection 4.7(1) of *Regulation 11-102 respecting Passport System* ("**Regulation 11-102**") is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Prince-Edward-Island and Newfoundland and Labrador; and
- (c) the decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

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

Representations

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

The Corporation

1. LAB is incorporated under the *Canada Business Corporations Act* and its head office is located at 445 Armand-Frappier Blvd. in Laval, Québec.
2. LAB is a non-clinical contract research organization that provides contract research primarily to pharmaceutical and biotechnology industries.
3. LAB is a reporting issuer under the securities legislation of each of the provinces of Canada and is not in default of the securities legislation of any jurisdiction of Canada.
4. LAB's authorized share capital currently consists of an unlimited number of common shares (the "**Shares**"), without par value, and an unlimited number of preferred shares, without par value, issuable in series. As at May 31, 2010, 52,710,750 Shares and no preferred shares were issued and outstanding.

5. The Shares are listed for trading on the Toronto Stock Exchange (the “**TSX**”). Based on their closing price of \$0.30 on May 31, 2010, the current market capitalization of LAB is approximately \$16 million.
6. LAB is qualified to file a short form prospectus under section 2.2 of Regulation 44-101 and therefore is also qualified to file a base shelf prospectus under Regulation 44-102.
7. LAB intends to file with the securities regulator in each of the provinces of Canada a base shelf prospectus pertaining to various securities of the Corporation, including the Shares (such base shelf prospectus and any amendment thereto, the “**Base Shelf Prospectus**”).
8. The statements required by subsections 5.5(2) and (3) of Regulation 44-102 contained in the Base Shelf Prospectus will be qualified by adding the following statement: “, *except in cases where an exemption from such delivery requirements has been obtained.*”.

The Purchaser and the Manager

9. The Purchaser is an investment fund established as a Cayman Islands exempt limited partnership and its head office is located at Codan Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
10. The Purchaser is managed by the Manager, a limited liability corporation incorporated under the laws of Delaware, having its head office at 50 Commonwealth Ave, Suite 2, Boston, Massachusetts, USA. The Manager is an affiliate of the Purchaser under applicable securities laws.
11. Neither the Purchaser nor the Manager is a reporting issuer or registered as a registered firm as defined in *Regulation 31-103 respecting Registration Requirements and Exemptions* in any jurisdiction of Canada. The Purchaser and the Manager are not in default of securities legislation in any jurisdiction of Canada.

The Distribution Agreement

12. LAB proposes to enter into an equity line facility agreement with the Purchaser (the “**Distribution Agreement**”) pursuant to which the Purchaser will agree to subscribe for, and the Corporation will have the right but not the obligation to issue and sell, up to \$10 million of Shares (the “**Aggregate Commitment Amount**”) over a period of 24 months in a series of drawdowns.
13. Under the Distribution Agreement, the Corporation will have the sole ability to determine the timing and the amount of each drawdown, subject to certain conditions, including a maximum investment amount per drawdown and the Aggregate Commitment Amount.
14. The subscription price per Share and therefore the number of Shares to be issued to the Purchaser for each drawdown will be calculated based on a predetermined percentage discount from the lowest daily volume-weighted average price per Share on the TSX over a period of five consecutive trading days following a drawdown notice sent by the Corporation (the “**Drawdown Pricing Period**”). Specifically, the Shares will be issued at a subscription price equal to the lowest daily volume-weighted-average price per Share on the TSX during the Drawdown Pricing Period multiplied by 97 %. LAB may fix in such drawdown notice a minimum subscription price below which it will not issue any Shares. The Corporation and the Purchaser can mutually agree in writing to amend the minimum price set forth in a drawdown notice during the applicable Drawdown Pricing Period. Notwithstanding the foregoing, the subscription price per Share may not be lower than the volume-weighted average price per Share on the TSX over a period of five consecutive trading days immediately preceding the applicable drawdown notice, less the permitted discount under the private placement rules contained in the TSX Company Manual (the “**Floor Price**”).
15. On the 7th trading day following the date of each drawdown notice (each, a “**Settlement Date**”), the amount of the drawdown will be paid by the Purchaser in consideration for the relevant number of newly issued Shares.
16. The Distribution Agreement will provide that, at the time of each drawdown notice and at each Settlement Date, the Corporation will make a representation to the Purchaser that the Base Shelf Prospectus, as supplemented (the “**Prospectus**”), contains full, true and plain disclosure of all material facts relating to the Corporation and the Shares. The Corporation would therefore be unable to issue, or decide to issue, Shares when it is in possession of undisclosed information that would constitute a material fact or a material change.
17. On or after each Settlement Date, the Purchaser may seek to sell all or a portion of the Shares subscribed under the drawdown.

18. During the term of the Distribution Agreement, the Purchaser and its affiliates, associates or insiders, as a group, will not own at any time, directly or indirectly, Shares representing more than 9.9 % of the issued and outstanding Shares.
19. The Purchaser and its affiliates, associates or insiders, will not hold a “net short position” in Shares during the term of the Distribution Agreement. However, the Purchaser may, after the receipt of a drawdown notice, seek to short-sell Shares to be subscribed for under the drawdown, or engage in hedging strategies, in order to reduce the economic risk associated with its commitment to subscribe for Shares, provided that:
 - (a) the Purchaser complies with applicable rules of the TSX and applicable securities regulation;
 - (b) the Purchaser and its affiliates, associates or insiders, will not during the period between a drawdown notice and the corresponding Settlement Date, directly or indirectly, sell Shares or grant any right to purchase or acquire any right to dispose of, nor otherwise dispose for value of, any Shares or any securities convertible into or exchangeable for Shares, in an amount exceeding the number of Shares to be subscribed by the Purchaser under the applicable drawdown; and
 - (c) notwithstanding the foregoing, the Purchaser and its affiliates, associates or insiders, will not, directly or indirectly, sell Shares or grant any right to purchase or acquire any right to dispose of, nor otherwise dispose for value of, any Shares or any securities convertible into or exchangeable for, any Shares, between the time of delivery of a drawdown notice and the filing of the press release announcing the drawdown.
20. No extraordinary commission or consideration will be paid by the Purchaser or the Manager to a person or company in respect of the disposition of Shares by the Purchaser to the purchasers who purchase the same on the TSX through dealer(s) engaged by the Purchaser (the “**TSX Purchasers**”).
21. The Purchaser and the Manager will also agree, in effecting any disposition of Shares, not to engage in any sales, marketing or solicitation activities of the type undertaken by underwriters in the context of a public offering. More specifically, each of the Purchaser and the Manager will not (a) advertise or otherwise hold itself out as a dealer, (b) purchase or sell securities as principal from or to customers, (c) carry a dealer inventory in securities, (d) quote a market in securities, (e) extend, or arrange for the extension of, credit in connection with transactions of securities of the Corporation, (f) run a book of repurchase and reverse repurchase agreements, (g) use a carrying broker for securities transactions, (h) lend securities for customers, (i) guarantee contract performance or indemnify the Corporation for any loss or liability from the failure of the transaction to be successfully consummated, or (j) participate in a selling group.
22. The Purchaser and the Manager will not solicit offers to purchase Shares in any jurisdiction of Canada and will sell the Shares to TSX Purchasers through one or more dealer(s) unaffiliated with the Purchaser, the Manager and LAB.

The Prospectus Supplements

23. LAB intends to file with the securities regulator in each of the provinces of Canada a prospectus supplement to the Base Shelf Prospectus (each, a “**Prospectus Supplement**”) within two business days after the Settlement Date for each drawdown under the Distribution Agreement.
24. The Prospectus Supplement will include (i) the number of Shares issued to the Purchaser, (ii) the price per Share paid by the Purchaser, (iii) the information required by Regulation 44-102, including the disclosure required by subsection 9.1(3) of Regulation 44-102, and (iv) the following statement:

*Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment are not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. **However, such rights and remedies will not be available to purchasers of common shares distributed under this prospectus because the prospectus will not be delivered to purchasers, as permitted under a decision document issued by the Autorité des marchés financiers on June 23, 2010.***

The securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contain a misrepresentation, provided that the remedies for rescission, revisions of the price or damages are

exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. Such remedies remain unaffected by the non-delivery of the prospectus, as permitted under the decision document referred to above.

The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

(the “**Amended Statement of Rights**”)

25. The Base Shelf Prospectus, as supplemented by each Prospectus Supplement, will qualify (a) the distribution of Shares to the Purchaser on the Settlement Date, and (b) the disposition of Shares to TSX Purchasers during the period that commences on the date of issuance of a drawdown notice and ends on the earlier of (i) the date on which the disposition of such Shares has been completed or (ii) the 40th day following the relevant Settlement Date (collectively, the “**Distribution**”).
26. The Prospectus Delivery Requirement is not workable in the context of the Distribution because the TSX Purchasers will not be readily identifiable as the dealer(s) acting on behalf of the Purchaser may combine the sell orders made under the Prospectus with other sell orders and the dealer(s) acting on behalf of the TSX Purchasers may combine a number of purchase orders.
27. The Prospectus Supplement will contain an underwriter's certificate in the form set out in section 2.2 of Appendix B to Regulation 44-102 signed by the Purchaser.
28. At least three business days prior to the filing of any Prospectus Supplement, the Corporation will provide for comment to the Decision Makers a draft of such Prospectus Supplement.

Press Releases / Continuous Disclosure

29. Following the execution of the Distribution Agreement, the Corporation will:
 - (a) promptly issue and file a press release on SEDAR disclosing certain terms of the Distribution Agreement, including the Aggregate Commitment Amount; and
 - (b) within ten days after said execution:
 - (i) file a copy of the Distribution Agreement on SEDAR; and
 - (ii) file a material change report on SEDAR disclosing at a minimum the information required in subparagraph (a) above.
30. The Corporation will promptly issue and file a press release on SEDAR upon the issuance of each drawdown notice, disclosing the aggregate amount of the drawdown, the maximum number of Shares to be issued, the minimum price per Share, if any, and the Floor Price.
31. The Corporation will promptly issue and file a press release on SEDAR upon amending the minimum price set forth in a drawdown notice disclosing the amended minimum price per Share and the maximum number of Shares to be issued.
32. The Corporation will :
 - (a) issue and file a press release on SEDAR on, or as soon as practicably possible after, the last day of the Drawdown Pricing Period, disclosing:
 - (i) the number of Shares issued to, and the price per Share paid by, the Purchaser;
 - (ii) that the Base Shelf Prospectus and the relevant Prospectus Supplement will be available on SEDAR and specifying how a copy of these documents can be obtained; and
 - (iii) the Amended Statement of Rights; and
 - (b) file a material change report on SEDAR within ten days of the Settlement Date, if the relevant Distribution constitutes a material change under applicable securities legislation, disclosing at a minimum the information required in subparagraph (a) above.

33. The Corporation will also disclose in its financial statements and MD&A filed on SEDAR, for each financial period, the number and price of Shares issued to the Purchaser pursuant to the Distribution Agreement.

Deliveries upon Request

34. The Corporation will deliver to the Decision Makers and to the TSX, upon request, a copy of each drawdown notice delivered by the Corporation to the Purchaser under the Distribution Agreement.
35. The Purchaser and the Manager will make available to the Decision Makers, upon request, full particulars of trading and hedging activities by the Purchaser or the Manager (and, if required, trading and hedging activities by their respective affiliates, associates or insiders) in relation to securities of the Corporation during the term of the Distribution Agreement.

Decision

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

The decision of the Decision Makers under the Legislation is that the Exemptive Relief Sought is granted, provided that:

- (a) as it relates to the Prospectus Disclosure Requirements:
 - (i) the Corporation comply with the representations in paragraphs 8, 24, 25, 29, 30, 31, 32 and 34; and
 - (ii) the number of Shares distributed by the Corporation under the Distribution Agreement does not exceed:
 - (A) in any 12 month period, 10 % of the aggregate number of Shares outstanding calculated at the beginning of such period; and
 - (B) during the term of the Distribution Agreement, 25 % of the aggregate number of Shares outstanding calculated at the date of the Distribution Agreement;
- (b) as it relates to the Prospectus Delivery Requirement and the Dealer Registration Requirement, the Purchaser and/or the Manager, as the case may be, comply with the representations in paragraphs 19, 20, 21, 22, 27 and 35; and
- (c) this decision will terminate 24 months after the execution of the Distribution Agreement.

"Jean Daigle"
Director, Corporate Finance

"Mario Albert"
Superintendent, Client Services, Compensation and Distribution

Furthermore, the decision of the principal regulator is that the Confidentiality Sought is granted.

"Benoit Longtin"
Interim Corporate Secretary

2.1.6 Artis Real Estate Investment Trust and Canaccord Genuity Corp.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Application for exemptive relief to permit issuer and underwriter, acting as agent for the issuer, to enter into equity distribution agreement to make “at the market” (ATM) distributions of trust units to investors through the facilities of the Toronto Stock Exchange (TSX) – ATM distributions to be made pursuant to shelf prospectus procedures in Part 9 of NI 44-102 Shelf Distributions – issuer will issue a press release and file agreement on SEDAR – application for relief from prospectus delivery requirement – delivery of prospectus not practicable in circumstances of an ATM distribution – relief from prospectus delivery requirement has effect of removing two-day right of withdrawal and remedies of rescission or damages for non-delivery of the prospectus – application for relief from certain prospectus form requirements – standard certification by issuer does not work in an ATM distribution since no other supplement to be filed in connection with ATM distribution – relief granted to permit modified forward-looking certificate language – relief granted on terms and conditions set out in decision document – decision will terminate 25 months after the issuance of a receipt for the shelf prospectus.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 71(1), 71(2), 133, 147.

Applicable Ontario Rules

National Instrument 44-101 Short Form Prospectus Distributions, Part 8; and Item 20 of Form 44-101F1.
National Instrument 44-102 Shelf Distributions, Part 9; and s. 1.1 of Appendix A.

September 10, 2010

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
MANITOBA AND ONTARIO
(the “Jurisdictions”)**

AND

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

AND

**IN THE MATTER OF
ARTIS REAL ESTATE INVESTMENT TRUST
(the “Issuer”)**

AND

**CANACCORD GENUITY CORP. (the “Agent” and,
together with the Issuer, the “Filers”)**

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (“**Decision Makers**”) has received an application (the “**Application**”) from the Filers for a decision under the securities legislation of the Jurisdictions (the “**Legislation**”) for the following exemptive relief (the “**Exemptive Relief**”):

- (a) that the requirement that a dealer, not acting as agent of the purchaser, who receives an order or subscription for a security offered in a distribution to which the prospectus requirement applies send or deliver to the purchaser or its agent the latest prospectus (including the applicable prospectus supplement(s) in the case of a base shelf prospectus) and any amendment to the prospectus (the “**Delivery Requirement**”) does not apply to the Agent or any other Toronto Stock Exchange (“**TSX**”) participating organization or other marketplace participant acting as selling agent for the Agent (each such other organization or other marketplace participant, a “**Selling Agent**”) in connection with any at-the-market

distributions (“**ATM Distributions**”) within the meaning of National Instrument 44-102 *Shelf Distributions* (“**NI 44-102**”) made by the Issuer pursuant to the equity distribution agreement (the “**Equity Distribution Agreement**”) between the Issuer and the Agent; and

- (b) that the requirements that (i) a forward-looking issuer certificate included in a prospectus supplement be in a form specified in Appendix A to NI 44-102 and (ii) a statement concerning purchasers' statutory rights of withdrawal and remedies for rescission or damages be included in a short form prospectus in substantially the form prescribed in Item 20 of Form 44-101F1 *Short Form Prospectus* (such prescribed statement, the “**Statement of Purchasers' Rights**”) (collectively, the “**Form Requirements**”) do not apply to the prospectus supplement of the Issuer to be filed in respect of the sale of trust units (“**Units**”) of Artis pursuant to ATM Distributions under the Equity Distribution Agreement (the “**Prospectus Supplement**”), provided that the alternative form of certificate and disclosure regarding a purchaser's statutory rights described below are included in the Prospectus Supplement.

Furthermore, the Decision Makers have received a request from the Filers for a decision that the application and this decision be kept confidential and not made public until the earlier of (i) the date on which the Issuer and the Agent enter into the Equity Distribution Agreement, (ii) the date on which the Filers advise the Decision Makers that there is no longer any need for the Application and this decision to remain confidential, or (iii) the date that is 90 days after the date of this decision (the “**Confidentiality Sought**”).

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

- (a) The Manitoba Securities Commission is the principal regulator for this application,
- (b) the Filers have provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (“**MI 11-102**”) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland, the Northwest Territories, Nunavut and the Yukon Territory, 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 in this decision.

Representations

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

Artis Real Estate Investment Trust

1. The Issuer is an unincorporated real estate investment trust constituted under and governed by the laws of the Province of Manitoba. The head office of the Issuer is located in Winnipeg, Manitoba.
2. The Issuer is currently a reporting issuer or the equivalent under the securities legislation of each of the provinces and territories of Canada and is not in default of its obligations as a reporting issuer under such legislation.
3. The Units and four series of convertible debentures of Artis are listed on the TSX.
4. The Issuer has previously filed and received a receipt under the Legislation for a short form base shelf prospectus dated August 19, 2010 providing for the distribution from time to time of Units, preferred trust units, debt securities, warrants and subscription receipts in an aggregate initial offering price of up to \$750,000,000 (the “**Shelf Prospectus**”). The Shelf Prospectus constitutes an “unallocated shelf” within the meaning of Part 3 of NI 44-102.
5. The Shelf Prospectus includes a forward-looking issuer certificate of the Issuer in the form prescribed by method 1 as set forth in section 1.1 of Appendix A to NI 44-102. The Shelf Prospectus also includes a Statement of Purchasers' Rights in substantially the form prescribed in Item 20 of Form 44-101F1.

Canaccord Genuity Corp.

6. The Agent is a corporation incorporated under the laws of the Province of British Columbia with its head office in Vancouver, British Columbia.

7. The Agent is registered as an investment dealer under the securities legislation of each of the provinces and territories of Canada, is a member of the Investment Industry Regulatory Organization of Canada, and is a participating organization of the TSX.

