The Ontario Securities Commission

OSC Bulletin

November 19, 2010

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

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1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

November 19, 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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20 Queen Street West
Toronto, Ontario
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Paulette L. Kennedy	—	PLK
Vern Krishna	—	VK
Patrick J. LeSage	—	PJL
Carol S. Perry	—	CSP
Charles Wesley Moore (Wes) Scott	—	CWMS

SCHEDULED OSC HEARINGS

November 22, 2010 10:00 a.m.	**Georges Benarroch, Linda Kent, Marjorie Ann Glover and Credifinance Securities Limited** s. 21.7 A. Heydon in attendance for Staff Panel: JDC/CSP
November 23, 2010 2:00 p.m.	**North American Financial Group Inc., North American Capital Inc., Alexander Flavio Arconti, and Luigino Arconti** s. 127 M. Britton in attendance for Staff Panel: JDC
November 23, 2010 2:30 p.m.	**Majestic Supply Co. Inc., Suncastle Developments Corporation, Herbert Adams, Steve Bishop, Mary Kricfalusi, Kevin Loman and CBK Enterprises Inc.** s. 37, 127 and 127.1 D. Ferris in attendance for Staff Panel: CSP

November 29, 2010 9:30 a.m.	**Irwin Boock, Stanton Defreitas, Jason Wong, Saudia Allie, Alena Dubinsky, Alex Khodjiaints Select American Transfer Co., Leasesmart, Inc., Advanced Growing Systems, Inc., International Energy Ltd., Nutrione Corporation, Pocketop Corporation, Asia Telecom Ltd., Pharm Control Ltd., Cambridge Resources Corporation, Compushare Transfer Corporation, Federated Purchaser, Inc., TCC Industries, Inc., First National Entertainment Corporation, WGI Holdings, Inc. and Enerbrite Technologies Group** s. 127 and 127.1 H. Craig in attendance for Staff Panel: MGC
November 29, 2010 10:00 a.m.	**Paladin Capital Markets Inc., John David Culp and Claudio Fernando Maya** s. 127 C. Price in attendance for Staff Panel: JEAT
November 29, 2010 10:00 a.m.	**Abel Da Silva** s. 127 M. Boswell in attendance for Staff Panel: JDC
November 30, 2010 10:00 a.m.	**Sulja Bros. Building Supplies, Ltd., Petar Vucicevich, Kore International Management Inc., Andrew Devries, Steven Sulja, Pranab Shah, Tracey Banumas and Sam Sulja** s. 127 and 127.1 J. Feasby in attendance for Staff Panel: PJL/SA
November 30, 2010 2:30 p.m.	**Locate Technologies Inc., Tubtron Controls Corp., Bradley Corporate Services Ltd., 706166 Alberta Ltd., Lorne Drever, Harry Niles, Michael Cody and Donald Nason** s. 127 A. Heydon in attendance for Staff Panel: JDC
December 1-3 and December 8-17, 2010 10:00 a.m.	**Coventree Inc., Geoffrey Cornish and Dean Tai** s. 127 J. Waechter in attendance for Staff Panel: JEAT/MGC/PLK
December 2, 2010 9:30 a.m.	**Richvale Resource Corp., Marvin Winick, Howard Blumenfeld, John Colonna, Pasquale Schiavone, and Shafi Khan** s. 127(7) and 127(8) H. Craig in attendance for Staff Panel: JDC
December 3, 2010 9:00 a.m.	**Shaun Gerard McErlean, Securus Capital Inc., and Acquiesce Investments** s. 127 M. Britton in attendance for Staff Panel: MGC
December 7-8, 2010 2:00 p.m.	**Mega-C Power Corporation, Rene Pardo, Gary Usling, Lewis Taylor Sr., Lewis Taylor Jr., Jared Taylor, Colin Taylor and 1248136 Ontario Limited** s. 127 M. Britton/J.Feasby in attendance for Staff Panel: JDC/KJK
December 7, 2010 2:30 p.m.	**Global Energy Group, Ltd. and New Gold Limited Partnerships** s. 127 H. Craig in attendance for Staff Panel: MGC