Proposed ATM Distribution Arrangement

8. Subject to mutual agreement on terms and conditions, the Issuer proposes to enter into the Equity Distribution Agreement with the Agent providing for periodic sale of Units by the Issuer through the Agent, as agent, pursuant to ATM Distributions under the shelf procedures prescribed by Part 9 of NI 44-102.
9. Prior to making any ATM Distributions, the Issuer will have filed the Prospectus Supplement to qualify the sale of Units under the Equity Distribution Agreement in each of the provinces and territories of Canada, which will describe the Equity Distribution Agreement and otherwise supplement the disclosure in the Shelf Prospectus.
10. If the Equity Distribution Agreement is entered into, the Issuer will issue a news release to announce the same and will file a copy of the agreement on SEDAR. The news release will indicate that the Shelf Prospectus and the Prospectus Supplement have been filed on SEDAR, and will specify where and how purchasers may obtain copies. A copy of the news release will also be posted on the Issuer's website. The news release will serve as the news release contemplated by section 3.2 of NI 44-102 for an expected distribution of equity securities under an unallocated shelf.
11. The Equity Distribution Agreement will limit the number of Units that the Issuer may issue and sell pursuant to any ATM Distribution thereunder to an amount not to exceed 10% of the aggregate market value of the outstanding Units calculated in accordance with section 9.2 of NI 44-102.
12. The Issuer will sell Units in Canada through methods constituting ATM Distributions, including sales made on the TSX or any other Canadian "marketplace" within the meaning of National Instrument 21-101 – *Marketplace Operation* upon which the Units are listed or quoted or otherwise traded (a "**Marketplace**"), through the Agent, as agent, directly or through a Selling Agent.
13. The Agent will act as the sole agent on behalf of the Issuer in connection with the sale of Units on the TSX or another Marketplace pursuant to the Equity Distribution Agreement, and will be the only person or company paid an agency fee or commission by the Issuer in connection with such sales. The Agent will sign an underwriter's certificate in the Prospectus Supplement.
14. The Agent will effect ATM Distributions on the TSX or another Marketplace, either itself or through a Selling Agent. If sales are effected through a Selling Agent, the Selling Agent will be paid a customary seller's commission for effecting the trades. A purchaser's rights and remedies under the Legislation against the Agent, as underwriter of an ATM Distribution through the TSX or another Marketplace, will not be affected by a decision to effect the sale directly or through a Selling Agent.
15. The number of Units sold on the TSX pursuant to an ATM Distribution on any trading day will not exceed 25% of the trading volume of the Units on the TSX on that day.
16. The Equity Distribution Agreement will provide that, at the time of each sale of Units pursuant to an ATM Distribution, the Issuer will represent to the Agent that the Shelf Prospectus, as supplemented by the Prospectus Supplement and any subsequent amendment or supplement to the Shelf Prospectus or the Prospectus Supplement (together, the "**Prospectus**"), contains full, true and plain disclosure of all material facts relating to the Issuer and the Units being distributed. The Issuer will therefore be unable to proceed with sales pursuant to an ATM Distribution when it is in possession of undisclosed information that would constitute a material fact or a material change in respect of the Units.
17. If after the Issuer delivers a notice to the Agent directing the Agent to sell Units on the Issuer's behalf pursuant to the Equity Distribution Agreement (a "**Sell Notice**"), the sale of the Units specified in the Sell Notice, taking into consideration prior sales, would constitute a material fact or material change, the Issuer would be required to suspend sales under the Equity Distribution Agreement until either (i) it had filed a material change report or amended the Prospectus, or (ii) circumstances had changed so that the sales would no longer constitute a material fact or material change.
18. In determining whether the sale of the number of Units specified in a Sell Notice would constitute a material fact or material change, the Issuer will take into account a number of factors, including, without limitation (i) the parameters of the Sell Notice, including the number of Units proposed to be sold and any price or timing restrictions that the Issuer may impose with respect to the particular ATM Distribution, (ii) the percentage of outstanding Units that the number of Units proposed to be sold pursuant to the Sell Notice represents, (iii) trading volume and volatility of the Units, (iv)

recent developments in the business, affairs and capital structure of the Issuer, and (v) prevailing market conditions generally.

19. The Agent will monitor closely the market's reaction to trades made on the TSX or another Marketplace pursuant to an ATM Distribution in order to evaluate the likely market impact of future trades. The Agent has experience and expertise in managing sell orders to limit downward pressure on trading prices. If the Agent has concerns as to whether a particular sell order placed by the Issuer may have a significant effect on the market price of the Units, the Agent will recommend against effecting the trade at that time. It is in the interest of both the Issuer and the Agent to minimize the market impact of sales under an ATM Distribution.
20. The underwriter's certificate to be signed by the Agent and included in the Prospectus Supplement will be in the form specified in section 2.2 of Appendix B to NI 44-102.

Disclosure of Units Sold

21. For each month during which Units are distributed on the TSX or another Marketplace by the Issuer pursuant to ATM Distributions under the Prospectus, the Issuer will file on SEDAR a report disclosing the number and average price of Units so distributed during that month, as well as total gross proceeds, commission and net proceeds, within seven calendar days after the end of such month.
22. The Issuer will also disclose the number and average price of Units sold pursuant to ATM Distributions under the Prospectus, as well as total gross proceeds, commission and net proceeds, in the ordinary course in its annual and interim financial statements and management discussion and analysis filed on SEDAR.

Prospectus Delivery Requirement

23. Pursuant to the Delivery Requirement, a dealer effecting a trade of Units on behalf of the Issuer as part of an ATM Distribution is required to deliver a copy of the prospectus (including the applicable prospectus supplement(s) in the case of a base shelf prospectus) to the purchaser within prescribed time limits.
24. The delivery of a prospectus is not practicable in the circumstances of an ATM Distribution as the Agent or Selling Agent, as applicable, effecting the trade will not know the purchaser's identity.
25. Although purchasers under an ATM Distribution would not physically receive a printed prospectus, the Shelf Prospectus and the Prospectus Supplement (together with all documents incorporated by reference) will be filed and readily available to all purchasers electronically via SEDAR. Moreover, the Issuer will issue a news release that specifies where and how copies of the Shelf Prospectus and the Prospectus Supplement can be obtained.
26. The liability of an issuer or an underwriter (and others) for misrepresentation in a prospectus pursuant to the civil liability provisions of the Legislation will not be affected by the grant of an exemption from the Delivery Requirement, as a purchaser of the securities offered by a prospectus during the period of distribution has a right of action for damages or recession without regard as to whether the purchaser relied on the misrepresentation or in fact received a copy of the prospectus.

Withdrawal Right

27. Pursuant to the Legislation, an agreement to purchase securities is not binding on the purchaser if a dealer receives, not later than midnight on the second day exclusive of Saturdays, Sundays and holidays, after receipt by the purchaser of the latest prospectus or any amendment to the prospectus, a notice in writing that the purchaser does not intend to be bound by the agreement of purchaser (the "**Withdrawal Right**").
28. The Withdrawal Right is not workable in the context of an ATM Distribution because a prospectus will not be delivered to a purchaser of Units thereunder.

Right of Action for Non-Delivery

29. Pursuant to the Legislation, a purchaser of a security to whom a prospectus was required to be sent or delivered in compliance with the Delivery Requirement, but was not so sent or delivered, has a right of action for rescission or damages against the dealer who did not comply with the Delivery Requirement (the "**Right of Action for Non-Delivery**").
30. The Right of Action for Non-Delivery is not workable in the context of an ATM Distribution because a prospectus will not be delivered to a purchaser of Units thereunder.

Prospectus Form Requirements

31. Exemptive relief from the Form Requirements is required with respect to the Issuer's forward looking certificate in the Prospectus Supplement to reflect that no pricing supplement will be filed subsequent to the Prospectus Supplement. Accordingly, the Issuer will file the Prospectus Supplement with the following forward-looking issuer certificate which will supersede and replace, solely as regards to ATM Distributions contemplated by the Prospectus Supplement, the forward-looking issuer certificate contained in the Shelf Prospectus:

This short form prospectus, as supplemented by the foregoing, together with the documents incorporated in this prospectus by reference as of the date of a particular distribution of securities offered by this prospectus, will, as of that date, constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus, as required by the securities legislation of each of the provinces and territories of Canada.

32. Exemptive relief from the Form Requirements is required to reflect the relief from the Delivery Requirement. Accordingly, the Issuer will include the following language in the Prospectus Supplement in replacement of the language prescribed by the Form Requirements:

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities and with remedies for rescission or, in some jurisdictions, revision of the price, or damages if the prospectus, prospectus supplements relating to securities purchased by a purchaser and any amendment are not delivered to the purchaser, provided that the remedies are exercised by the purchaser within the time limit prescribed by securities legislation. However, purchasers of Units under an at-the-market distribution by the Issuer will not have the right to withdraw from an agreement to purchase the Units and will not have remedies for rescission or, in some jurisdictions, revision of the price, or damages for non-delivery, because the prospectus, prospectus supplements relating to securities purchased by a purchaser and any amendment will not be delivered as permitted under a decision dated •, 2010 and granted pursuant to National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions*.

Securities legislation in certain of the provinces and territories of Canada also provides purchasers with remedies for rescission or, in some jurisdictions, revision of the price, or damages if the prospectus, prospectus supplements relating to securities purchased by a purchaser and any amendment contain a misrepresentation, provided that the remedies are exercised by the purchaser within the time limit prescribed by securities legislation. Any remedies under securities legislation that a purchaser of Units under an at-the-market distribution by the Issuer may have against the Issuer or the Agent for rescission or, in some jurisdictions, revision of the price, or damages if the prospectus, prospectus supplements relating to the Units purchased by a purchaser and any amendment contain a misrepresentation remain unaffected by the non-delivery and the decision referred to above.

Purchasers should refer to the applicable provisions of the securities legislation and the decision referred to above for the particulars of their rights or consult with a legal advisor.

33. The modified disclosure of purchasers' rights set forth in paragraph 32 above will be explicitly disclosed in the Prospectus Supplement and, solely as regards to ATM Distributions contemplated by the Prospectus Supplement, supersede and replace the statement of purchasers' rights contained in the Shelf Prospectus.

Decision

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

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

- (a) as it relates to the Delivery Requirement, the representations made in sections 10, 12, 13, 14, 15, 16, 17 and 19 are complied with;
- (b) as it relates to the Form Requirements, the disclosure described in sections 21, 31, 32 and 33 is made; and
- (c) this decision will terminate 25 months after the issuance of a receipt for the Shelf Prospectus under the Legislation.

Furthermore, the decision of the Decision Makers is that the Confidentiality Sought is granted.

“Bob Bouchard”
Director – Corporate Finance
The Manitoba Securities Commission

2.1.7 Research In Motion Limited

Northwest Territories and Nunavut (the **Jurisdictions**).

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Section 104(2)(c) – Issuer bid – relief from issuer bid requirements in sections 93 to 99.1 of the Act – issuer conducting a normal course issuer bid through the facilities of the TSX and NASDAQ – relief granted, provided that the bid is subject to a maximum aggregate limit mirroring the TSX NCIB rules.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 93 to 99.1, 101.2, 104(2)(c).

July 13, 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
RESEARCH IN MOTION LIMITED
(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**) that the requirements contained in the Legislation relating to issuer bids (the **Issuer Bid Requirements**) shall not apply to purchases of the common shares of the Filer (the **Common Shares**) made by the Filer through the facilities of the Nasdaq Stock Market (the **Nasdaq**) pursuant to the Share Repurchase Program (as defined below) (the **Exemption Sought**).

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

- (a) the Ontario Securities Commission is the principal regulator for this application (the **OSC**), and
- (b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland & Labrador, Yukon,

Interpretation

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

Representations

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

- (a) The Filer is a corporation amalgamated under the *Business Corporations Act* (Ontario).
- (b) The Filer's head office is in Waterloo, Ontario.
- (c) The Filer is a reporting issuer in each of the provinces of Canada and the Filer is not in default of any requirement of the securities legislation in the jurisdictions in which it is a reporting issuer.
- (d) The Filer is also a registrant with the Securities and Exchange Commission (the **SEC**) in the United States and is subject to the requirements of the United States *Securities Exchange Act of 1934* (the **1934 Act**).
- (e) As at June 24, 2010, the Filer had approximately 552,511,264 Common Shares issued and outstanding.
- (f) The Common Shares are listed for trading on the Toronto Stock Exchange (**TSX**) and the Nasdaq.
- (g) Pursuant to a press release dated November 5, 2009, the Filer commenced a share repurchase program (the **Previous Share Repurchase Program**) under which it was authorized to purchase for cancellation through the facilities of the Nasdaq Common Shares having an aggregate purchase price of up to US\$1.2 billion. The Previous Share Repurchase Program was authorized to commence on November 9, 2009.
- (h) Between November 9, 2009 and April 13, 2010, the Filer purchased 16,235,800 Common Shares through the facilities of the Nasdaq.
- (i) On April 13, 2010, the Filer obtained an issuer bid exemption order from the OSC to purchase for cancellation 2,000,000 Common Shares pursuant to private

- agreements between the Filer and a non-related third-party financial institution. The Common Shares repurchased through the private agreements, together with 16,235,800 Common Shares that the Filer had repurchased through the facilities of the Nasdaq since November 9, 2009, represented approximately 3.2% of the Filer's outstanding Common Shares and substantially completed the Previous Share Repurchase Program.
- (j) On June 24, 2010, the Filer announced that its Board of Directors has authorized a normal course issuer bid to purchase for cancellation up to approximately 31 million Common Shares (the **Share Repurchase Program**).
 - (k) Under the Normal Course Issuer Bid Exemption (as defined below), the Filer is permitted to purchase up to an additional approximately 9.3 million Common Shares, or approximately 1.8% of its outstanding Common Shares, through the facilities of the Nasdaq. Any additional purchases of Common Shares must be made through the facilities of the TSX, with the approval of the TSX, or through the facilities of the Nasdaq, pursuant to an exemptive relief order from the principal regulator.
 - (l) Between July 8, 2010 and July 12, 2010, the Filer purchased 8,805,000 Common Shares through the facilities of the Nasdaq.
 - (m) On July 12, 2010, the Filer filed a Notice of Intention to Make a Normal Course Issuer Bid (the **Notice of Intention**) with the TSX in order to permit it to make normal course issuer bid purchases of its Common Shares through the facilities of the TSX.
 - (n) The Notice of Intention contemplates the purchase by the Filer of up to approximately 22.46 million Common Shares through the facilities of the TSX and Nasdaq during the 12 months ending July 14, 2011. The purchases of up to approximately 22.46 million Common Shares authorized pursuant to the Share Repurchase Program, together with the 18,235,800 Common Shares purchased under the Previous Share Repurchase Program and the 8,805,000 Common Shares purchased since June 24, 2010 under the Share Repurchase Program, represent approximately 10% of the Filer's outstanding public float (as defined in Section 628(a)(xi) of the TSX Company Manual) as at June 24, 2010. Additional purchases under the Share Repurchase Program exceeding approximately 584,763 Common Shares in the aggregate are limited to the facilities of the TSX and exempt from the Issuer Bid Requirements under the Designated Exchange Exemption (as defined below).
 - (o) The Filer wishes to be able to make normal course issuer bid purchases through the facilities of both the TSX and the Nasdaq.
 - (p) Issuer bid purchases made through the facilities of the TSX in compliance with the by-laws, regulations and policies of the TSX relating to normal course issuer bids (the **TSX NCIB Rules**) are exempt from the Issuer Bid Requirements pursuant to the designated exchange exemption contained in Section 101.2(1) of the Act, as amended or replaced from time to time (the **Designated Exchange Exemption**). The TSX NCIB Rules allow normal course issuer bid purchases of up to 10% of the public float to be made through the facilities of the TSX over the course of a 12-month period.
 - (q) Issuer bid purchases made through the facilities of the Nasdaq are normally made in reliance on the exemption contained in Section 101.2(2) of the Act, as amended or replaced from time to time (the **Normal Course Issuer Bid Exemption**). The Normal Course Issuer Bid Exemption limits the purchases that may be made by the Filer in a 12-month period to 5% of the securities of the particular class outstanding at the commencement of the period.
 - (r) Purchases made pursuant to the Notice of Intention through the facilities of the TSX are exempt from the Issuer Bid Requirements under the Designated Exchange Exemption while such purchases through the facilities of the Nasdaq are not exempt under the Designated Exchange Exemption, as the Act does not recognize the Nasdaq as a "designated exchange" for the purpose of the Designated Exchange Exemption.
 - (s) No other exemptions exist under the Act that would otherwise permit the Filer to make purchases through the Nasdaq on an exempt basis where the purchases exceed the 5% limitation under the Normal Course Issuer Bid Exemption.

- (t) The Share Repurchase Program will be effected in accordance with the 1934 Act, and the rules of the SEC made pursuant thereto, including the safe harbour provided by Rule 10b-18 under the 1934 Act (collectively, **Applicable U.S. Securities Laws**), which contains, among other things, restrictions on the number of shares that may be purchased on a single day, subject to certain exceptions for block purchases, based on the average daily trading volumes of the Common Shares on Nasdaq.
- (u) Purchases of Common Shares by the Filer of up to 10% of the public float through the facilities of the Nasdaq would be permitted under the rules of the Nasdaq and under Applicable U.S. Securities Laws.
- (v) The Filer requires relief from the Issuer Bid Requirements in order to make purchases of its Shares through the facilities of the Nasdaq up to the number permitted to be purchased under the Notice of Intention as permitted by the TSX and under the Designated Exchange Exemption.

Decision

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

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted provided that the purchases of Common Shares made through the facilities of Nasdaq are part of a normal course issuer bid that complies with the TSX NCIB Rules.

"James Turner"
Commissioner
Ontario Securities Commission

"Paulette Kennedy"
Commissioner
Ontario Securities Commission

2.1.8 InterOil Corporation

Headnote

Multilateral Instrument 11-102 *Passport System* and National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions* – relief from eligibility requirements under NI 44-101 for reporting issuer whose common shares are not listed on a stock exchange in Canada – common shares are listed on NYSE.

Applicable Legislative Provisions

National Instrument 44-101 *Short Form Prospectus Distributions*.

Citation: InterOil Corporation, Re, 2010 ABASC 440

September 20, 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
INTEROIL CORPORATION
(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 qualification criteria that the equity securities of the Filer be listed and posted for trading on a short form eligible exchange (as such term is defined in National Instrument 44-101 *Short Form Prospectus Distributions* (**NI 44-101**)), as required in subsection 2.2(e) of NI 44-101 and subsections 2.2(1), 2.2(2) and 2.2(3)(b)(iii) of National Instrument 44-102 *Shelf Distributions* (**NI 44-102**) (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 section 4.7(1) of Multilateral Instrument 11-102 *Passport System*

(MI 11-102) is intended to be relied upon in British Columbia; and

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

Interpretation

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

Representations

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

1. The Filer is a corporation continued under the *Business Corporations Act* (Yukon). Its registered office is located in Whitehorse, Yukon, Canada and its corporate office is located in Cairns, Queensland, Australia.
2. The Filer is a reporting issuer under the securities legislation of each of Alberta, Ontario and British Columbia and is not, to its knowledge, in default of its obligations as a reporting issuer under the securities legislation of the Jurisdictions or British Columbia.
3. The Filer is authorized to issue an unlimited number of common shares (**InterOil Shares**) and an unlimited number of preferred shares (**Preferred Shares**), issuable in series, of which 1,035,554 series A Preferred Shares are authorized. As at August 31, 2010, 43,977,535 InterOil Shares were issued and outstanding and no Preferred Shares are issued or outstanding.
4. The InterOil Shares are listed on the New York Stock Exchange (**NYSE**) and the Port Moresby Stock Exchange in Papua New Guinea, but are not listed and posted for trading on any stock exchange in Canada. The Filer does not currently intend to list any securities on any exchange or marketplace in Canada.
5. The market capitalization of the Filer is approximately US\$2.5 billion, based upon 43,977,535 InterOil Shares issued and outstanding as at August 31, 2010 and a closing price of such shares on the NYSE of US\$58.75 on August 31, 2010.
6. The Filer is developing a vertically integrated oil and gas business whose primary focus is Papua New Guinea and the surrounding region. The Filer's assets consist of petroleum licenses covering approximately 3.9 million acres, an oil refinery, and retail and commercial distribution facilities, all located in Papua New Guinea. In

addition, the Filer is a shareholder in a joint venture established to construct a liquid natural gas plant on a site adjacent to the Filer's refinery in Port Moresby, Papua New Guinea.