December 7, 2010 2:30 p.m.	**Christina Harper, Howard Rash, Michael Schaumer, Elliot Feder, Vadim Tsatskin, Oded Pasternak, Alan Silverstein, Herbert Groberman, Allan Walker, Peter Robinson, Vyacheslav Brikman, Nikola Bajovski, Bruce Cohen and Andrew Shiff** s. 127 H. Craig in attendance for Staff Panel: MGC
December 9-10, 2010 10:00 a.m.	**Sextant Capital Management Inc., Sextant Capital GP Inc., Otto Spork, Robert Levack and Natalie Spork** s. 127 T. Center in attendance for Staff Panel: JDC/CSP
December 15-16, 2010 10:00 a.m.	**Questrade Inc.** s. 21.7 A. Heydon in attendance for Staff Panel: JDC/CSP
December 16, 2010 2:30 p.m.	**Global Partners Capital, Asia Pacific Energy Inc., 1666475 Ontario Inc. operating as "Asian Pacific Energy", Alex Pidgeon, Kit Ching Pan also known as Christine Pan, Hau Wai Cheung, also known as Peter Cheung, Tony Cheung, Mike Davidson, or Peter McDonald, Gurdip Singh Gahunia also known as Michael Gahunia or Shawn Miller, Basis Marcellinius Toussaint also known as Peter Beckford, and Rafique Jiwani also known as Ralph Jay** s. 127 M. Boswell in attendance for Staff Panel: PLK/MGC
January 7, 2011 2:30 p.m.	**York Rio Resources Inc., Brilliante Brasilcan Resources Corp., Victor York, Robert Runic, George Schwartz, Peter Robinson, Adam Sherman, Ryan Demchuk, Matthew Oliver, Gordon Valde and Scott Bassingdale** s. 127 H. Craig in attendance for Staff Panel: TBA
January 10, January 12-21, 2011 10:00 a.m.	**Carlton Ivanhoe Lewis, Mark Anthony Scott, Sedwick Hill, Leverage Pro Inc., Prosporex Investment Club Inc., Prosporex Investments Inc., Prosporex Ltd., Prosporex Inc., Prosporex Forex SPV Trust, Networth Financial Group Inc., and Networth Marketing Solutions** s. 127 and 127.1 H. Daley in attendance for Staff Panel: JDC/MCH
January 10, January 12-21, January 26 – February 1, 2011 10:00 a.m.	**Maple Leaf Investment Fund Corp., Joe Henry Chau (aka: Henry Joe Chau, Shung Kai Chow and Henry Shung Kai Chow), Tulsiani Investments Inc., Sunil Tulsiani and Ravinder Tulsiani** s. 127 A. Perschy/C. Rossi in attendance for Staff Panel: TBA
January 11, 2011 2:30 p.m.	**Paul Azeff, Korin Bobrow, Mitchell Finkelstein, Howard Jeffrey Miller and Man Kin Cheng (a.k.a. Francis Cheng)** s. 127 T. Center in attendance for Staff Panel: TBA