7. Other than one director resident in British Columbia, none of the executive officers or directors of the Filer are residents of Canada, the Filer has no material assets located in Canada, and the business of the Filer is administered wholly outside of Canada.
8. A short form eligible exchange (**Short Form Eligible Exchange**) is defined in NI 44-101 as each of the Toronto Stock Exchange, Tier 1 and Tier 2 of the TSX Venture Exchange and the Canadian Trading and Quotation System Inc.
9. The Filer satisfies the basic qualification criteria set forth in section 2.2 of NI 44-101, other than having its equity securities listed and posted for trading on a Short Form Eligible Exchange.
10. The Filer is neither a "U.S. issuer" nor a "foreign issuer", as such terms are defined in National Instrument 71-101 *The Multijurisdictional Disclosure System*.

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

2.1.9 X-Cal Resources Ltd. – s. 1(10)

“Lisa Enright”
Manager, Corporate Finance
Ontario Securities Commission

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).

September 28, 2010

Yong-Jae Kim
Gowling Lafleur Henderson LLP
550 Burrard Street, Suite 2300
Bentall 5, Vancouver, BC
V6C 2B5

Dear Mr. Kim,

Re: X-Cal Resources Ltd. (the Applicant) - application for a decision under the securities legislation of Ontario and Alberta (the Jurisdictions) that the Applicant is not a reporting issuer

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

As the Applicant has represented to the Decision Makers that:

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

each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met and orders that the Applicant is not a reporting issuer.

2.2 Orders

2.2.1 BCE Inc.

Editor's Note: This order was first published on August 13, 2010 in (2010), 33 OSCB 7162. Paragraph (h) on page 7164 was unintentionally omitted. The corrected version is reprinted here.

Headnote

Clause 104(2)(c) – Issuer bid – relief from issuer bid requirements in sections 94 to 94.8 and 97 to 98.7 of the Act – Issuer proposes to purchase, at a discounted purchase price, up to 2,666,666 of its common shares from one of its shareholders and/or such shareholder's affiliates – due to discounted purchase price, proposed purchases cannot be made through TSX trading system – but for the fact that the proposed purchases cannot be made through the TSX trading system, the Issuer could otherwise acquire the subject shares in reliance upon the issuer bid exemption available under section 101.2 of the Act and in accordance with the TSX rules governing normal course issuer bid purchases – no adverse economic impact on or prejudice to issuer or public shareholders – proposed purchases exempt from issuer bid requirements in sections 94 to 94.8 and 97 to 98.7 of the Act, subject to conditions, including that the issuer not purchase more than one-third of the maximum number of shares to be purchased under its normal course issuer bid by way of off-exchange block purchases.

Applicable Legislative Provisions

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

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

AND

**IN THE MATTER OF
BCE INC.**

ORDER

UPON the application (the "**Application**") of BCE Inc. (the "**Issuer**") to the Ontario Securities Commission (the "**Commission**") for an order pursuant to clause 104(2)(c) of the Act exempting the Issuer from the requirements of sections 94 to 94.8 and 97 to 98.7 of the Act (the "**Issuer Bid Requirements**") in respect of the proposed purchases by the Issuer of up to 2,666,666 (collectively, the "**Subject Shares**") of its common shares (the "**Common Shares**") in one or more trades from The Toronto-Dominion Bank and/or its affiliates (collectively, the "**Selling Shareholder**");

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

AND UPON the Issuer having represented to the Commission that:

1. The Issuer is a corporation governed by the *Canada Business Corporations Act*.
2. The head office and registered office of the Issuer are located at 1 Carrefour Alexander-Graham-Bell, Building A, 8th Floor, Verdun, Québec H3E 3B3.
3. The Issuer is a reporting issuer in each of the provinces of Canada and the Common Shares of the Issuer are listed for trading on the Toronto Stock Exchange ("**TSX**") and the New York Stock Exchange under the symbol "BCE". The Issuer is not in default of any requirement of the securities legislation in the jurisdictions in which it is a reporting issuer.
4. The authorized common share capital of the Issuer consists of an unlimited number of Common Shares, of which approximately 759,045,570 were issued and outstanding as of June 30, 2010.
5. The corporate headquarters of the Selling Shareholder are located in the Province of Ontario.
6. The Selling Shareholder has advised the Issuer that it does not directly or indirectly own more than 5% of the issued and outstanding Common Shares.
7. The Selling Shareholder has advised the Issuer that it is the beneficial owner of at least 2,667,000 Common Shares.
8. The Selling Shareholder is at arm's length to the Issuer and is not an "insider" of the Issuer or "associate" of an "insider" of the Issuer, or an "associate" or "affiliate" of the Issuer, as such terms are defined in the Act. The Selling Shareholder is an "accredited investor" within the meaning of National Instrument 45-106 *Prospectus and Registration Exemptions*.
9. On December 29, 2009, the Issuer commenced a normal course issuer bid (its "**Normal Course Issuer Bid**") for up to 20,000,000 Common Shares (subject to a maximum aggregate purchase price of \$500 million) through the facilities of the TSX in accordance with sections 628 to 629.3 of Part VI of the TSX Company Manual (the "**TSX NCIB Rules**"). As at June 30, 2010, 8,534,000 Common Shares have been purchased under the Issuer's Normal Course Issuer Bid, including 4,000,000 Common Shares which were purchased under off-market block purchases. Assuming the completion of the purchase of the Subject Shares, the Issuer will have purchased under its Normal Course Issuer Bid an aggregate of 6,666,666 Common Shares

pursuant to off-market block purchases, representing one-third of the 20,000,000 Common Shares authorized to be purchased under such Normal Course Issuer Bid.

10. The Issuer and the Selling Shareholder have entered into an agreement of purchase and sale (the "**Agreement**") pursuant to which the Issuer has agreed, subject to regulatory approval, to acquire the Subject Shares from the Selling Shareholder by one or more purchases each occurring prior to July 29, 2010 (each such purchase, a "**Proposed Purchase**") for a purchase price (the "**Purchase Price**") that will be determined pursuant to the Agreement. The Purchase Price will be at a discount to the prevailing market price and below the bid-ask price for the Issuer's Common Shares at the time of each Proposed Purchase.
11. The Subject Shares acquired under each Proposed Purchase will constitute a "block" as that term is defined in section 628 of the TSX NCIB Rules.
12. The purchase of the Subject Shares by the Issuer pursuant to the Agreement will constitute an "issuer bid" for purposes of the Act, to which the applicable Issuer Bid Requirements would apply.
13. Because the Purchase Price will be at a discount to the prevailing market price and below the bid-ask price for the Issuer's Common Shares at the time of each Proposed Purchase, each Proposed Purchase cannot be made through the TSX trading system and, therefore, will not occur "through the facilities" of the TSX. As a result, the Issuer will be unable to acquire the Subject Shares from the Selling Shareholder in reliance upon the exemption from the Issuer Bid Requirements that is available pursuant to section 101.2(1) of the Act.
14. But for the fact that the Purchase Price will be at a discount to the prevailing market price and below the bid-ask price for the Issuer's Common Shares at the time of each Proposed Purchase, the Issuer could otherwise acquire the Subject Shares as a "block purchase" (a "**Block Purchase**") in accordance with the block purchase exception in section 629(l)7 of the TSX NCIB Rules and the exemption from the Issuer Bid Requirements that is available pursuant to section 101.2(1) of the Act. The notice of intention to make a normal course issuer bid filed with the TSX by the Issuer contemplates that purchases under the bid may be made by such other means as may be permitted by the TSX, including by private agreements pursuant to an issuer bid exemption order issued by a securities regulatory authority.
15. For each Proposed Purchase, the Issuer will be able to acquire the Subject Shares from the

Selling Shareholder without the Issuer being subject to the dealer registration requirements of the Act.

16. The Issuer is of the view that it will be able to purchase the Subject Shares at a lower price than the price at which it would be able to purchase the Shares under the Bid through the facilities of the TSX and the Issuer is of the view that this is an appropriate use of the Issuer's funds.
17. The purchase of the Subject Shares will not adversely affect the Issuer or the rights of any of the Issuer's securityholders and it will not materially affect the control of the Issuer. The Proposed Purchases will be carried out with a minimum of cost to the Issuer.
18. To the best of the Issuer's knowledge, as of June 30, 2010, the "public float" for the Common Shares represented more than 99% of all issued and outstanding Common Shares for purposes of the TSX NCIB Rules.
19. The market for the Common Shares is a "liquid market" within the meaning of section 1.2 of Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions.
20. Other than the Purchase Price, no additional fee or other consideration will be paid in connection with the Proposed Purchases.
21. At the time that the Agreement was entered into by the Issuer and the Selling Shareholder, neither the Issuer nor the Selling Shareholder were aware of any undisclosed "material change" or any undisclosed "material fact" in respect of the Issuer (each as defined in the Act).
22. The Selling Shareholder owns the Subject Shares and the Subject Shares were not acquired in anticipation of resale pursuant to the Proposed Purchases.

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

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

- (a) the Proposed Purchases will be taken into account by the Issuer when calculating the maximum annual aggregate limit that is imposed upon the Issuer's Normal Course Issuer Bid in accordance with the TSX NCIB Rules;
- (b) the Issuer will refrain from conducting a Block Purchase in accordance with the TSX NCIB Rules during the calendar

week that it completes each Proposed Purchase and may not make any further purchases under its Normal Course Issuer Bid for the remainder of that calendar day;

- (c) the Purchase Price is not higher than the last "independent trade" (as that term is used in paragraph 629(l)1 of the TSX NCIB Rules) of a board lot of Common Shares immediately prior to the execution of each Proposed Purchase;
- (d) the Issuer will otherwise acquire any additional Common Shares pursuant to its Normal Course Issuer Bid and in accordance with the TSX NCIB Rules, including by means of open market transactions and by other means as may be permitted by the TSX, including private agreements under an issuer bid exemption issued by a securities regulatory authority;
- (e) immediately following each Proposed Purchase of the Subject Shares from the Selling Shareholder, the Issuer will report the purchase of the Subject Shares to the TSX;
- (f) at the time that the Agreement was entered into by the Issuer and the Selling Shareholder, neither the Issuer nor the Selling Shareholder were aware of any undisclosed "material change" or any undisclosed "material fact" in respect of the Issuer (each as defined in the Act);
- (g) the Issuer will issue a press release in connection with the Proposed Purchases;
- (h) the Issuer does not purchase, pursuant to off-market block purchases, more than one-third of the maximum number of Common Shares the Issuer can purchase under its Normal Course Issuer Bid.

DATED at Toronto this 20th day of July, 2010.

"James Turner"
Commissioner
Ontario Securities Commission

"Mary Condon"
Commissioner
Ontario Securities Commission

2.2.2 Rezwealth Financial Services Inc. et al. – ss. 127(1), 127(7), 127(8)

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

AND

**IN THE MATTER OF
REZWEALTH FINANCIAL SERVICES INC.,
PAMELA RAMOUTAR, CHRIS RAMOUTAR,
JUSTIN RAMOUTAR, TIFFIN FINANCIAL
CORPORATION, DANIEL TIFFIN,
2150129 ONTARIO INC. AND SYLVAN BLACKETT**

ORDER

Subsections 127(1), 127(7) and 127(8)

WHEREAS on December 22, 2009, the Ontario Securities Commission (the "Commission") issued a temporary cease trade order (the "Temporary Order") pursuant to subsections 127(1) and 127(5) of the *Securities Act*, R.S.O. 1990 c. S.5, as amended (the "Act") ordering the following:

1. that all trading in any securities by Rezwealth Financial Services Inc. ("Rezwealth"), Tiffin Financial Corporation ("Tiffin Financial"), 2150129 Ontario Inc. ("215 Inc.") or their agents or employees shall cease;
2. that all trading in any securities by Pamela Ramoutar ("Pamela"), Chris Ramoutar ("Chris"), Justin Ramoutar ("Justin"), Daniel Tiffin ("Tiffin") and Sylvan Blackett ("Blackett") shall cease;
3. that the exemptions contained in Ontario securities law do not apply to Rezwealth, Tiffin Financial, and 215 Inc. or their agents or employees; and
4. that the exemptions contained in Ontario securities law do not apply to Pamela, Chris, Justin, Tiffin and Blackett;

AND WHEREAS on December 22, 2009, the Commission ordered that the Temporary Order shall expire on the 15th day after its making unless extended by the Commission;

AND WHEREAS on December 22, 2009 the Commission issued a Notice of Hearing to consider, among other things, the extension of the Temporary Order, to be held on January 6, 2010 (the "Notice of Hearing");

AND WHEREAS the Commission ordered on January 6, 2010 that the Temporary Order was extended until June 22, 2010 and that the hearing was adjourned to June 21, 2010;

AND WHEREAS the Commission ordered on June 21, 2010 that the Temporary Order was extended until September 23, 2010 and that the hearing was adjourned to September 22, 2010 at 9:00 a.m.;

AND WHEREAS Staff of the Commission ("Staff") request a further order continuing the Temporary Order against Rezwealth, Pamela, Chris, Justin, Tiffin Financial, Tiffin, 215 Inc. and Blackett (collectively, the "Respondents");

AND WHEREAS Tiffin and Tiffin Financial consent to an order continuing the Temporary Order;

AND WHEREAS Rezwealth, Pamela, Chris and Justin do not object to an order continuing the Temporary Order;

AND WHEREAS the Commission held a Hearing on September 22, 2010;

AND WHEREAS no one appeared at the hearing on behalf of 215 Inc. or Blackett;

AND WHEREAS Staff advised the Commission and provided email correspondence that Tiffin and Tiffin Financial have consented to the extension of the Temporary Order and that Rezwealth, Pamela, Chris and Justin do not object to the extension of the Temporary Order;

AND WHEREAS the Commission heard submissions from counsel for Staff;

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

IT IS HEREBY ORDERED pursuant to subsections 127(7) and 127(8) of the Act that the Temporary Order is extended to January 27, 2011; and specifically:

1. that all trading in any securities by Rezwealth, Tiffin Financial and 215 Inc. shall cease;
2. that all trading in any securities by Pamela, Chris, Justin, Tiffin and Blackett shall cease;
3. that the exemptions contained in Ontario securities law do not apply to Rezwealth, Tiffin Financial, 215 Inc. or their agents or employees;
4. that the exemptions contained in Ontario securities law do not apply to Pamela, Chris, Justin, Tiffin and Blackett; and
5. that this Order shall not affect the right of any Respondent to apply to the Commission to clarify, amend, or revoke

this Order upon five days written notice to Staff of the Commission.

IT IS FURTHER ORDERED that the Hearing is adjourned to Wednesday, January 26, 2011 at 10:00 a.m.

Dated at Toronto this 22nd day of September, 2010

"Carol S. Perry"

2.2.3 RBC Asset Management Inc. and RBC Global Asset Management Inc. – s. 74(1) of the Act and s. 7.1 of NI 33-109 Registration Information

Headnote

Subsection 74(1) of the Securities Act (the Act) – relief from the investment fund manager registration requirement in subsection 25(4) of the Act for RBC Asset Management Inc. to permit it to continue acting as an investment fund manager without having obtained the necessary registration or having filed the necessary registration application in connection with a proposed amalgamation.

Subsection 74(1) of the Securities Act – relief from the investment fund manager registration requirement in subsection 25(4) of the Act for RBC Global Asset Management Inc. to permit it to continue acting as an investment fund manager without having obtained the necessary registration for a limited period of time following completion of the proposed amalgamation.

Section 7.1 of National Instrument 33-109 Registration Information (NI 33-109) – relief for RBC Asset Management Inc. from the requirement in section 6.1 of NI 33-109 to submit a completed Form 33-109F6 Firm Registration to the Commission on or before September 30, 2010.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 25(4) and 74(1).

National Instrument 33-109 Registration Information, ss. 6.1, 7.1.

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

AND

**IN THE MATTER OF
RBC ASSET MANAGEMENT INC. AND
RBC GLOBAL ASSET MANAGEMENT INC.**

**ORDER AND DECISION
(Subsection 74(1) of the Act and section 7.1 of
National Instrument 33-109 Registration Information
(NI 33-109))**

UPON the application (the **Application**) of RBC Asset Management Inc. (the **Filer**) to:

- (i) the Ontario Securities Commission (the **Commission**) for a ruling, pursuant to subsection 74(1) of the Act, that the investment fund manager registration requirement in subsection 25(4) of the Act shall not apply to the Filer effective September 29, 2010 by operation of subsections 16.4(1) and (2) of National Instrument 31-103 *Registration Require-*

ments and Exemptions (NI 31-103), to permit the Filer to continue acting as an investment fund manager without having obtained the necessary registration or having filed the necessary registration application in connection with the Amalgamation (as described below);

- (ii) the Commission for a ruling, pursuant to subsection 74(1) of the Act, that the investment fund manager registration requirement in subsection 25(4) of the Act shall not apply to Amalco (as described below), to permit Amalco to continue acting as an investment fund manager without having obtained the necessary registration for a limited period of time following completion of the Amalgamation (as described below); and
- (iii) the Director for a decision, under section 7.1 of NI 33-109, exempting the Filer from the requirement in section 6.1 of NI 33-109 to submit a completed Form 33-109F6 *Firm Registration (F6)* to the Commission on or before September 30, 2010 (collectively with the above, the **Relief Sought**);

in connection with a proposed amalgamation (the **Amalgamation**) of the Filer and Phillips, Hager & North Investment Management Ltd. (**PH&N**) on or about November 1, 2010.

AND WHEREAS defined terms used herein have the same meaning as contained in National Instrument 14-101 *Definitions*, unless they are otherwise defined.

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

AND UPON the Filer having represented that:

1. The Filer is a company organized under the laws of Canada, with a head office in Ontario. The Filer is currently registered as an adviser in the category of portfolio manager under securities legislation in all the provinces and territories of Canada, and in addition, is registered under securities legislation in Ontario and Newfoundland and Labrador as a dealer in the category of exempt market dealer. The Filer is also registered as a commodity trading manager under the *Commodity Futures Act* (Ontario) (the **CFA**).
2. To the best of the knowledge of the Filer, the Filer is not in default of securities legislation in Ontario.
3. The Filer acts as the manager and portfolio adviser of certain proprietary mutual funds and pooled funds established under the laws of Canada, and the Filer directs the business, operations and affairs of those funds from its head office located in Canada.

4. By operation of subsections 16.4(1) and (2) of NI 31-103, the Filer is required to apply for IFM registration pursuant to subsection 25(4) of the Act on or before September 28, 2010.
5. By operation of section 6.1 of NI 33-109, the Filer is required to submit a completed F6 to the Commission on or before September 30, 2010 in connection with the registrations of the Filer that existed prior to the implementation of NI 31-103.
6. PH&N is an affiliate of the Filer. PH&N's head office is located in British Columbia. PH&N is currently registered as an adviser in the category of portfolio manager under securities legislation in all the provinces and territories of Canada, and in addition, is registered under securities legislation in Ontario as a dealer in the category of mutual fund dealer.
7. The Filer and PH&N intend to amalgamate effective on or about November 1, 2010 to form a new corporate entity, RBC Global Asset Management Inc. (Amalco). Following the Amalgamation, the Filer and PH&N will no longer exist as separate legal entities. The head office of Amalco will be in Toronto, Ontario.
8. As of the effective date of the Amalgamation, each of the respective businesses of the Filer and PH&N will merge and continue as Amalco, and all of the business activities of the Filer and PH&N will become the responsibility of Amalco.
9. It is proposed that, immediately upon the completion of the Amalgamation, Amalco will continue to be registered in the same categories of registration as the Filer is currently registered, that is, as an adviser in the category of portfolio manager under securities legislation in all the provinces and territories of Canada, and in addition, as a dealer in the category of exempt market dealer under the securities legislation in Ontario and Newfoundland and Labrador. Amalco will also be registered as a commodity trading manager under the CFA.
10. In addition, pursuant to subsection 25(4) of the Act, Amalco will be required to be registered as an investment fund manager in Ontario as of the effective date of the Amalgamation.
11. Upon completion of the Amalgamation, the clients of the Filer and PH&N will continue as clients of Amalco. Subject to the receipt of the Relief Sought, it is anticipated that there will be no disruption in the ability of Amalco to conduct the respective businesses of the Filer and PH&N, and that Amalco will be able to advise and trade (as applicable) for or on behalf of clients immediately upon completion of the Amalgamation. Upon completion of the Amalgamation, Amalco will carry on the businesses transferred to it in substantially

the same manner with substantially the same personnel as previously conducted by the Filer and PH&N.

12. In the absence of the Relief Sought, the Filer would be required to:
 - a. submit a completed F6 to the Commission on or before September 30, 2010; and
 - b. apply for registration as an investment fund manager for the brief period between September 29, 2010 and November 1, 2010, which is the intended effective date of the Amalgamation.

In light of the upcoming Amalgamation, the costs associated with preparing and reviewing such materials on the part of the Filer and the Commission, respectively, outweigh any benefits associated with requiring such materials to be filed.

13. Similarly, in the absence of the Relief Sought, Amalco would be required to be registered as an investment fund manager in Ontario immediately upon the effective date of the Amalgamation, where it may be difficult for Amalco to deliver all of the required registration materials and finalize its investment fund manager registration in such a tight timeframe given the Amalgamation.

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 the Filer and Amalco shall not be subject to the investment fund manager requirement, provided that, this ruling shall terminate upon the earlier of:

- (i) if the Filer and PH&N determine that the Amalgamation shall not take place, the date that is 30 days after such determination but no earlier than September 28, 2010; and
- (ii) December 1, 2010.

September 10, 2010.

"Margot Howard"
Commissioner
Ontario Securities Commission

"Mary Condon"
Commissioner
Ontario Securities Commission

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

IT IS THE DECISION of the Director, pursuant to section 7.1 of NI 33-109, that the Filer shall not be subject to the requirement to submit a completed F6, provided that Amalco submit a completed F6 on or before December 1, 2010; otherwise, if the Filer and PH&N determine that the Amalgamation shall not take place, this decision shall terminate upon 30 days after the date of such determination but no earlier than September 30, 2010.

September 7, 2010.

"Erez Blumberger"
Deputy Director, Compliance and
Registrant Regulation
Ontario Securities Commission

2.2.4 Shaun Gerard McErlean et al. – ss. 127(1), 127(7)

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

AND

**IN THE MATTER OF
SHAUN GERARD MCERLEAN,
SECURUS CAPITAL INC., AND
ACQUIESCE INVESTMENTS**

**TEMPORARY ORDER
Section 127(1) & 127(7)**

WHEREAS on the 12th day of August, 2010, pursuant to subsections 127(1) and 127(5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), the Ontario Securities Commission (the "Commission") made an order against Shaun Gerard McErlean ("McErlean"), Acquiesce Investments ("Acquiesce") and Securus Capital Inc. ("Securus") (collectively the "Respondents");

AND WHEREAS on the 12th day of August, 2010, pursuant to subsection 127(6) of the Act, the Commission ordered that the following Temporary Order shall expire on the 15th day after its making unless extended by order of the Commission;

AND WHEREAS by Commission Order dated August 12, 2010, the Commission made the following temporary order (the "Temporary Order");

1. pursuant to clause 2 of subsection 127(1) of the Act, that trading of securities by the Respondents shall cease; and
2. that pursuant to clause 3 of subsection 127(1) of the Act, that the exemptions contained in Ontario securities law do not apply to the Respondents.

AND WHEREAS the Commission held a hearing on August 25, 2010;

AND WHEREAS on the 25th day of August, 2010, the Commission ordered that the Temporary Order be extended to September 29, 2010 and the hearing in this matter be adjourned to September 28, 2010 at 2:30 p.m.;

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

AND WHEREAS the parties to this proceeding consent to the making of this order;

IT IS ORDERED that the Temporary Order be extended to October 28, 2010 and the hearing in this matter be adjourned to October 27, 2010 at 1:00 p.m.

DATED at Toronto this 27th day of September, 2010.

"Mary G. Condon"

2.2.5 iShares DEX HYBRID Bond Index Fund – s. 1.1

Headnote

Certain mutual funds designated as exchange-traded funds for the purposes of OSC Rule 48-501.

Rules Cited

Ontario Securities Commission Rule 48-501 Trading During Distributions, Formal Bids and Share Exchange Transactions, s. 1.1.

**IN THE MATTER OF
ONTARIO SECURITIES COMMISSION RULE 48-501 – TRADING DURING DISTRIBUTIONS,
FORMAL BIDS AND SHARE EXCHANGE TRANSACTIONS (Rule)**

AND

**IN THE MATTER OF
ISHARES DEX HYBRID BOND INDEX FUND
(the Fund)**

**DESIGNATION ORDER
Section 1.1**

WHEREAS the Fund is or will be listed on the Toronto Stock Exchange;

AND WHEREAS under the Universal Market Integrity Rules (UMIR), the Fund is considered an Exempt Exchange-traded Fund that is not subject to prohibitions related to trading during certain securities transactions;

AND WHEREAS the definition of “exchange-traded fund” in the Rule is substantially similar to the definition of Exempt Exchange-traded Fund in UMIR, and the purpose of the Rule and UMIR are substantially similar;

THE DIRECTOR HEREBY DESIGNATES the Fund as an exchange-traded fund for the purposes of the Rule.

Dated September 27, 2010

“Susan Greenglass”
Director, Market Regulation

2.2.6 GLR Resources Inc. – s. 144

Headnote

Securities Act, R.S.O. 1990, c. S.5 – 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 when due – Defaults subsequently remedied by bringing continuous disclosure filings up-to-date – Issuer will file a news release and material change report on SEDAR that announces the revocation of the Cease Trade Order – 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
GLR RESOURCES INC.
(the “Applicant”)**

**ORDER
(Section 144)**

WHEREAS the securities of the Applicant are subject to a temporary order made by the Director dated April 14, 2009 under paragraph 2 and paragraph 2.1 of subsection 127(1) of the Act and a further cease trade order made by the Director dated April 27, 2009 under paragraph 2 and paragraph 2.1 of subsection 127(1) of the Act (collectively, the “**Cease Trade Order**”) directing that all trading in, and all acquisitions of, the securities of the Applicant whether direct or indirect, cease until the Cease Trade Order is revoked by the Director;

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

AND WHEREAS the Applicant has applied to the Ontario Securities Commission (the “**Commission**”) pursuant to section 144(1) of the Act for a revocation of the Cease Trade Order (the “**Application**”).

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

1. The Applicant was incorporated pursuant to the *Canada Business Corporations Act* (“**CBCA**”) on January 1, 2001 under the name 3851419 Canada Inc. (“**Newco**”) as a wholly-owned subsidiary of Greater Lenora Resources Corp.

(“**Greater Lenora**”). Pursuant to a plan of arrangement effected on July 24, 2001 under the CBCA involving 3796299 Canada Inc. and Greater Lenora, Newco acquired all of Greater Lenora’s assets and liabilities, changed its name to “GLR Resources Inc.” and commenced active operations as a junior mineral exploration company.

2. The registered head office of the Applicant is located at 4 Al Wende Avenue, Kirkland Lake, Ontario P2N 3J5.
3. The Applicant is a reporting issuer under the Act and under the securities legislation of British Columbia, Alberta, Québec and Nova Scotia and is not a reporting issuer or equivalent under the securities legislation of any other jurisdiction in Canada.
4. The authorized share capital of the Applicant consists of an unlimited number of common shares (“**Common Shares**”), of which 63,595,024 Common Shares are issued and outstanding and an unlimited number of Class B preferred shares, none of which are issued and outstanding.
5. Effective on the close of trading on January 7, 2009, the Applicant’s Common Shares were delisted from the Toronto Stock Exchange (the “**TSX**”) for failure to meet certain continued listing requirements of the TSX.
6. The Common Shares of the Applicant are not currently listed or quoted on any exchange or market in Canada or elsewhere.
7. The Cease Trade Order was issued as a result of the Applicant’s failure to file when due its audited annual financial statements for the fiscal year ended December 31, 2008 (the “**2008 Financial Statements**”), the management’s discussion and analysis relating to such annual financial statements (the “**2008 Annual MD&A**”) and the annual information form for the year ended December 31, 2008 (the “**2008 AIF**”).
8. Subsequently, the Applicant failed to file when due the required interim financial statements for the three month period ended March 31, 2009, the six month period ended June 30, 2009 and the nine month period ended September 30, 2009, the related management’s discussion and analysis for each such quarter and the related certificates required by National Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings* (“**NI 52-109**”).
9. The delay in filing the 2008 Annual Financials, the 2008 Annual MD&A and the 2008 AIF arose due to the financial difficulties the Applicant experienced during 2008 and the fact that, as a result thereof, the Applicant directed all of its

- efforts and resources to address such financial difficulties which in turn resulted in the Applicant filing a notice of intention to make a proposal under the *Bankruptcy and Insolvency Act* (Canada) in 2009 and the sale of its Saskatchewan assets pursuant thereto. As a result, despite its best efforts, the Applicant did not have sufficient funds and resources to produce the 2008 Annual Financials, the 2008 Annual MD&A and the 2008 AIF as management devoted all of its time and efforts to the restructuring of the Applicant to maximize value for all stakeholders.
10. On March 22, 2010, the Applicant filed on SEDAR the 2008 Financial Statements, the 2008 Annual MD&A, the 2008 AIF and the interim financial statements for the three month period ended March 31, 2009, the six month period ended June 30, 2009 and the nine-month period ended September 30, 2009, and the related management's discussion and analysis, and, as applicable, all certificates required by NI 52-109 (collectively, the "**Continuous Disclosure Documents**"). Copies of the Continuous Disclosure Documents are available under the Applicant's profile at www.sedar.com ("**SEDAR**").
 11. On June 16, 2010, the Applicant filed on SEDAR its audited annual financial statements for the fiscal year ended December 31, 2009, the management's discussion and analysis relating to such annual financial statements, the interim financial statements for the three month period ended March 31, 2010, and the related management's discussion and analysis for such quarter and all certificates required by NI 52-109.
 12. On June 30, 2010, the Applicant filed on SEDAR a technical report prepared pursuant to National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101") dated June 15, 2010 relating to its Sackville property entitled "*Technical Report on Mining Claims, Sackville Project, Adrian, Aldina, Sackville, and Marks Townships, Ontario, Canada, Thunder Bay District, Mining Division*" (the "**Technical Report**"). Subsequently on August 25, 2010, the Applicant filed an updated version of the Technical Report on SEDAR.
 13. On August 30, 2010, the Applicant filed on SEDAR the interim financial statements for the six month period ended June 30, 2010, and the related management's discussion and analysis for such quarter and all certificates required by NI 52-109.
 14. As a result of the filing on SEDAR of the Continuous Disclosure Documents, the Applicant's continuous disclosure record was and is up-to-date and, accordingly, all continuous disclosure documents have been filed with the relevant securities regulatory authorities.
 15. In addition to the Cease Trade Order, the Applicant is subject to the following cease trade orders (collectively, the "**Other Cease Trade Orders**"):
 - (a) an order issued by the Alberta Securities Commission (the "**ASC Order**") on November 13, 2009;
 - (b) an order issued by the British Columbia Securities Commission (the "**BCSC Order**") on April 14, 2009; and
 - (c) an order issued by the Autorité des marchés financiers (Québec) (the "**AMF Order**") on April 15, 2009.
 16. The Applicant has applied to have the BCSC Order, the ASC Order and the AMF Order revoked.
 17. The Applicant has undertaken to hold an annual meeting of shareholders within three months of the date hereof.
 18. The Applicant has paid the applicable fees to the Commission in accordance with OSC Rule 13-502 Fees in connection with the filing of the Continuous Disclosure Documents.
 19. The Applicant's profiles on SEDAR and the System for Electronic Disclosure by Insiders (SEDI) are up-to-date.
 20. Other than the Cease Trade Order, the Applicant is not in default of its continuous disclosure obligations under Ontario securities law or the rules and regulations made pursuant thereto, including NI 43-101.
 21. Other than the Cease Trade Order, the BCSC Order, the ASC Order and the AMF Order, the Applicant has not previously been subject to a cease trade order.
 22. The Applicant is not considering, nor is it involved in any discussions relating to a reverse take-over, merger, amalgamation or other form of business combination or transaction similar to any of the foregoing.
 23. Upon the issuance of this revocation order, the Applicant will issue a news release and file a material change report on SEDAR that announces the revocation of the Cease Trade Order and outlines the Applicant's future plans.
- AND UPON** considering the Application and the recommendation of the staff of the Commission;
- AND UPON** the Director being satisfied that 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 revoked.

DATED on this 27th day of September, 2010.

“Michael Brown”
Assistant Manager, Corporate Finance
Ontario Securities Commission

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Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions, Orders and Rulings

3.1.1 Carter Securities Inc. – s. 31

**IN THE MATTER OF
STAFF'S RECOMMENDATION TO SUSPEND THE REGISTRATION OF
CARTER SECURITIES INC.**

**Opportunity to be Heard by the Director
Section 31 of the Securities Act**

Dates of opportunity to be heard: August 4 and 26, 2010

Date of decision: September 22, 2010

Director: Marianne Bridge, FCA
Deputy Director, Compliance
Ontario Securities Commission (OSC)

Verbal arguments by: Michael Denyszyn, Legal Counsel and Pamela Foy, Senior Litigation Counsel for the staff of the OSC

Ellen Bessner of Cassels Brock & Blackwell, LLP on behalf of Carter Securities Inc. (Carter)

DIRECTOR'S DECISION

1. My decision is that Carter is not suitable for registration, that Carter has failed to comply with Ontario securities law, and that Carter's ongoing registration is objectionable.

FORMAT OF DECISION AND REASONS

2. Prior to the commencement of the opportunity to be heard (OTBH) on its merits, two motions were made by Carter's counsel. The decision and reasons on the motions, together with the decision and reasons on the OTBH on its merits are included below.
3. For ease of reference only, the headings in this document are as follows:
 - Motions to exclude Marianne Bridge as Director
 - Overview of the Motions
 - Who should hear a motion on bias?
 - Testimony of David Gilkes on the motions
 - Reasonable apprehension of bias
 - Production request
 - Procedures in OTBHs
 - Decision on the bias motions
 - Nature of evidence at an OTBH

- Suspension of registration and meanings of suitable and objectionable
- Brief chronology of events
- Arguments from staff on suspension of Carter's registration
 - Outline of the arguments
 - Ownership structure of Carter and its affiliated entities
 - Financial position of NAFG
 - NAFG's marketing materials
 - Where is the money coming from?
- Arguments from Carter's counsel on suspension of Carter's registration
 - Outline of the arguments
 - Testimony of David Gilkes on the suspension of Carter
- Decision on the suspension of Carter

MOTIONS TO EXCLUDE MARRIANNE BRIDGE AS DIRECTOR

Overview of the bias motions

4. Two motions were made by Carter's counsel – (1) that another Director hear the motion to exclude me as Director and (2) that another Director hear the OTBH on its merits.

Who should hear a motion on bias?

5. Staff argued, referencing Macaulay and Sprague (Hearings Before Administrative Tribunals, 3rd ed. (Toronto: Carswell, 2007)), that in administrative proceedings any motion on bias should be brought to the person that is the subject of the bias claim. Carter's counsel stated that Carter's "preference would be at least to have this motion heard by another [D]irector and perhaps have the [OTBH] on the merits by another [D]irector".

Testimony of David Gilkes on the motions

6. David Gilkes, the former Manager of the Registrant Regulation team in the Compliance and Registrant Regulation Branch, testified as consultant and agent to Carter.
7. Mr. Gilkes testified regarding his views on what my role may have been on the decisions to:
 - a. include Carter in a sweep of newly registered limited market dealers (the 2009 review)
 - b. perform a subsequent more in-depth review of Carter's operations (the 2010 review), and
 - c. recommend that Carter's registration as an exempt market dealer (EMD) be suspended.
8. Mr. Gilkes did not provide any evidence concerning communications between myself and senior staff on the Carter file. However, Mr. Gilkes testified that, in his experience, I would have been involved in all aspects of the file and that there would have been constant interaction between senior staff on the file and myself.
9. My involvement with respect to the 2009 review and the 2010 review of Carter was not as Mr. Gilkes described and was at all times in accordance with the *Securities Act* (Ontario) (Act). Specifically, as discussed below, the Director is entitled by the Act to be involved in all matters relating to the "life cycle" of registration – from initial registration to revocation of registration. And, as I said on the record at the start of the proceeding (in advance of the motions being made), I was not involved in staff's recommendation to suspend Carter's registration. In fact, as staff counsel advised at the OTBH, the recommendation to suspend Carter's registration was made to another Director.