January 17-21, 2011 10:00 a.m.	**Merax Resource Management Ltd. carrying on business as Crown Capital Partners, Richard Mellon and Alex Elin** s. 127 H. Craig in attendance for Staff Panel: PJL/SA
January 25, 2011 2:00 p.m.	**Ciccone Group, Medra Corporation, 990509 Ontario Inc., Tadd Financial Inc., Cachet Wealth Management Inc., Vince Ciccone, Darryl Brubacher, Andrew J. Martin., Steve Haney, Klaudiusz Malinowski and Ben Giangrosso** s. 127 P. Foy in attendance for Staff Panel: TBA
January 26, 2011 10:00 a.m.	**Rezwealth Financial Services Inc., Pamela Ramoutar, Chris Ramoutar, Justin Ramoutar, Tiffin Financial Corporation, Daniel Tiffin, 2150129 Ontario Inc. and Sylvan Blackett** s. 127(1) and (5) A. Heydon in attendance for Staff Panel: CSP
January 31 – February 7, February 9-18, February 23, 2011 10:00 a.m.	**Anthony Ianno and Saverio Manzo** s. 127 and 127.1 A. Clark in attendance for Staff Panel: TBA
January 31, February 1-7, February 9-11, 2011 10:00 a.m.	**Nest Acquisitions and Mergers, IMG International Inc., Caroline Myriam Frayssignes, David Pelcowitz, Michael Smith, and Robert Patrick Zuk** s. 37, 127 and 127.1 C. Price in attendance for Staff Panel: TBA
February 8, 2011 2:30 p.m.	**Ameron Oil and Gas Ltd. and MX-IV, Ltd.** s. 127 M. Boswell in attendance for Staff Panel: TBA
February 11, 2011 10:00 a.m.	**Shallow Oil & Gas Inc., Eric O'Brien, Abel Da Silva, Gurdip Singh Gahunia aka Michael Gahunia and Abraham Herbert Grossman aka Allen Grossman** s. 127(7) and 127(8) M. Boswell in attendance for Staff Panel: TBA
February 14-18, February 23 – March 1, 2011 10:00 a.m.	**Nelson Financial Group Ltd., Nelson Investment Group Ltd., Marc D. Boutet, Stephanie Lockman Sobol, Paul Manuel Torres, H.W. Peter Knoll** s. 127 P. Foy in attendance for Staff Panel: TBA
February 25, 2011 10:00 a.m.	**Hillcorp International Services, Hillcorp Wealth Management, Suncorp Holdings, 1621852 Ontario Limited, Steven John Hill, and Danny De Melo** s. 127 A. Clark in attendance for Staff Panel: TBA
March 1-7, March 9-11, March 21 and March 23-31, 2011 10:00 a.m.	**Paul Donald** s. 127 C. Price in attendance for Staff Panel: TBA

March 7, 2011
10:00 a.m.

Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Ciavarella and Michael Mitton

s. 127

H. Craig in attendance for Staff

Panel: TBA

March 21 and March 23-31, 2011

May 2 and May 4-16, 2011

10:00 a.m.

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

s. 127

H. Craig in attendance for Staff

Panel: TBA

March 30, 2011
10:00 a.m.

Oversea Chinese Fund Limited Partnership, Weizhen Tang and Associates Inc., Weizhen Tang Corp., and Weizhen Tang

s. 127 and 127.1

M. Britton in attendance for Staff

Panel: TBA

April 4 and April 6-7, 2011

April 11-18 and April 20, 2011

10:00 a.m.

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

s. 127

M. Boswell in attendance for Staff

Panel: TBA

April 4 and April 6-15, 2011

10:00 a.m.

New Life Capital Corp., New Life Capital Investments Inc., New Life Capital Advantage Inc., New Life Capital Strategies Inc., 1660690 Ontario Ltd., L. Jeffrey Pogachar, Paola Lombardi and Alan S. Price

s. 127

M. Britton in attendance for Staff

Panel: TBA

April 5, 2011
2:30 p.m.

Lehman Brothers & Associates Corp., Greg Marks, Kent Emerson Lounds and Gregory William Higgins

s. 127

H. Craig in attendance for Staff

Panel: TBA

April 11-18, April 20-21 and April 26-29, 2011

10:00 a.m.

Axcess Automation LLC, Axcess Fund Management, LLC, Axcess 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

s. 127

Y. Chisholm in attendance for Staff

Panel: JDC

April 26-27, 2011

10:00 a.m.

Biovail Corporation, Eugene N. Melnyk, Brian H. Crombie, John R. Miszuk and Kenneth G. Howling

s. 127(1) and 127.1

J. Superina, A. Clark in attendance for Staff

Panel: JEAT/PLK/MGC

June 6-8, 2011
10:00 a.m.

Lehman Brothers & Associates Corp., Greg Marks, Kent Emerson Lounds and Gregory William Higgins