Reasonable apprehension of bias

10. Carter's counsel argued that bias is a state of mind. She also argued that I owed a duty of fairness to the registrant. I agree.
11. Carter's counsel referred me to *E.A. Manning Ltd. v. Ontario (Securities Commission)* (1994), 18 O.R. (3d) 97 (Div. Ct., aff'd (1995), 23 O.R. (3d) 257 (C.A.)), leave to appeal to S.C.C. refused, 125 D.L.R. (4th) vii (S.C.C.). Manning related to the eligibility of Commissioners to hear a matter in a situation where the OSC had previously issued a policy on "penny stock". The test outlined in the case was whether there was prejudice to Manning. Staff argued that there was no evidence of my pre-judging this matter and thus the test set out in Manning was not relevant. I agree.
12. Staff argued that there was no reasonable apprehension of bias in the present case because the Director is permitted by the Act to be involved in all aspects of the registration process up to and including suspension. In support of this, staff referred me to various provisions of the Act authorizing the Director to be involved in all stages of the registration process (see sections 3.6(1), 20, 27, 28, and 31 of the Act).
13. Staff referred me to *Brosseau v. Alta. Securities Comm.*, [1989] 1 S.C.R. 301 and to *W.D. Latimer Co. v. Bray* (1974), 6 O.R. (2d) 129 (C.A.). Both *Brosseau* and *Latimer* deal with the various functions of securities commissions. Staff argued that these cases stand for the proposition that a reasonable apprehension of bias only arises if I acted in a manner that went beyond my statutory powers and duties. There is no evidence that this was the case here.
14. Staff also referred me to *Norshield Asset Management (Canada) Ltd., Re* (2009), 32 O.S.C.B. 1249, where the Commission adopted the test for apprehension of bias set out in *Newfoundland Telephone Co. v. Newfoundland (Board of Commissioners of Public Utilities)*, [1992] 1 S.C.R. 623. As the Supreme Court of Canada stated:

"To ensure fairness the conduct of members of administrative tribunals has been measured against a standard of reasonable apprehension of bias. The test is whether a reasonably informed bystander could reasonably perceive bias on the part of adjudicator."

Production request

15. Carter's counsel argued that "full" disclosure in regard to correspondence relating to the matter had not been made and thus there was no current evidence of actual bias. She suggested that the disclosure requested, if provided, would provide evidence of actual bias.
16. Staff argued that the production request by Carter's counsel was overly broad and irrelevant. Staff also argued that there was no evidence of actual bias and that Carter was not entitled to go on a "fishing expedition" to get that evidence. Lastly staff argued that there was no evidence to suggest that this matter had been pre-adjudicated or prejudged by me.
17. I agreed with the arguments of staff and denied the production request.

Procedures in OTBHs

18. Staff referred me to section 8 of the *Procedures for Opportunities to be Heard before Director's Decisions on Registration Matters made under the Statutory Powers Procedure Act* (Procedures). Part 8 of the Procedures states that:
 - (a) An appearance before the Director will generally be an informal proceeding. The *Ontario Securities Commission Rules of Practice* and the *Rules of Civil Procedure* do not apply to such proceedings.
 - (b) At the appearance, the Director may ask any question and admit any evidence which he or she sees fit..."
19. As the above quote makes clear, OTBHs are more informal than proceedings under section 127 of the Act.

Decision on the bias motions

20. I agreed with staff's submissions on the motion to exclude me as Director and determined that it was appropriate for me to hear the second motion that another Director hear the OTBH on its merits. In my view, it is clear from *Macauley and Sprague* that in proceedings of this type, any motion on bias should be brought to the person that is the subject of the bias claim – in this case, me.

21. Despite the evidence of Mr. Gilkes, the overlapping of functions is authorized by the Act. *Brosseau* and *Latimer* confirmed that, to the extent overlapping functions are authorized by legislation, they will not generally be subject to the doctrine of reasonable apprehension of bias. Therefore, as long as the Director acts within the scope of his or her authority under the Act, there is no reasonable apprehension of bias. I did not and have not pre-adjudicated or prejudged the matter and there is no evidence that I went beyond my statutory powers and duties. As a result, there is no reasonable apprehension of bias.
22. I was also asked to consider the issue of fairness and whether my proceeding to act as Director in this matter was fair to Carter. There is no disagreement between the parties (or with me) that a duty of fairness is owed to Carter. Since there is no reasonable apprehension of bias, there is no issue of unfairness to Carter either. In my view, the duty of fairness will be satisfied if I act in accordance with my statutory authority and approach matters before me with an open mind.
23. As a result, my decision is that the motions are denied and that the OTBH on the merits will proceed before me as Director.

NATURE OF EVIDENCE AT AN OTBH

24. Both counsel made a number of submissions throughout the OTBH about the nature of required “evidence” at an OTBH.
25. I was specifically referred to sections 2(b) and 8 of the Procedures. Section 2(b) states that these “Procedures are intended to ensure that [OTBHs] by the Director are handled in a way that is not unnecessarily formal, **while ensuring a fair hearing**.” [emphasis added]. Part 8 of the Procedures is set out above.
26. Staff argued that there is no rule and no case law requiring staff to adduce evidence solely through *viva voce* evidence. The Director may admit any evidence into the proceeding and I, as Director, control the evidence and documents that form part of the record and evidence at the OTBH. Staff further argued that arguments on evidence should only go to the weight I place on the evidence, not the admissibility of the evidence itself.
27. Staff also referred me to *Rex Diamond Mining Corp. v. Ontario (Securities Commission)*, 2010 ONSC 3926. The decision is an appeal of a decision pursuant to section 127 of the Act. The case provides, at para. 4, that “hearsay evidence is not, in law, necessarily less reliable than direct evidence”. As a result, staff argued that the two books of documents provided to me by staff in the OTBH are proper hearsay evidence.
28. Over the objection of Carter’s counsel, I entered the two books of staff documents as exhibits in the OTBH. Substantially all of the documents in the two books of staff documents are copies of, or extracts from, Carter’s or North American Financial Group’s (NAFG) books and records, or are documents or correspondence between staff and Carter or its registered representatives. As a result, I had no difficulty in accepting the two books of documents as evidence in the OTBH.
29. As well, many of the documents in the two books of documents were referred to by Mr. Gilkes, as consultant and agent for Carter, in his testimony. At no time did Mr. Gilkes suggest in any way that the veracity of any of these documents was an issue.

SUSPENSION OF REGISTRATION AND MEANINGS OF SUITABLE AND OBJECTIONABLE

30. The purposes of the Act, which are set out at section 1.1, are to provide protection to investors from unfair, improper or fraudulent practices, and to foster fair and efficient capital markets and confidence in capital markets.
31. Section 28 of the Act provides that the Director may suspend the registration of a company at any time during the period of its registration if it appears to the Director that (i) the company is not suitable for registration or has failed to comply with Ontario securities law, or (ii) the registration is otherwise objectionable.
32. A registrant is in a position to provide valuable services to the public. A registrant also has a corresponding capacity to do material harm to investors and to the public at large. Determining whether an applicant should be registered is thus an important component of the OSC’s public interest mandate. As well, as noted in numerous prior decisions, registration is a privilege, not a right.
33. The OSC has, over time, articulated three fundamental criteria for determining suitability for registration – integrity (which includes honesty and good faith, particularly in dealings with clients, and compliance with Ontario securities law), proficiency, and solvency. These three fundamental criteria have been codified in subsection 27(2) of the Act, which provides that in determining whether a person is suitable for registration, the Director shall consider whether the

person has satisfied the requirements prescribed in the regulations relating to proficiency, solvency and integrity, and such other factors as the Director considers relevant. The criterion at issue here is integrity.

34. The determination of whether an applicant's proposed registration may be otherwise objectionable goes beyond the three suitability criteria above. Prior OSC decisions have held that registration is "otherwise objectionable" if it is determined, with reference to the purposes of the Act, that it is not in the public interest for the person or company to be registered. For example, in *Mithras Management Ltd., Re* (1990), 13 O.S.C.B. 1600 the OSC held that:

"[T]he role of this Commission is to protect the public interest by removing from the capital markets... those whose conduct in the past leads us to conclude that their conduct in the future may well be detrimental to the integrity of those capital markets..."

BRIEF CHRONOLOGY OF EVENTS

35. Carter was registered as a limited market dealer (LMD) in 2007. By operation of law, Carter became registered as an EMD in September 2009.
36. Staff performed two reviews of Carter's operations – the 2009 review and the 2010 review. Staff identified concerns with respect to the suitability of Carter's ongoing registration and, by letter dated June 23, 2010, staff advised Carter of its recommendation that Carter's EMD registration be suspended. Pursuant to section 31 of the Act, Carter is entitled to an OTBH before a decision is made by the Director. The OTBH was held on August 4 and August 26, 2010 at the OSC's offices.
37. My decision is based on submissions, arguments, evidence, and testimony provided at the OTBH.

ARGUMENTS FROM STAFF ON SUSPENSION OF CARTER'S REGISTRATION

Outline of the arguments

38. Staff argued that Carter has engaged in a pattern of conduct – through its individual registrants – that demonstrates that it lacks the integrity required of registered firms under the Act. The conduct identified included:
- a. Carter's lack of disclosure to its clients purchasing NAFG securities of the severe financial difficulties being faced by NAFG – a violation of section 13.3 of National Instrument 31-103 *Registration Requirements and Exemptions* (NI 31-103) and of OSC Rule 31-505 *Conditions of Registration* (OSC Rule 31-505)
 - b. NAFG's marketing materials include statements that are misleading, unsupported or not accurate – a violation of subsection 44(2) of the Act
 - c. Carter's lack of disclosure to its clients of the Prestige Motors loan – a violation of section 2.1 of OSC Rule 31-505, and
 - d. Carter's lack of disclosure to its clients of the non-interest bearing related party loans (including the Prestige Motors loan) – a violation of subsection 13.4(3) of NI 31-103.

Ownership structure of Carter and its affiliated entities

39. Carter is owned 50% by two brothers – Flavio Arconti and Gino Arconti. They also own the following affiliated companies – NAFG (50%, 50%), North American Capital Inc. (NAC) (50%, 50%), and 970910 Ontario Inc., operating as Prestige Motors (52%, 48%).
40. Flavio Arconti is the Chief Compliance Officer, Ultimate Designated Person, director and a dealing representative of Carter. Gino Arconti is a director and the other dealing representative of Carter.
41. Carter sells securities issued by NAFG and NAC to its clients using the accredited investor exemption under National Instrument 45-106 *Prospectus and Registration Exemptions*. Carter is subject to the know your client and know your product obligations with respect to investments sold to its clients.
42. Both NAFG and NAC are finance companies specializing in subprime car leasing. Prestige Motors is a car dealership. NAFG issues promissory notes at a 10% interest rate. NAC issues Class A preferred shares with a 10% dividend rate. Both NAFG and NAC have paid interest/dividends on a timely basis. Prestige Motors purportedly advertises guaranteed car loans regardless of past credit.

Financial position of NAFG

43. Because NAFG and Carter are owned by the same two people, staff argued that the Arconti brothers (the individual registrants of Carter) had unlimited access to NAFG's financial affairs and records. I agree.
44. NAFG's balance sheet as at December 31, 2009 shows a loan to Prestige Motors for approximately \$2 million. According to the correspondence of Carter with OSC staff during the course of the 2010 review, the "loan is used to finance the inventory of vehicles that is used to help originate loans and leases for [NAFG]" and "[n]o interest is charged on the loan and repayment is targeted within two years".
45. The loan to Prestige Motors was not disclosed to Carter clients investing in NAFG. This was confirmed by Mr. Gilkes in his testimony. The impact of the loan is that a material part of investor proceeds raised by Carter for NAFG are used to loan monies to other Arconti companies with no interest income accruing to the public investors in NAFG. As a result, in staff's view, Gino and Flavio Arconti put their own interests ahead of the interests of Carter investors. Staff also argued that the non-disclosure of the loan by Carter to its clients violates section 2.1 of OSC Rule 31-505 which requires registrants to deal with clients fairly, honestly and in good faith.
46. There are also two other relatively large related party loans on NAFG's balance sheet – a loan to 1014177 Ontario Inc. (\$177,625) and a loan from NAC in the amount of \$200,000. 1014177, a corporation which operated under the trade name North American Coverage, offered in-house extended vehicle warranties to car lessors and buyers. It is now an inactive corporation.
47. Staff argued that the existence of the non-interest bearing related party loans creates undisclosed conflicts of interest. Subsection 13.4(3) of NI 31-103 provides that if a reasonable investor would expect to be informed of a material conflict of interest, the registered firm must disclose in a timely manner the nature and extent of the conflict of interest to the client whose interest conflicts with the interest identified. No evidence of disclosure of the conflicts of interest to Carter's clients exists.
48. NAFG also shows almost \$600,000 of accounts receivable on its balance sheet. A review of the aged accounts receivable of NAFG shows that over 83% of these receivables are over 91 days old. As per the correspondence of Carter with staff during the course of the 2010 review, virtually none of these very old receivables have been written off because Carter's policy is to write off accounts receivable only if the client is bankrupt. Staff argued that this practice is not prudent because the purchasers of cars from Prestige Motors all have subprime loans. It is also not consistent with prudent accounting practices. Staff submitted that, because NAFG did not make an appropriate allowance for doubtful accounts, its financial position which staff submitted already reflects severe financial difficulties, is significantly overstated.
49. For the year ended December 31, 2009, NAFG's income statements showed that on revenue of just over \$500,000, the company sustained a net loss of over \$300,000 (i.e. expenses exceeded \$800,000). Total accumulated (net) losses to date total almost \$1.2 million.
50. In staff's view, NAFG's financial difficulties bear directly on Carter's integrity as an EMD. Carter did not disclose to its clients purchasing NAFG securities the severe financial difficulties being faced by NAFG. As a registrant, Carter is required under section 13.3 of NI 31-103 to take reasonable steps to ensure that, before it makes a recommendation to or accepts an instruction from a client to buy or sell a security, the purchase or sale is suitable for the client. In selling securities of NAFG to its clients, staff submitted that Carter was aware or should have been aware (because of the ownership structure of both NAFG and Carter) of the risks associated with NAFG's financial position. However, Carter did not explain these risks to its clients, which staff submitted would have been material in making an appropriate investment decision. Staff also argued that the non-disclosure of the severe financial difficulties being faced by NAFG violates OSC Rule 31-505 which requires registrants to deal with clients fairly, honestly and in good faith.
51. Staff further submitted that Carter was not appropriately discharging its suitability obligations to its clients (under section 13.3 of NI 31-103) by not considering and explaining NAFG's financial predicament, which staff submitted was not disclosed in its marketing materials and which was not properly reflected in its own financial statements.
52. Carter's counsel argued that it is inappropriate for staff to raise issues related to the solvency of NAFG as a reason for concluding that Carter lacks integrity. I disagree. The issues related to NAFG's solvency are directly related to Carter's integrity. It is Carter and its registered representatives that are selling NAFG products to their clients without explaining the risks of these products to clients, without disclosing NAFG's severe financial difficulties, and without disclosing NAFG's non-interest bearing loan to Prestige Motors.

NAFG's marketing materials

53. Staff counsel walked me through NAFG's marketing materials in detail. These materials are provided to all investors in NAFG (all of which are Carter clients). This fact was confirmed by Mr. Gilkes in his testimony. Staff argued that many of the statements made in the marketing materials are misleading, unsupported or not accurate. Examples include:
- a. No disclosure that a substantial percentage of NAFG's investor funds are invested in non-interest bearing related party loans
 - b. A lack of disclosure regarding NAFG's poor financial condition
 - c. NAFG has "grown to become a leader in the finance sector" and NAFG is "a leading non-bank finance lender"
 - d. Comparisons of NAFG's returns to those of low risk secured alternatives (Canada Savings Bonds and GICs)
 - e. "Quantitative analysis, understanding and interviewing every borrower is the foundation of our lending"
 - f. "Once a loan is advanced we continue to regularly monitor the borrower and the asset until the loan is repaid", etc.
54. Staff claimed that NAFG's marketing materials violate subsection 44(2) of the Act which provides that:
- "No person or company shall make a statement about any matter that a reasonable investor would consider relevant in deciding whether to enter into or maintain a trading or advising relationship with the person or company if the statement is untrue or omits information necessary to prevent the statement from being false or misleading in the circumstances in which it is made."
55. Staff argued that by inappropriately directing investor funds into unsecured, non-interest bearing related party loans, by not disclosing these loans or the conflicts of interest arising from them to investors, by failing to discharge its suitability obligations in light of NAFG's serious financial difficulties, and by disseminating misleading and inaccurate marketing materials, Carter has engaged in a pattern of conduct that demonstrates that it lacks the integrity required of registered firms under the Act. Consequently, staff is of the view that Carter is not suitable for registration and should be suspended.
56. Staff also referred me to an advertisement by Carter from the business section of the Toronto Star. In staff's view the advertisement is misleading because only the 10% return on investment in either NAFG or NAC is in print large enough for most people to read.

Where is the money coming from?

57. Staff also argued that the Arconti companies are essentially a "house of cards". Money is being paid out by Carter's affiliated entities (NAFG and NAC) to investors. Yet the only source of money flowing into the group of Arconti companies discussed at the OTBH on a net basis is new capital from Carter investors. Staff supported this argument by arguing that NAFG is consistently losing money and that NAFG has a substantial non-interest bearing loan to Prestige Motors (approximately 40% of investor funds). Staff further argued that if Carter cannot provide me, as Director, with an explanation of where the money is coming from then Carter's registration should be considered objectionable.

ARGUMENTS FROM CARTER'S COUNSEL ON SUSPENSION OF CARTER'S REGISTRATION

Outline of the arguments

58. Counsel for Carter made three main points in her submissions:
- a. The process followed by staff in recommending the suspension of Carter's registration was not the normal process
 - b. Staff's concerns related mainly to the issuer (NAFG) and not Carter, as registrant, and that if staff had concerns about NAFG it should pursue them through another avenue. As an aside, counsel advised that proceedings have commenced against the "North American companies", and
 - c. Staff has no direct allegations against Carter and the allegations against NAFG as issuer are not relevant to staff's case against Carter.

Testimony of David Gilkes on the suspension of Carter

59. Mr. Gilkes testified that Carter meets its current registration requirements under NI 31-103.
60. He provided testimony on his views on the 2009 Compliance Team Annual Report. He referred to the summary of findings from the sweep of newly registered LMDs (now EMDs) and testified that the issues identified were similar to the ones identified during the 2009 review of Carter. He also testified that the issues from the 2009 review had been resolved by Carter.
61. Mr. Gilkes also testified at length about the chart on page 38 of the Annual Report which sets out possible outcomes from compliance reviews. He testified about the lack of a suspension outcome and that, in his view, the 2009 review fell into the lowest form of outcome from a compliance review (enhanced compliance). He later acknowledged in response to a question from me that suspension could not have been a possible outcome in the chart because the Director suspension power came into effect with NI 31-103 (after the period covered by the Annual Report).
62. The last correspondence from Carter to OSC staff on the 2009 review was dated mid November 2009. In early January 2010, staff notified Carter that it intended to do another review. Mr. Gilkes testified that the short period of time between the 2009 review and the 2010 review was "not common" in his experience.
63. The 2010 review took approximately 4 weeks. No deficiency report was issued by staff. Instead, staff recommended that Carter be suspended. Mr. Gilkes testified that this too was unusual – that there was always a field review report issued after an audit.
64. Mr. Gilkes testified that the issue here was integrity, not proficiency or financial solvency (since neither requirement comes into effect for EMDs until September 2010). He testified that the only issue raised by staff that is relevant to Carter is the disclosure to investors of the intercompany loans. He also testified that if there are solvency issues here, they are the issuer's (NAFG), not Carter's because the only revenues or expenses that Carter has are OSC registration fees.
65. On the issue of the NAFG loan to Prestige Motors, Mr. Gilkes testified that NAFG has now hired a lawyer to put documentation in place regarding the loan. They are also "having a general security agreement put against that loan so that any [NAFG] investors, should there be a problem with Prestige [Motors], will then be able to claim against the inventory based against that loan". As an aside, I was informed on the second day of the OTBH that the general security agreement in favour of NAFG had been filed in respect of Prestige Motors' inventory equipment accounts and other categories.
66. Mr. Gilkes also took me through a number of issues related to the suspension letter. He testified that the reference in the suspension letter to inappropriate use of investor proceeds by Carter was incorrect because Carter is only a conduit for the issuer (NAFG/NAC) and the investors (Carter's clients), and that all investor cheques are payable to the issuer. He testified that NAFG "is the company that receives the money, it is the company that handles the money, it is the company that has the main operating business". However, he also testified that all the Arconti companies (Prestige Motors, NAFG, NAC and Carter) are "all one organization. It is leasing cars. It is getting cars, leasing cars, and financing the leasing of those cars".
67. Mr. Gilkes also testified regarding his views on the appropriateness of the suspension remedy for Carter's conduct. In his view, terms and conditions were a more appropriate remedy, although he could not identify appropriate terms and conditions for these circumstances since his view was that staff's concerns were more focused on NAFG than on Carter.
68. He also testified regarding his views on NAFG's marketing materials, which are now in the process of being substantially revised (with his assistance). He testified that many of the problematic statements identified by staff above have been removed or amended. As well, the "original" marketing materials were removed in late July from NAFG's website (more than a month after staff sent the suspension recommendation letter to Carter).
69. On cross examination, Mr. Gilkes confirmed that Carter's suitability obligations as a registrant include both know your client and know your product. He also testified that the NAFG marketing materials were provided to Carter clients by Carter, NAFG or Prestige Motors. Mr. Gilkes stated that his view was that Carter clients were not being solicited to purchase NAFG securities via these marketing materials, but that the provision of the marketing materials to Carter clients could be considered to be an act in furtherance of a trade.
70. Also on cross examination, Mr. Gilkes was asked whether, in his view, the NAFG marketing materials constituted an offering memorandum (as that term is defined in the Act). Mr. Gilkes' response was no. However, he later clarified that

there are “no documents called offering documents, but there are documents that you must sign to invest [in NAFG and NAC]”.

DECISION ON THE SUSPENSION OF CARTER

71. Although much was made of the fact that staff's allegations and concerns focused on NAFG (as issuer) and not Carter (as registrant), my view is that the allegations and concerns relating to NAFG also equally relate to Carter. My view is based on the following factors:
- a. Carter and NAFG are both owned by the same two individuals – both of whom are registrants under the Act, and
 - b. The significant intercompany relationships and business dealings between Carter, NAFG, NAC, and Prestige Motors. In my view, the businesses of these entities are inextricably linked.
72. As well, I was concerned about the following selected staff allegations, which in my view were proven during the OTBH:
- a. All of Carter's clients receive NAFG marketing materials – from either NAFG, Carter or Prestige Motors - before investing in securities of NAFG
 - b. Many of the statements made in the NAFG marketing materials were misleading, unsupported or not accurate
 - c. The significant intercompany loan from NAFG to Prestige Motors, which was not disclosed to Carter clients investing in NAFG, and
 - d. NAFG's severe financial issues including the substantial percentage of over 90 day accounts receivables, all of which related to receivables on subprime loans. NAFG's severe financial difficulties also were not disclosed to Carter clients investing in NAFG.
73. I find that Carter did not meet its registration obligations under section 13.3 of NI 31-103. Carter did not take reasonable steps to ensure that the purchase or sale of NAFG securities was suitable for its clients. As a result, I concluded that Carter did not meet its suitability obligations to its clients.
74. I concur with staff's assertions that NAFG's marketing materials violate subsection 44(2) of the Act. I also concur with staff's assertions that both the non-disclosure by Carter to its clients of the Prestige Motors loan and the non-disclosure of the severe financial difficulties being faced by NAFG violate section 2.1 of OSC Rule 31-505 which requires registrants to deal with clients fairly, honestly and in good faith.
75. Carter did not provide me with an explanation of where, in staff's words, “the money was coming from”. The only reasonable conclusion I was able to come to is that NAFG maintains its ongoing business operations through the infusion of new client monies from Carter clients. I was unable to determine how, absent new monies coming into NAFG from Carter clients, NAFG was able to continue to finance ongoing distributions to its promissory note holders. Certainly NAFG's financial statements did not show sufficient income to be able to finance these payments.
76. Carter's counsel also argued that the normal process was not followed by staff in recommending that Carter's registration be suspended. I disagree. Following the completion of a compliance field review, staff has a number of “tools” available to it from including issuing a deficiency report (for identified issues that staff believes can be relatively easily remedied) up to and including the relatively new Director suspension power. In the majority of cases, a deficiency report is issued. However, faced with possible registrant misconduct, staff's approach is to assess the possible misconduct and determine the appropriate tool to deal with the misconduct. In some cases, staff determines that terms and conditions on registration are the appropriate remedy. Other possible staff remedies are to refer the issue(s) to the OSC's Enforcement Branch for further investigation and possible litigation, or to do as staff did in these circumstances and recommend suspension of registration.
77. Carter's counsel referred me to *Seal, Re* (1996), 19 O.S.C.B. 1529. In *Seal*, the OSC sought to remove the registrant from the capital markets for misrepresenting certain facts to the OSC. She argued that “what is being sought by staff are extreme steps that could have been resolved with terms and conditions”. She further argued that, even in *Seal* where the registrant was criminally charged with fraud, the OSC did not impose terms and conditions (or recommend suspension). She argued that *Seal* is similar to the case before me in that this proceeding relates to the first allegations of impropriety against Carter or its principals. Since the OSC only reprimanded *Seal*, Carter's counsel argued that a similar sanction (or perhaps terms and conditions) were appropriate in this case.

78. The Director decision in *Jaynes, Re* (2000), 23 O.S.C.B. 1543 states in part that “[w]hile terms and conditions restricting registration may be appropriate in a wide variety of circumstances, they should not be used to shore up a fundamentally objectionable registration”. In my view, the use of terms and conditions in this case would be shoring up a fundamentally objectionable registration.
79. I was asked to consider whether Carter’s recent steps to address the specific problems identified over the course of the OTBH (including the retention of Mr. Gilkes, the general security agreement in favour of NAFG, and the removal of the marketing materials from Carter’s website) were sufficient. I agreed with staff’s submissions that these “short term fixes” do not address the causes of staff’s underlying concerns – which are related to the failure of Gino and Flavio Arconti (as the individual registrants of Carter) to demonstrate the requisite integrity of securities professionals.
80. I was also asked to consider whether a higher level of evidence was required in this case since the impact of a decision to suspend Carter will seriously impact the livelihoods of Gino and Flavio Arconti. Carter’s counsel referred me to cases which generally related to conduct of an individual and where the impact of the decision could materially affect the ability of the individual to earn a livelihood. For example, in *Law Society of Upper Canada v. Neinstein* (2007), 85 O.R. (3d) 446 (Div. Ct.) (appealed to C.A. only in respect a finding of the hearing panel that was found to be inadequate, 2010 ONCA 193) the Court held that the “Bernstein test” (*Re Bernstein and College of Physicians and Surgeons of Ontario* (1977), 15 O.R. (2d) 447 (Div. Ct.)) applied. As set out in paragraph 54 of the Divisional Court decision:

“The standard of proof ... was the civil standard of balance of probabilities. However, given the seriousness of the allegations of professional misconduct and the possible consequences for the respondent, the allegations had to be proven by **clear, convincing and cogent evidence.**”
[emphasis added]

Carter’s counsel argued that this type of evidence did not exist in this case.

81. Staff counsel argued that the test in OTBH procedures is very clear in section 28 of the Act. Section 28 provides that the Director may suspend the registration of a company at any time during the period of its registration **if it appears to the Director** that (i) the company is not suitable for registration or has failed to comply with Ontario securities law or (ii) the registration is otherwise objectionable [emphasis added]. This is a different test than the standard of proof in civil cases.
82. Staff counsel referred me to a number of recent OTBH decisions which clearly set out the requirements in section 28 of the Act for OTBH procedures. Although none of the cases referred to by staff specifically addressed the issue of clear, cogent and convincing evidence, my view is that the Director in an OTBH has an obligation in coming to his or her decision to ensure that the evidence provided in the OTBH clearly supports the Director’s decision. In OTBHs, the Director may admit any evidence into the proceeding and I, as Director, control the evidence and documents that form part of the record and evidence at the OTBH.
83. Carter’s counsel also referred me to the 2010 Mutual Fund Dealers Association (MFDA) settlement agreement with Excel Financial Growth Inc., a mutual fund dealer and EMD. In *Excel*, MFDA staff performed two compliance examinations of Excel and identified what appeared to be serious issues related to failure to conduct suitability reviews and trade supervision, lack of evidence of trade supervision, suitability of exempt securities, etc. Carter’s counsel argued that, even after identifying these serious issues, the MFDA did not suspend Excel. Instead it chose to enter into a settlement agreement with Excel. Counsel argued that, if the same analysis were followed in this case, staff could have used the less extreme step of resolving its outstanding issues with Carter through the use of terms and conditions or other available tools. Staff argued that since the MFDA does not register its members under the Act, it does not have the ability to suspend registration and thus Excel is distinguishable from the present case. I agree.
84. Carter’s counsel also referred me to the May 12, 2010 Statement of Allegations against Nelson Financial Group Ltd. et al. In *Nelson*, staff alleges an illegal distribution of securities, misleading staff, misleading the OSC, and conduct abusive to the integrity of the capital markets. Carter’s counsel argued that, because the Nelson matter will proceed before an OSC Commissioners panel, there will be a higher level of evidence required, yet the consequence to the registrant is the same (i.e. the registrant may be suspended). She also argued that the allegations in this case are much less severe.
85. Staff counsel argued that *Nelson* is easily distinguishable from this one in that the enforcement proceeding involves the registrant, the issuer, and employees and former employees of the registrant. As well, other sanctions (including permanent cease trade orders, etc.) are being sought besides suspension. There is also a voluntary cease trade order in effect and there are CCAA proceedings underway. I agree with staff’s submissions on this case.

86. During the OTBH, staff referred to a power point slide which, although presented by staff at the OTBH, was not entered as an exhibit in the proceeding, nor was I provided with a hard copy of the slide. Carter's counsel argued that the power point slide should not have been admitted as evidence in the OTBH. My decision in this matter was not based on any information contained in the power point slide which was not otherwise proven during the OTBH.
87. In conclusion, in my view the evidence in this case supports my decision that Carter's registration should be suspended. I concur with staff's assessment that Carter has engaged in a pattern of conduct – through its individual registrants – that demonstrates that it lacks the integrity required of registered firms under the Act. Many of the issues identified by staff are violations of securities legislation. If Carter possessed the requisite integrity for a registrant, it would not have engaged in the pattern of misconduct identified above. My decision is that Carter is not suitable for registration, that Carter has failed to comply with Ontario securities law, and that Carter's ongoing registration is objectionable.

September 22, 2010

"Marrianne Bridge, FCA"
Deputy Director, Compliance
Ontario Securities Commission

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Chapter 4

Cease Trading Orders

4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Revoke
Power Tech Corporation Inc.	16 Sept 10	28 Sept 10	28 Sept 10	
Coalcorp Mining Inc.	29 Sept 10	12 Oct 10		

4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
Coalcorp Mining Inc.	07 Oct 09	19 Oct 09	19 Oct 09	29 Sept 10	29 Sept 10
Mitec Telecom Inc.	23 Sept 10	05 Oct 10			

4.2.2 Outstanding Management & Insider Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
Coalcorp Mining Inc.	07 Oct 09	19 Oct 09	19 Oct 09	29 Sept 10	29 Sept 10
Mitec Telecom Inc.	23 Sept 10	05 Oct 10			

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Chapter 7

Insider Reporting

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

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

To obtain Insider Reporting information, please visit the SEDI website (www.sedi.ca).

Chapter 8

Notice of Exempt Financings

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

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price (\$)	No of Securities Distributed
09/07/2010	25	Alda Pharmaceuticals Corp. - Units	327,500.00	3,275,000.00
09/01/2010	1	Base Oil & Gas Ltd. - Common Shares	373,449.90	1,244,833.00
09/08/2010	21	Blue Cove Capital Corp. - Common Shares	303,216.20	6,064,324.00
09/13/2010	2	Calloway Limited Partnership III - Units	10,368,000.00	1,480,000.00
09/13/2010	1	Calloway Real Estate Investment Trust - Units	0.00	800,000.00
09/01/2010	2	Capital Direct I Income Trust - Units	115,000.00	11,500.00
09/09/2010	44	Chieftain Metals Inc. - Receipts	12,628,324.30	4,073,653.00
08/19/2010	44	Coastport Capital Inc. - Units	2,138,578.00	14,257,184.00
09/13/2010	3	Continental Resources, Inc. - Notes	11,306,900.00	11,000.00
09/10/2010	44	Currie Rose Resources Inc. - Units	1,000,000.00	16,666,667.00
09/08/2010	4	CVG Chile Limited Partnership - Units	15,935,025.00	15,935,025.00
09/09/2010	3	Darford International Inc. - Units	350,000.00	1,400,000.00
09/17/2010	9	DB Mortgage Investment Corporation #1 - Common Shares	1,600,000.00	1,600.00
09/03/2010	9	DB Mortgage Investment Corporation #1 - Common Shares	1,010,000.00	1,010.00
09/14/2010	2	Dejour Enterprises Ltd. - Flow-Through Shares	750,000.00	2,000,000.00
09/10/2010	2	DeLL Inc. - Notes	10,343,325.00	N/A
09/10/2010	5	Diadem Resources Ltd. - Common Shares	100,000.00	833,334.00
08/16/2010	1	Energy Fund XV-B, L.P. - Limited Partnership Interest	26,080,000.00	1.00
09/21/2010	11	Fancamp Exploration Ltd. - Units	1,735,000.00	3,555,555.00
09/07/2010	11	First Mexican Resources Inc. - Units	205,000.00	585,711.00
09/07/2010	23	Full Metal Minerals Ltd. - Common Shares	1,064,599.38	5,914,441.00
09/14/2010	31	Greenfields Petroleum Corporation - Common Shares	12,896,450.50	1,984,077.00
09/10/2010	2	I-Pluse Inc. - Common Shares	31,053,001.00	14,285,715.00
09/13/2010 to 09/16/2010	7	IGW Real Estate Investment Trust - Units	127,630.23	52,468.93
09/17/2010	37	iseemedia Inc. - Receipts	3,000,000.06	33,333,334.00

Notice of Exempt Financings

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price (\$)	No of Securities Distributed
08/27/2010	41	JNR Resources Inc. - Units	400,095.00	2,353,500.00
08/31/2010	15	Kelso Technologies Inc. - Units	196,112.00	1,153,600.00
08/15/2010	1	Kingwest Canadian Equity Portfolio - Units	13,775.63	1,287.78
08/15/2010	1	Kingwest U.S. Equity Portfolio - Units	9,233.56	723.34
08/31/2010	1	landry's Holdings, Inc. - Notes	4,770,000.00	1.00
09/10/2010	18	Latin America Minerals Inc. - Units	1,500,000.00	10,000,000.00
09/08/2010	8	Lingo Media Corporation - Loans	1,000,000.00	1.00
09/13/2010	2	Lord Lansdowne Holdings Inc. - Units	360,001.44	504.00
09/07/2010	8	Maple Leaf Reforestation Inc. - Units	235,000.00	2,350,000.00
09/07/2010	3	Maple Tree Holdings, L.P. - Units	7,298,900.00	5,600,000.00
09/03/2010	1	Miraculins Inc. - Common Shares	218,658.96	1,822,158.00
09/13/2010	2	Murgor Resources Inc. - Common Shares	3,800.00	40,000.00
09/03/2010	4	Namibia Rare Earth Inc. - Units	1,519,500.00	3,039,000.00
09/09/2010 to 09/12/2010	3	New Solutions Financial (II) Corporation - Debentures	400,000.00	3.00
08/25/2010 to 08/31/2010	10	Newport Canadian Equity Fund - Units	144,874.00	1,181.20
08/23/2010 to 08/31/2010	40	Newport Fixed Income Fund - Units	954,272.80	8,810.57
08/30/2010	1	Newport Global Equity Fund - Units	1,181.25	20.84
08/24/2010 to 08/31/2010	65	Newport Yield Fund - Units	2,037,831.16	17,797.71
09/08/2010	1	Nichromet Extraction Inc. - Units	890,000.00	8,900,000.00
09/16/2010	22	Oak Bay Limited Partnership - Limited Partnership Units	1,260,000.00	1,260.00
01/01/2009 to 12/01/2009	8	OCP Debt Opportunity International Ltd. - Units	8,659,020.47	7,505.74
01/01/2009 to 12/01/2009	20	OCP Senior Credit Fund International Ltd. - Units	9,825,935.26	9,037.16
09/14/2010	18	Optimal Resources Inc. - Common Shares	610,000.00	1,220,000.00
08/27/2010	34	Pharmagap Inc. - Units	493,076.98	2,739,317.00
08/27/2010	1	Pier 21 Global Value Pool - Units	1,000,000.00	100,773.74
03/31/2010 to 09/17/2010	1	Pier 21 WorldWide Equity Pool - Units	1,756,211.54	171,794.61
09/17/2010	28	Planet Exploration Inc. - Units	1,200,000.00	10,000,000.00
09/13/2010	4	PolyOne Corporation - Notes	10,381,790.00	10,100.00