s. 127

H. Craig in attendance for Staff

Panel: TBA

September 12-19 and September 21-30, 2011 10:00 a.m.	**FactorCorp Inc., FactorCorp Financial Inc. and Mark Twerdun** s. 127 C. Price in attendance for Staff Panel: TBA
TBA	**Yama Abdullah Yaqeen** s. 8(2) J. Superina in attendance for Staff Panel: TBA
TBA	**Microsourceonline Inc., Michael Peter Anzelmo, Vito Curalli, Jaime S. Lobo, Sumit Majumdar and Jeffrey David Mandell** s. 127 J. Waechter in attendance for Staff Panel: TBA
TBA	**Frank Dunn, Douglas Beatty, Michael Gollogly** s. 127 K. Daniels in attendance for Staff Panel: TBA
TBA	**MRS Sciences Inc. (formerly Morningside Capital Corp.), Americo DeRosa, Ronald Sherman, Edward Emmons and Ivan Cavric** s. 127 and 127(1) D. Ferris in attendance for Staff Panel: TBA
TBA	**Goldpoint Resources Corporation, Lino Novielli, Brian Moloney, Evanna Tomeli, Robert Black, Richard Wylie and Jack Anderson** s. 127(1) and 127(5) M. Boswell in attendance for Staff Panel: TBA
TBA	**Goldbridge Financial Inc., Wesley Wayne Weber and Shawn C. Lesperance** s. 127 C. Johnson in attendance for Staff Panel: TBA
TBA	**Borealis International Inc., Synergy Group (2000) Inc., Integrated Business Concepts Inc., Canavista Corporate Services Inc., Canavista Financial Center Inc., Shane Smith, Andrew Lloyd, Paul Lloyd, Vince Villanti, Larry Haliday, Jean Breau, Joy Statham, David Prentice, Len Zielke, John Stephan, Ray Murphy, Alexander Poole, Derek Grigor and Earl Switenky** s. 127 and 127.1 Y. Chisholm in attendance for Staff Panel: TBA
TBA	**Innovative Gifting Inc., Terence Lushington, Z2A Corp., and Christine Hewitt** s. 127 M. Boswell in attendance for Staff Panel: TBA
TBA	**Gold-Quest International, 1725587 Ontario Inc. carrying on business as Health and Harmoney, Harmoney Club Inc., Donald Iain Buchanan, Lisa Buchanan and Sandra Gale** s. 127 H. Craig in attendance for Staff Panel: TBA
TBA	**Lyndz Pharmaceuticals Inc., James Marketing Ltd., Michael Eatch and Rickey McKenzie** s. 127(1) and (5) J. Feasby in attendance for Staff Panel: TBA

TBA

M P Global Financial Ltd., and Joe Feng Deng

s. 127 (1)

M. Britton in attendance for Staff

Panel: TBA

TBA

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 Harmoney, 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

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

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

s. 127

H. Craig in attendance for Staff

Panel: TBA

TBA

Howard Jeffrey Miller and Man Kin Cheng (a.k.a. Francis Cheng)

s. 127

T. Center in attendance for Staff

Panel: TBA

TBA

Juniper Fund Management Corporation, Juniper Income Fund, Juniper Equity Growth Fund and Roy Brown (a.k.a. Roy Brown-Rodrigues)

s. 127 and 127.1

D. Ferris in attendance for Staff

Panel: TBA

TBA

Global Consulting and Financial Services, Crown Capital Management Corporation, Canadian Private Audit Service, Executive Asset Management, Michael Chomica, Peter Kuti, Jan Chomica, and Lorne Banks

s. 127

M. Boswell in attendance for Staff

Panel: TBA

TBA **QuantFX Asset Management Inc., Vadim Tsatskin, Lucien Shtromvaser and Rostislav Zemlinsky**

s. 127

H. Craig in attendance for Staff

Panel: TBA

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

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

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

1.1.2 Chi-X Canada ATS Notice of Implementation – Form 21-101F2

CHI-X CANADA ATS
NOTICE OF IMPLEMENTATION

On September 3, 2010 Chi-X Canada ATS published a notice regarding changes to its Form 21-101F2 to introduce the ability for subscribers to designate orders as attributed on an order-by-order basis. No comments were received, and Chi-X Canada intends to implement this change and offer subscribers the ability to attribute their orders on a post trade basis on December 1, 2010.

1.2 Notices of Hearing

1.2.1 Richvale Resource Corporation et al. – ss. 37, 127, 127.1

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

AND

IN THE MATTER OF
RICHVALE RESOURCE CORPORATION,
MARVIN WINICK, HOWARD BLUMENFELD,
JOHN COLONNA, PASQUALE SCHIAVONE,
AND SHAFI KHAN

NOTICE OF HEARING
(Sections 37, 127 and 127.1)

TAKE NOTICE THAT the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to sections 37, 127, and 127.1 of the Ontario *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") at the offices of the Commission at 20 Queen Street West, 17th Floor Hearing Room on December 2, 2010 at 9:30 a.m., or as soon thereafter as the hearing can be held, to consider:

(i) whether, in the opinion of the Commission, it is in the public interest, pursuant to sections 127 and 127.1 of the Act to order that:

(a) trading in any securities by Richvale Resource Corporation (“Richvale”), Marvin Winick (“Winick”), Howard Blumenfeld (“Blumenfeld”), John Colonna (“Colonna”), Pasquale Schiavone (“Schiavone”), and Shafi Khan (“Khan”) (collectively the "Respondents") cease permanently or for such period as is specified by the Commission;

(b) the acquisition of any securities by the Respondents is prohibited permanently or for such other period as is specified by the Commission;

(c) any exemptions contained in Ontario securities law do not apply to the Respondents permanently or for such period as is specified by the Commission;

(d) each of the Respondents disgorge to the Commission any amounts obtained as a result of non-compliance by that respondent with Ontario securities law;

(e) the Respondents be reprimanded;

(f) Winick, Blumenfeld, Colonna, Schiavone, and Khan (collectively the "Individual Respondents") resign one or more positions that they hold as a director or officer of any issuer, registrant, or investment fund manager;

(g) the Individual Respondents be prohibited from becoming or acting as a director or officer of any issuer, registrant, and investment fund manager;

(h) the Respondents be prohibited from becoming or acting as a registrant, as an investment fund manager and as a promoter;

(i) the Respondents each pay an administrative penalty of not more than $1 million for each failure by that respondent to comply with Ontario securities law; and,

(j) the Respondents be ordered to pay the costs of the Commission investigation and the hearing.

(ii) whether, in the opinion of the Commission, an order should be made pursuant to section 37 of the Act that the Respondents cease permanently to telephone from within Ontario to any residence within or outside Ontario for the purpose of trading in any security or any class of securities; and,

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

BY REASON OF the allegations as set out in the Statement of Allegations of Staff of the Commission dated November 10, 2010 and such further additional allegations as counsel may advise and the Commission may permit;

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

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

DATED at Toronto this 10th day of November, 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
RICHVALE RESOURCE CORPORATION,
MARVIN WINICK, HOWARD BLUMENFELD,
JOHN COLONNA, PASQUALE SCHIAVONE,
AND SHAFI KHAN

STATEMENT OF ALLEGATIONS OF
STAFF OF THE ONTARIO SECURITIES COMMISSION

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

THE RESPONDENTS

1. Tess Security Services (2002) Inc. ("Tess") was incorporated in Ontario in July, 2002.

2. On August 8, 2008, the corporate name of Tess was changed to Richvale Resource Corporation ("Richvale").

3. The registered office address for Richvale was care of Marvin Winick ("Winick") at 14 Pico Crescent, Thornhill, Ontario. This is Winick's residential address.

4. Winick is a registered Director of Richvale.

5. Howard Blumenfeld is a registered Director of Richvale and the registered Secretary and Treasurer of Richvale. Blumenfeld is a resident of Ontario.

6. John Colonna ("Colonna") is a resident of Ontario and was a directing mind of Richvale.

7. Pasquale Schiavone ("Schiavone") is listed in Richvale on the Richvale website and in Richvale promotional material as a Director and the President of Richvale. Schiavone is a resident of the Province of Quebec.

8. Shafi Khan ("Khan") is a resident of Ontario and was a salesperson of the Richvale securities.

II. BACKGROUND

- **Trading in Securities of Richvale**

9. Staff allege that Richvale, Blumenfeld, Winick, Colonna, Schiavone and Khan (collectively the "Respondents") traded in securities of Richvale between and including August 8, 2008 and December 31, 2009 (the "Material Time").

10. During the Material Time, the Respondents traded in securities of Richvale from the Toronto area. Richvale never filed a prospectus or a preliminary prospectus with the Ontario Securities Commission (the "Commission") and Richvale has never been registered with the Commission.

11. Winick, Blumenfeld, Colonna, Schiavone and Khan were not registered with the Commission in any capacity during the Material Time.

12. Winick, Blumenfeld, Colonna and Schiavone were the directing minds of Richvale during the Material Time (the "Directing Minds").

13. During the Material Time, residents of several Canadian provinces received unsolicited phone calls from salespersons, agents and representatives of Richvale and were solicited to purchase shares of Richvale.