Notice of Exempt Financings

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price (\$)	No of Securities Distributed
09/15/2010	4	Queenston Mining Inc. - Common Shares	0.00	3,000.00
09/15/2010	1	Radiant Systems Inc. - Common Shares	190,753.94	10,894.00
09/15/2010	1	Raine Partners 1 LP - Capital Commitment	10,282,000.00	1.00
09/07/2010	20	Red Crescent Resources (Barbados) Limited - Receipts	5,976,655.77	5,746,784.00
09/14/2010	3	Richmond Minerals Inc. - Flow-Through Units	100,000.00	1,000,000.00
09/13/2010	2	RioCan (GH) Limited Partnership - Units	5,495,680.00	1,192,000.00
09/07/2010	3	Rockland Minerals Corp. - Units	500,000.00	2,857,142.00
07/20/2010	1	Sky Medical Technology Ltd. - Common Shares	600,000.00	2,799,141.00
08/26/2010	30	Skyline Gold Corporation - Flow-Through Shares	930,735.92	1,215,341.00
06/30/2010	34	SPUD USA Holdings Corp. - Common Shares	1,290,050.69	1,730,815.00
09/01/2010	3	Stacey Muirhead Limited Partnership - Limited Partnership Units	252,000.00	6,711.02
09/14/2010	1	Toscana Resources Corporation - Common Shares	100,000.00	10,000.00
09/08/2010	8	Toscana Resources Corporation - Preferred Shares	115,724.00	115,724.00
08/31/2010	4	Trans Sahara Energy Limited - Special Warrants	90,000.00	900,000.00
09/13/2010	1	UDR, Inc. - Common Shares	4,183,553.00	16,000,000.00
08/31/2010	36	Vertex Fund - Trust Units	8,125,375.71	N/A
08/20/2010	19	Walton GA Woodbury Park LP - Limited Partnership Units	477,225.00	45,450.00
09/03/2010	27	Walton Southern US Land 2 IC - Common Shares	660,490.00	66,049.00
08/20/2010	31	Walton Southern US Land 2 IC - Common Shares	563,170.00	56,317.00
08/27/2010	10	Walton Southern U.S. Land Investment Corporation - Common Shares	223,120.00	22,312.00
08/20/2010	7	Walton Southern U.S. Land Investment Corporation - Common Shares	251,890.00	25,189.00
08/13/2010	12	Walton Southern U.S. land LP 2 - Limited Partnership Units	4,084,069.00	390,820.00
08/06/2010	15	Walton Southern U.S. land LP 2 - Limited Partnership Units	804,982.01	78,359.00
08/20/2010	6	Walton Southern U.S. land LP 2 - Limited Partnership Units	643,832.34	62,116.00
09/03/2010	7	Walton Southern U.S. land LP 2 - Limited Partnership Units	970,973.35	92,254.00

Notice of Exempt Financings

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price (\$)	No of Securities Distributed
09/27/2010	6	Walton Southern U.S. land LP 2 - Limited Partnership Units	812,486.44	77,086.00

Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:

NuLoch Resources Inc.
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated September 28, 2010

NP 11-202 Receipt dated September 28, 2010

Offering Price and Description:

\$28,100,000.00 - 16,000,000 Class A Common Shares
and \$8,100,000.00 - 5,400,000 Flow-Through Shares
Price: \$1.25 per Class A Common Share and \$1.50 per
Flow-Through Share

Underwriter(s) or Distributor(s):

Canaccord Genuity Corp.
Raymond James Ltd.
Wellington West Capital Markets Inc.
Clarus Securities Inc.

Promoter(s):

-

Project #1640024

Issuer Name:

Aecon Group Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated September 24, 2010

NP 11-202 Receipt dated September 24, 2010

Offering Price and Description:

\$ 80,000,000 - 6.25% Convertible Unsecured Subordinated
Debentures Price: \$1,000.00 per Debenture

Underwriter(s) or Distributor(s):

GMP Securities L.P.
TD Securities Inc.
Raymond James Ltd.
CIBC World Markets Inc.
Macquarie Capital Markets Canada Ltd.
BMO Nesbitt Burns Inc.
Canaccord Genuity Corp.
National Bank Financial Inc.
Paradigm Capital Inc.
Scotia Capital Inc.

Promoter(s):

-

Project #1638496

Issuer Name:

Crescent Point Energy Corp.
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated September 24, 2010

NP 11-202 Receipt dated September 24, 2010

Offering Price and Description:

\$375,150,000.00 - 10,250,000 Common Shares Price:
\$36.60 per Common Share

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
RBC Dominion Securities Inc.
FirstEnergy Capital Corp.
TD Securities Inc.
National Bank Financial Inc.
GMP Securities L.P.
Macquarie Capital Markets Canada Ltd.
Peters & Co. Limited

Promoter(s):

-

Project #1638453

Issuer Name:

Firm Capital Mortgage Investment Trust
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated September 28, 2010

NP 11-202 Receipt dated September 28, 2010

Offering Price and Description:

\$27,500,000.00 - 5.75% Convertible Unsecured
Subordinated Debentures due October 31, 2017 PRICE:
\$1,000 per Debenture

Underwriter(s) or Distributor(s):

TD Securities Inc.
CIBC World Markets Inc.
Dundee Securities Corporation
Canaccord Genuity Corp.
Desjardins Securities Inc.
National Bank Financial Inc.

Promoter(s):

-

Project #1639594

Issuer Name:

General Motors Company
Principal Regulator - Ontario

Type and Date:

Amended and Restated Preliminary MJDS Prospectus dated September 23, 2010
NP 11-202 Receipt dated September 27, 2010

Offering Price and Description:

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

Underwriter(s) or Distributor(s):

Morgan Stanley Canada Limited

Promoter(s):

-

Project #1621247

Issuer Name:

General Motors Company
Principal Regulator - Ontario

Type and Date:

Amended and Restated Preliminary MJDS Prospectus dated September 23, 2010
NP 11-202 Receipt dated September 27, 2010

Offering Price and Description:

US\$ * - * SHARES OF * % SERIES B MANDATORY CONVERTIBLE JUNIOR PREFERRED STOCK Price: US\$ * per Share

Underwriter(s) or Distributor(s):

Morgan Stanley Canada Limited

Promoter(s):

-

Project #1621248

Issuer Name:

Global Packaging Plus Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Long Form Prospectus dated September 27, 2010
NP 11-202 Receipt dated September 28, 2010

Offering Price and Description:

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

Underwriter(s) or Distributor(s):

RBC Dominion Securities Inc.

CIBC World Markets Inc.

Desjardins Securities Inc.

Scotia Capital Inc.

National Bank Financial Inc.

Canaccord Genuity Corporation

Dundee Securities Corporation

Promoter(s):

Berkley Industries, LLC

Project #1639069

Issuer Name:

InterOil Corporation
Principal Regulator - Alberta

Type and Date:

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

Offering Price and Description:

U.S. \$300,000,000/00:

Common Shares

Preferred Shares

Warrants

Debt Securities

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #1637685

Issuer Name:

Javelina Resources Ltd.
Principal Regulator - Ontario

Type and Date:

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

Offering Price and Description:

MINIMUM OFFERING: \$1,000,000.00 (5,000,000

COMMON SHARES); MAXIMUM OFFERING:

\$1,400,000.00 (7,000,000 COMMON SHARES) Price:

\$0.20 per Common Share

Underwriter(s) or Distributor(s):

PI Financial Corp.

Promoter(s):

Blaise Yerly

Project #1637479

Issuer Name:

Mackenzie Cundill American Class
Mackenzie Cundill Canadian Balanced Fund
Mackenzie Cundill Canadian Security Class
Mackenzie Cundill Global Balanced Fund
Mackenzie Cundill Global Dividend Fund
Mackenzie Cundill International Class
Mackenzie Founders Global Equity Fund
Mackenzie Founders Income & Growth Fund
Mackenzie Ivy All-Canadian Class
Mackenzie Ivy Canadian Fund
Mackenzie Ivy Enterprise Class
Mackenzie Ivy Enterprise Fund
Mackenzie Ivy European Class
Mackenzie Ivy Foreign Equity Class
Mackenzie Ivy Global Balanced Fund
Mackenzie Maxxum All-Canadian Equity Class
Mackenzie Maxxum Canadian Equity Growth Fund
Mackenzie Maxxum Dividend Class
Mackenzie Maxxum Dividend Growth Fund
Mackenzie Maxxum Monthly Income Fund
Mackenzie Saxon Balanced Class
Mackenzie Saxon High Income Fund
Mackenzie Saxon Small Cap Class
Mackenzie Saxon Small Cap Fund
Mackenzie Saxon Stock Class
Mackenzie Sentinel Bond Fund
Mackenzie Sentinel Canadian Short-Term Yield Class
Mackenzie Sentinel Global Bond Fund
Mackenzie Sentinel Income Fund
Mackenzie Sentinel Managed Return Class
Mackenzie Sentinel Money Market Fund
Mackenzie Sentinel Real Return Bond Fund
Mackenzie Sentinel Registered North American Corporate Bond Fund
Mackenzie Sentinel Registered Strategic Income Fund
Mackenzie Sentinel Short-Term Income Fund
Mackenzie Sentinel U.S. Short-Term Yield Class
Mackenzie Universal All-Canadian Growth Class
Mackenzie Universal American Growth Class
Mackenzie Universal Canadian Balanced Fund
Mackenzie Universal Emerging Markets Class
Mackenzie Universal Global Growth Class
Mackenzie Universal Global Infrastructure Fund
Mackenzie Universal Gold Bullion Class
Mackenzie Universal International Stock Class
Mackenzie Universal U.S. Blue Chip Class
Mackenzie Universal U.S. Dividend Income Fund
Mackenzie Universal U.S. Emerging Growth Class
Mackenzie Universal U.S. Growth Leaders Class
Mackenzie Universal World Real Estate Class
Mackenzie Universal World Resource Class
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectuses dated September 24, 2010

NP 11-202 Receipt dated September 28, 2010

Offering Price and Description:

Series A, E, F, F6, J, O, T6, T8, Series SC, B-Series and Investor Series

Underwriter(s) or Distributor(s):

Quadrus Investment Services Ltd.

Promoter(s):

Mackenzie Financial Corporation
Project #1638629

Issuer Name:

Maple Leaf Short Duration 2010 Flow-Through Limited Partnership
Principal Regulator - British Columbia

Type and Date:

Preliminary Long Form Prospectus dated September 23, 2010

NP 11-202 Receipt dated September 24, 2010

Offering Price and Description:

\$25,000,000.00 (Maximum) - 1,000,000 Limited Partnership Units Price per Unit: \$25.00 Minimum Purchase: \$5,000.00 (200 Units)

Underwriter(s) or Distributor(s):

Dundee Securities Corporation
Scotia Capital Inc.
HSBC Securities (Canada) Inc.
Canaccord Genuity Corp.
GMP Securities L.P.
Macquarie Private Wealth Inc.
Wellington West Capital Markets Inc.
Mackie Research Capital Corporation
Raymond James Ltd.
Manulife Securities Incorporated
M Partners Inc.
PI Financial Corp.
Sora Group Wealth Advisors Inc.

Promoter(s):

Maple Short Duration Holdings Ltd.
Project #1638434

Issuer Name:

Mercury Capital Limited
Principal Regulator - Ontario

Type and Date:

Preliminary CPC Prospectus dated September 22, 2010

NP 11-202 Receipt dated September 24, 2010

Offering Price and Description:

Minimum Offering: \$300,000.00 or 1,500,000 Common Shares; Maximum Offering: \$1,200,000.00 or 6,000,000 Common Shares Price: \$0.20 per Common Share

Underwriter(s) or Distributor(s):

Hampton Securities Limited

Promoter(s):

Alexander C. Logie
Project #1638549

Issuer Name:

OCP Senior Credit Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Long Form Prospectus dated September 28, 2010

NP 11-202 Receipt dated September 28, 2010

Offering Price and Description:

\$ * - * Units Price: \$10.00 per Unit - Minimum Purchase: 200 Units

Underwriter(s) or Distributor(s):

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

Promoter(s):

Onex Credit Partners, LLC

Project #1639628

Issuer Name:

Propel Multi-Strategy Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Long Form Prospectus dated September 28, 2010

NP 11-202 Receipt dated September 28, 2010

Offering Price and Description:

Maximum \$* - * Combined Units (Each Combined Unit consists of one Unit and one Warrant to purchase one Unit)
Price: \$10.00 per Combined Unit Minimum Purchase: 500 Combined Units

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
GMP Securities L.P.
Scotia Capital Inc.
Wellington West Capital Markets Inc.
HSBC Securities (Canada) Inc.
Canaccord Genuity Corp.
Macquarie Private Wealth Inc.
Dejardins Securities Inc.
Dundee Securities Corporation
Manulife Securities Incorporated
Raymond James Ltd.

Promoter(s):

Propel Capital Corporation

Project #1639529

Issuer Name:

ProspEx Resources Ltd.
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated September 27, 2010

NP 11-202 Receipt dated September 27, 2010

Offering Price and Description:

\$5,500,250.00.00 - 3,143,000 Flow-Through Shares
Price: \$1.75 per Flow-Through Share

Underwriter(s) or Distributor(s):

Cormark Securities Inc.
Peters & Co. Limited
CIBC World Markets Inc.
Stifel Nicolaus Canada Inc.
Wellington West Capital Markets Inc.

Promoter(s):

-

Project #1639038

Issuer Name:

Qwest Inflation-Deflation Trend Allocation Class
Principal Regulator - British Columbia

Type and Date:

Preliminary Simplified Prospectus dated September 27, 2010

NP 11-202 Receipt dated September 27, 2010

Offering Price and Description:

Series A and F Shares

Underwriter(s) or Distributor(s):

-

Promoter(s):

Qwest Investment Fund Management Ltd.

Project #1639255

Issuer Name:

Russell Small Cap Opportunities Class
Russell Small Cap Opportunities Pool
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectuses dated September 24, 2010

NP 11-202 Receipt dated September 27, 2010

Offering Price and Description:

Series A, B, E, F and O Units and
Series B, E and F Shares

Underwriter(s) or Distributor(s):

Russell Investments Canada Limited

Promoter(s):

Russell Investments Canada Limited

Project #1638563

Issuer Name:

Signature All Gold Corporate Class
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectus dated September 24, 2010

NP 11-202 Receipt dated September 28, 2010

Offering Price and Description:

(Class A, F and I Shares)

Underwriter(s) or Distributor(s):

-

Promoter(s):

CI Investments Inc.

Project #1638580

Issuer Name:

Strategic Oil & Gas Ltd.
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated September 22, 2010

NP 11-202 Receipt dated September 22, 2010

Offering Price and Description:

\$20,035,000.00 - 16,700,000 Common Shares and 4,550,000 Flow-Through Shares Price: \$0.90 per Common Share and \$1.10 per Flow-Through Share

Underwriter(s) or Distributor(s):

Macquarie Capital Markets Canada Ltd.

CIBC World Markets Inc.

Clarus Securities Inc.

PI Financial Corp.

Raymond James Ltd.

Promoter(s):

-

Project #1637726

Issuer Name:

Sunstone U.S. Opportunity (No. 3) Realty Trust
Sunstone (No. 3) Limited Partnership
Principal Regulator - British Columbia

Type and Date:

Amended and Restated Preliminary Long Form Prospectus dated September 23, 2010

NP 11-202 Receipt dated September 23, 2010

Offering Price and Description:

Minimum: \$5,000,000.00 (4,000 Trust Units); Maximum: \$50,000,000.00 (40,000 Trust Units)

\$1,250 per Trust Unit

Underwriter(s) or Distributor(s):

Dundee Securities Corporation

Raymond James Ltd.

Canaccord Genuity Corp.

GMP Securities L.P.

HSBC Securities (Canada) Inc.

Macquarie Private Wealth Inc.

Sora Group Wealth Advisors Inc.

Burgeonvest Bick Securities Limited

MGI Securities Inc.

Promoter(s):

Sunstone Realty Advisors Inc.

Project #1632777/1632774

Issuer Name:

TD Split Inc.

Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated September 27, 2010

NP 11-202 Receipt dated September 28, 2010

Offering Price and Description:

\$ * - \$ * - * Preferred Shares; \$ * - * Capital Shares Prices: \$10.00 per Preferred Share and \$18.00 per Capital Share

Underwriter(s) or Distributor(s):

TD Securities Inc.

Scotia Capital Inc.

BMO Nesbitt Burns Inc.

GMP Securities L.P.

National Bank Financial Inc.

Canaccord Genuity Corp.

Desjardins Securities Inc.

HSBC Securities (Canada) Inc.

Raymond James Ltd.

Dundee Securities Corporation

Manulife Securities Incorporated

Macquarie Capital Markets Canada Ltd.

Wellington West Capital Markets Inc.

Promoter(s):

-

Project #1639597

Issuer Name:

Walton Big Lake Development L.P.
Principal Regulator - Alberta

Type and Date:

Preliminary Long Form Prospectus dated September 28, 2010

NP 11-202 Receipt dated

Offering Price and Description:

Maximum: \$22,500,000.00 (2,250,000 Units) - Minimum:
\$* (* Units) Price: \$ 10.00 per Unit

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
GMP Securities L.P.
Scotia Capital Inc.
Canaccord Genuity Corp.
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Desjardins Securities Inc.
Dundee Securities Corporation
Laurentian Bank Securities Inc.
Mackie Research Capital Corporation

Promoter(s):

Walton Asset Management L.P.

Project #1639887

Issuer Name:

Wild Stream Exploration Inc.
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated September 27, 2010

NP 11-202 Receipt dated September 27, 2010

Offering Price and Description:

\$30,315,000.00 - 4,700,000 Common Shares Price: \$6.45
per Common Share

Underwriter(s) or Distributor(s):

National Bank Financial Inc.
Paradigm Capital Inc.
Peters & Co. Limited
FirstEnergy Capital Corp.
GMP Securities L.P.

Promoter(s):

-

Project #1639080

Issuer Name:

Xtra-Gold Resources Corp.
Principal Regulator - Ontario

Type and Date:

Preliminary Long Form Prospectus dated September 23, 2010

NP 11-202 Receipt dated September 24, 2010

Offering Price and Description:

Up to \$9,500,000.00 - * Common Shares Price: \$ * per
Common Share

Underwriter(s) or Distributor(s):

Haywood Securities Inc.
GMP Securities L.P.

Promoter(s):

Paul N. Zyla

Project #1638296

Issuer Name:

AllBanc Split Corp.
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated September 22, 2010

NP 11-202 Receipt dated September 23, 2010

Offering Price and Description:

Warrants to Subscribe for up to 1,061,808 Class A Capital
Shares and 1,061,808 Class B Preferred Shares
at a Subscription Price of \$62.78

Underwriter(s) or Distributor(s):

Scotia Capital Inc.

Promoter(s):

SCOTIA MANAGED COMPANIES ADMINISTRATION
INC.

Project #1633519

Issuer Name:

Ananda Capital Corp.
Principal Regulator - British Columbia

Type and Date:

Final Long Form Prospectus dated September 24, 2010

NP 11-202 Receipt dated September 24, 2010

Offering Price and Description:

\$7,524,440.00 - 9,772,000 Common Shares and 9,772,000
Common Share Purchase Warrants issuable on
exercise or conversion of Outstanding Subscription
Receipts

Underwriter(s) or Distributor(s):

Cormark Securities Ltd.
Union Securities Inc.
Haywood Securities Inc.
Raymond James Ltd.

Promoter(s):

David Austin

Project #1621271

Issuer Name:

Avalon Rare Metals Inc.
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated September 22, 2010
NP 11-202 Receipt dated September 22, 2010

Offering Price and Description:

\$30,030,000.00 - 9,240,000 Units: Price \$3.25 per unit

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.
Laurentian Bank Securities Inc.
Stonecap Securities Inc.
Canaccord Genuity Corp.

Promoter(s):

-

Project #1635113

Issuer Name:

BMO Canadian Equity ETF Fund
(formerly BMO Equity Index Fund)
(Series A and I)
BMO International Equity ETF Fund
(formerly BMO International Index Fund)
(Series A and I)
BMO U.S. Equity ETF Fund
(formerly BMO U.S. Equity Index Fund)
(Series A and I)
Principal Regulator - Ontario

Type and Date:

Amendment #3 dated September 17, 2010 to the Simplified
Prospectuses and Annual Information Forms dated April
21, 2010

NP 11-202 Receipt dated September 22, 2010

Offering Price and Description:

Series A and I @ Net Asset Value

Underwriter(s) or Distributor(s):

BMO Investments Inc.

Promoter(s):

BMO Investments Inc.

Project #1542027

Issuer Name:

CMP 2010 II Resource Limited Partnership
Principal Regulator - Ontario

Type and Date:

Final Long Form Prospectus dated September 22, 2010
NP 11-202 Receipt dated September 23, 2010

Offering Price and Description:

\$50,000,000.00 (maximum) 50,000 Limited Partnership
Units Price per Unit: \$1,000 Minimum Subscription: \$5,000
(Five Units)

Underwriter(s) or Distributor(s):

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

Promoter(s):

CMP 2010 II Corporation
Goodman & Company, Investment Counsel Ltd.

Project #1628441

Issuer Name:

Lakeside Steel Inc.
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated September 27, 2010
NP 11-202 Receipt dated September 28, 2010

Offering Price and Description:

\$18,330,000.00 - 70,500,000 Common Shares: Price
\$0.26 per Common Share

Underwriter(s) or Distributor(s):

Cormark Securities Inc.
Northern Securities Inc.
Canaccord Genuity Corp.

Promoter(s):

-

Project #1632201

Issuer Name:

Lorus Therapeutics Inc.
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated September 27, 2010
NP 11-202 Receipt dated September 28, 2010

Offering Price and Description:

\$5,513,081.00 - Two rights to purchase One Unit at a purchase price of \$1.11 per Unit

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #1636173

Issuer Name:

Mood Media Corporation
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated September 23, 2010
NP 11-202 Receipt dated September 24, 2010

Offering Price and Description:

U.S.\$ 31,500,000.00 - 10.00% Convertible Unsecured Subordinated Debentures due October 31, 2015 Price: U.S.\$1,000 per Debenture

Underwriter(s) or Distributor(s):

BMO Nesbitt Burns Inc.
OCTAGON CAPITAL CORPORATION
DESJARDINS SECURITIES INC.

Promoter(s):

-

Project #1634618

Issuer Name:

Northern Property Real Estate Investment Trust
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated September 22, 2010
NP 11-202 Receipt dated September 22, 2010

Offering Price and Description:

\$45,007,500.00 - 1,765,000 Units Price: \$25.50 per Unit

Underwriter(s) or Distributor(s):

CIBC World Market Inc.
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
Canaccord Genuity Corp.
National Bank Financial Inc.
Dundee Securities Corporation

Promoter(s):

-

Project #1635251

Issuer Name:

Pathway Quebec Mining 2010-II Flow-Through Limited Partnership
Principal Regulator - Ontario

Type and Date:

Final Long Form Prospectus dated September 23, 2010
NP 11-202 Receipt dated September 24, 2010

Offering Price and Description:

\$15,000,000.00 (Maximum Offering); \$5,000,000.00 (Minimum Offering) A Maximum of 1,500,000 and a Minimum of 500,000 Limited Partnership Units Minimum Subscription: 250 Limited Partnership Units Subscription Price: \$10.00 per Limited Partnership Unit

Underwriter(s) or Distributor(s):

Wellington West Capital Inc.
Desjardins Securities Inc.
HSBC Securities (Canada) Inc.
Industrial Alliance Securities Inc.
BMO Nesbitt Burns Inc.
Canaccord Genuity Corp.
Dundee Securities Corporation
Laurentian Bank Securities Inc.

Promoter(s):

Pathway Quebec Mining 2010-II Inc.

Project #1627084

Issuer Name:

RBC High Yield Bond Fund
RBC Monthly Income Bond Fund
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectuses dated September 27, 2010
NP 11-202 Receipt dated September 28, 2010

Offering Price and Description:

Series A, Advisor Series, Series D, Series F and Series O Units @ Net Assets Value

Underwriter(s) or Distributor(s):

Royal Mutual Funds Inc.
RBC Direct Investing Inc.
Royal Mutual Funds Inc./RBC Direct Investing Inc.

Promoter(s):

RBC Asset Management Inc.,

Project #1631348

Issuer Name:

Vicwest Income Fund
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated September 24, 2010
NP 11-202 Receipt dated September 24, 2010

Offering Price and Description:

\$50,000,000.00 - 6.00% Convertible Unsecured
Subordinated Debentures Due December 31, 2015

Underwriter(s) or Distributor(s):

Scotia Capital Inc.
National Bank Financial Inc.
CIBC World Markets Inc.
Cormark Securities Inc.
Macquarie Capital Markets Canada Ltd.
Wellington West Capital Markets Inc.
Canaccord Genuity Corp.
Maison Placements Canada Inc.

Promoter(s):

-

Project #1636333

Issuer Name:

Wajax Income Fund
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated September 27, 2010
NP 11-202 Receipt dated September 27, 2010

Offering Price and Description:

\$127,039,333.50 - 4,577,994 Units Price: \$27.75 per
Offered Unit

Underwriter(s) or Distributor(s):

Scotia Capital Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
TD Securities Inc.

Promoter(s):

-

Project #1636806

Issuer Name:

Minera IRL Limited
Principal Jurisdiction - Ontario

Type and Date:

Preliminary Short Form Prospectus dated May 13, 2010
Amended and Restated Preliminary Short Form Prospectus
dated May 17, 2010

Withdrawn on September 22, 2010

Offering Price and Description:

UP TO \$25,000,000.00 - * ORDINARY SHARES

Underwriter(s) or Distributor(s):

Cormark Securities Inc.
CIBC World Markets Inc.
Jennings Capital Inc.
National Bank Financial Inc.

Promoter(s):

-

Project #1580386

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	Breton Hill Capital Ltd.	Exempt Market Dealer, Portfolio Manager, Commodity Trading Manager, and Investment Fund Manager	September 22, 2010
New Registration	AEGON Fund Management Inc.	Investment Fund Manager	September 22, 2010
Change of Registration Categories	O'Shaughnessy Asset Management, LLC	From: International Adviser To: Portfolio Manager	September 22, 2010
Change in Registration Category	Altimum Mutuals Inc.	From: Mutual Fund Dealer and Exempt Market Dealer To: Mutual Fund Dealer	September 23, 2010
Change in Registration Category	EdgePoint Investment Management Inc.	From: Exempt Market Dealer and Portfolio Manager To: Exempt Market Dealer, Portfolio Manager, and Investment Fund Manager	September 23, 2010
Change in Registration Category	Burlington Capital Management Ltd.	From: Exempt Market Dealer and Portfolio Manager To: Exempt Market Dealer, Portfolio Manager, and Investment Fund Manager	September 23, 2010
Change in Registration Category	Brandes Investment Partners & Co.	From: Mutual Fund Dealer, Exempt Market Dealer and Portfolio Manager To: Mutual Fund Dealer, Exempt Market Dealer, Portfolio Manager, and Investment Fund Manager	September 23, 2010

Registrations

Type	Company	Category of Registration	Effective Date
Change in Registration Category	Beutel Goodman Managed Funds Inc.	From: Mutual Fund Dealer To: Mutual Fund Dealer and Investment Fund Manager	September 23, 2010
Change in Registration Category	Beutel, Goodman & Company Ltd.	From: Portfolio Manager To: Portfolio Manager and Investment Fund Manager	September 23, 2010
Change in Registration Category	Addenda Capital Inc.	From: Exempt Market Dealer and Portfolio Manager and Commodity Trading Manager To: Exempt Market Dealer, Portfolio Manager, Commodity Trading Manager and Investment Fund Manager	September 23, 2010
Change in Registration Category	Educators Financial Group Inc.	From: Mutual Fund Dealer To: Mutual Fund Dealer and Investment Fund Manager	September 23, 2010
Consent to Suspension	The Launch Factory Inc.	Exempt Market Dealer	September 23, 2010
Consent to Suspension	Richmond Capital Partners Inc.	Exempt Market Dealer	September 24, 2010
Consent to Suspension	Mizrahi & Mizrahi Ltd.	Exempt Market Dealer	September 24, 2010
Change of Category	Artio Global Management LLC	From: Exempt Market Dealer and International Adviser To: Exempt Market Dealer and Portfolio Manager	September 27, 2010
Change of Category	Wellington West Financial Services Inc.	From: Mutual Fund Dealer and Exempt Market Dealer To: Mutual Fund Dealer	September 28, 2010

Registrations

Type	Company	Category of Registration	Effective Date
Change of Category of Registration	Philadelphia International Advisors, LP	From: International Adviser To: Portfolio Manager	September 28, 2010
Change of Category of Registration	Emerging Markets Management, L.L.C.	From: International Adviser To: Portfolio Manager	September 28, 2010
Change of Registration Categories	Altrinsic Global Advisors, LLC	From: International Adviser and Limited Market Dealer To: Portfolio Manager and Exempt Market Dealer	September 28, 2010
Consent to Suspension	Return on Innovation Capital Ltd.	Exempt Market Dealer	September 28, 2010
Consent to Suspension	HD Agency Inc.	Exempt Market Dealer	September 28, 2010
Consent to Suspension	Buena Vista Capital Inc.	Exempt Market Dealer	September 28, 2010
Change of Category of Registration	Pathway Capital Management, LLC	From: International Adviser To: Portfolio Manager	September 28, 2010
Change of Category	Tonus Capital Inc.	From: Exempt Market Dealer and Portfolio Manager To: Exempt Market Dealer, Portfolio Manager and Investment Fund Manager	September 28, 2010
Change in Registration Category	Woodbourne Capital Management International LP	From: International Adviser To: Portfolio Manager	September 28, 2010
Change in Registration Category	Mackie Research Capital Corporation	From: Investment Dealer To: Investment Dealer and Investment Fund Manager	September 28, 2010
Consent to Suspension	Henderson Global Investors Equity Planning Inc.	Exempt Market Dealer	September 28, 2010

Registrations

Type	Company	Category of Registration	Effective Date
Consent to Suspension	Collins/Bay Island Securities LLC	Exempt Market Dealer	September 28, 2010
Consent to Suspension	Far Hills Group, LLC	Exempt Market Dealer	September 28, 2010
Change in Registration Category	Cumberland Private Wealth Management Inc.	From: Investment Dealer To: Investment Dealer and Investment Fund Manager	September 28, 2010
Change in Registration Category	Burgundy Asset Management Ltd.	From: Portfolio Manager To: Portfolio Manager and Investment Fund Manager	September 28, 2010
Change in Registration Category	Fairlane Asset Management Limited	From: Portfolio Manager and Commodity Trading Manager To: Portfolio Manager, Commodity Trading Manager and Investment Fund Manager	September 28, 2010
Change in Registration Category	Garrison Hill Capital Management Inc.	From: Exempt Market Dealer and Portfolio Manager and Commodity Trading Manager To: Exempt Market Dealer, Portfolio Manager, Commodity Trading Manager and Investment Fund Manager	September 28, 2010
Change in Registration Category	Acuity Funds Ltd..	From: Mutual Fund Dealer To: Mutual Fund Dealer and Investment Fund Manager	September 28, 2010
Change in Registration Category	Donville Kent Asset Management Inc.	From: Exempt Market Dealer and Portfolio Manager To: Exempt Market Dealer, Portfolio Manager, and Investment Fund Manager	September 28, 2010

Registrations

Type	Company	Category of Registration	Effective Date
Change in Registration Category	First Asset Investment Management Inc.	From: Exempt Market Dealer and Portfolio Manager and Commodity Trading Manager To: Exempt Market Dealer, Portfolio Manager, Commodity Trading Manager and Investment Fund Manager	September 28, 2010
Change in Registration Category	IMC Limited Partnership	From: Exempt Market Dealer and Portfolio Manager To: Exempt Market Dealer, Portfolio Manager, and Investment Fund Manager	September 29, 2010
Change in Registration Category	Eosphoros Asset Management Incorporated	From: Exempt Market Dealer and Portfolio Manager To: Exempt Market Dealer, Portfolio Manager, and Investment Fund Manager	September 29, 2010
Change in Registration Category	GFI Investment Counsel Ltd.	From: Exempt Market Dealer and Portfolio Manager To: Exempt Market Dealer, Portfolio Manager, and Investment Fund Manager	September 29, 2010
New Registration	League Investment Services Inc.	Exempt Market Dealer	September 28, 2010

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Chapter 25

Other Information

25.1 Exemptions

25.1.1 Alphapro Management Inc. and Horizons AlphaPro Fiera Tactical Bond ETF – s. 19.1 of NI 41-101 General Prospectus Requirements

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Exemption from section 2.3(1) of National Instrument 41-101 General Prospectus Requirements to permit filing of a final prospectus more than 90 days after the date of receipt for the preliminary prospectus – 90-day extension granted.

Applicable Legislative Provisions

National Instrument 41-101 General Prospectus Requirements, ss. 2.3(1), 19.1.

September 24, 2010

Fasken Martineau Dumoulin LLP

Attention: Munier Saloojee

Dear Sir:

**Re: Alphapro Management Inc. (the Manager)
Horizons AlphaPro Fiera Tactical Bond ETF
(the ETF)**

**Exemptive Relief Application under Section
19.1 of National Instrument 41-101 General
Prospectus Requirements (NI 41-101)
Application No. 2010/0657, SEDAR Project No.
1599229**

By letter dated September 16, 2010 (the **Application**), the Manager applied on behalf of the ETF to the Director of the Ontario Securities Commission (the **Director**) pursuant to section 19.1 of NI 41-101 for relief from the operation of subsection 2.3(1) of NI 41-101, which prohibits an issuer from filing a prospectus more than 90 days after the date of the receipt for the preliminary prospectus.

This letter confirms that, based on the information and representations made in the Application, and for the purposes described in the Application, the Director grants the requested exemption to be evidenced by the issuance of a receipt for the ETF's prospectus, provided the ETF's final prospectus is filed no later than December 20, 2010.

Yours very truly,

"Vera Nunes"
Assistant Manager, Investment Funds Branch

25.2 Approvals

25.2.1 Thornmark Asset Management Inc. – s. 213(3)(b) of the LTCA

Headnote

Clause 213(3)(b) of the Loan and Trust Corporations Act – application by manager, with no prior track record acting as trustee, for approval to act as trustee of pooled funds and future pooled funds to be established and managed by the applicant and offered pursuant to a prospectus exemption.

Statutes Cited

Loan and Trust Corporations Act, R.S.O. 1990, c. L.25, as am., s. 213(3)(b).

September 17, 2010

Fasken Martineau DuMoulin LLP
66 Wellington Street West
Suite 4200, Toronto Dominion Bank Tower
Toronto Ontario M5K 1N6

Attention: Garth Foster

Dear Sir/Madam:

**Re: Thornmark Asset Management Inc. (the
"Applicant")
Application pursuant to clause 213(3)(b) of the
Loan and Trust Corporations Act (ON)**

Application No. 2009/0508

Further to your application dated August 17, 2009 (the "Application") filed on behalf of the Applicant, and based on the facts set out in the Application and the representation by the Applicant that the assets of the mutual fund trusts as the Applicant may establish from time to time (the "Funds") will be held in the custody of a bank listed in Schedule I, II or III of the *Bank Act* (Canada) or an affiliate of such bank, the Ontario Securities Commission (the "Commission") makes the following order:

Pursuant to the authority conferred on the Commission in clause 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario), the Commission approves the proposal that the Applicant act as trustee of the Funds that may be established and managed by the Applicant from time to time, the securities of which will be offered pursuant to a prospectus exemption.

Yours truly,

"Margot Howard"

"Wes Scott"

**25.2.2 MacNicol & Associates Asset Management Inc.
– s. 213(3)(b) of the LTCA**

Headnote

Clause 213(3)(b) of the Loan and Trust Corporations Act – application by manager, with no prior track record acting as trustee, for approval to act as trustee of pooled funds and future pooled funds to be established and managed by the applicant and offered pursuant to a prospectus exemption.

Statutes Cited

Loan and Trust Corporations Act, R.S.O. 1990, c. L.25, as am., s. 213(3)(b).

September 24, 2010

Ogilvy Renault LLP
Suite 3800, Toyal Bank Plaza, South Tower
200 Bay Street, P.O. Box 84
Toronto Ontario M5J 2Z4

Attention: Ron Kugan

Dear Sir/Madam:

**Re: MacNicol & Associates Asset Management Inc.
(the "Applicant")
Application pursuant to clause 213(3)(b) of the
Loan and Trust Corporations Act (ON)**

Application No. 2010/0463

Further to your application dated July 9, 2010 (the "Application") filed on behalf of the Applicant, and based on the facts set out in the Application and the representation by the Applicant that the assets of the mutual fund trusts as the Applicant may establish from time to time (the "Funds") will be held in the custody of a bank listed in Schedule I, II or III of the *Bank Act* (Canada) or an affiliate of such bank, the Ontario Securities Commission (the "Commission") makes the following order:

Pursuant to the authority conferred on the Commission in clause 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario), the Commission approves the proposal that the Applicant act as trustee of the Funds that may be established and managed by the Applicant from time to time, the securities of which will be offered pursuant to a prospectus exemption.

Yours truly,

"Margot Howard"

"Paul L. Kennedy"

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Tiffin Financial Corporation

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Tonus Capital Inc.

Change of Category 8795

Wellington West Financial Services Inc.

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Woodbourne Capital Management International LP

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X-Cal Resources Ltd.

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