14. Khan was the principal salesperson of the Richvale securities.

15. The salespersons, agents and representatives of Richvale told potential investors that Richvale would be going public in the future. Potential investors were also told that Richvale owned certain properties in the Province of Quebec.

16. During the Material Time, approximately $753,000 (the "Investor Funds") was received from approximately 27 individuals and companies (collectively the "Investors") that purchased shares of Richvale as a result of being solicited to do so by the salespersons, agents and representatives of Richvale. The Investors were resident in several Canadian provinces.

17. The Investors' funds (the "Investor Funds") were sent to bank accounts held by Richvale at the Royal Bank of Canada and the Bank of Nova Scotia (the "Richvale Bank Accounts"). The Richvale Bank Accounts were both located in Ontario.

18. The Respondents participated in acts, solicitations, conduct, or negotiations directly or indirectly in furtherance of the sale or disposition of securities for valuable consideration, in circumstances where there were no exemptions available to the Respondents under the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act").

- **Fraudulent Conduct**

19. During the Material Time, the Respondents and other employees, representatives or agents of Richvale provided information to the Investors that was false, inaccurate and misleading, including, but not limited to, the following:

    (a) That salespersons of Richvale were paid in Richvale shares and were not paid commissions;

    (b) The names used by the sales representatives of Richvale were not their true names;

    (c) That Richvale would be going public on a stock exchange in a matter of weeks;

    (d) That the net proceeds of the sale of Richvale securities would be used primarily for costs associated with the exploration of the properties owned by Richvale, for ongoing operations and to acquire other properties or entities;

    (e) Richvale claimed that they "build value by advancing our operations, building new projects and pursuing exploration opportunities";

    (f) That Richvale claimed to hold certain land claims during the Material Time when these land claims had expired; and

    (g) Content on the Richvale website was false or misleading to investors, including statements with respect to the compensation of Directors and/or Officers of Richvale and the business experience of the Directors and/or Officers of Richvale.

20. The false, inaccurate and misleading representations were made with the intention of effecting trades in Richvale securities.

21. The Richvale website listed the Richvale "Greater Toronto Area Satellite Office" being located at 8171 Yonge Street, Suite 11, Thornhill, Ontario. This address was a UPS Store mailbox.

22. Khan used the aliases "Dave Isaac" and "Sam Binder" when selling Richvale securities to members of the public. The directing minds of Richvale were aware that aliases were being used when Richvale securities were being sold to the public.

23. Some of the Investor Funds were used to make personal interest-free loans to friends of certain of the Directing Minds of Richvale. This was never disclosed to the Investors.

24. Between 30% to 50% of the Investor Funds were paid out as commissions to Khan for the sale of Richvale securities. This was never disclosed to the Investors.

25. Approximately 74% of the Investor Funds were paid out to Khan, Blumenfeld, Winick or removed from Richvale bank accounts in the form of cash.

26. Only 6% of the Investor Funds were used to renew land claims on certain properties in Quebec.

27. Richvale did not engage in any exploration on the properties for which it held land claims.

28. The Respondents and other employees, representatives or agents of Richvale engaged in a course of conduct relating to securities that they knew or reasonably ought to have known would result in a fraud on persons purchasing securities of Richvale.

III. Conduct Contrary to Ontario Securities Law and Contrary to the Public Interest

29. The specific allegations advanced by Staff are:

(a) During the Material Time, the Respondents engaged or participated in acts, practices or courses of conduct relating to securities of Richvale that the Respondents knew or reasonably ought to have known perpetrated a fraud on persons or companies, contrary to section 126.1(b) of the Act and contrary to the public interest;

(b) During the Material Time, the Respondents traded in securities without being registered to trade in securities, contrary to section 25(1)(a) of the Act and contrary to the public interest;

(c) During the Material Time, Richvale, Khan and representatives of Richvale made representations without the written permission of the Director, with the intention of effecting a trade in securities of Richvale, that such security would be listed on a stock exchange or quoted on any quotation and trade reporting system, contrary to section 38(3) of the Act and contrary to the public interest;

(d) During the Material Time, the Respondents traded in securities of Richvale when a preliminary prospectus and a prospectus had not been filed and receipts had not been issued for them by the Director, contrary to section 53(1) of the Act and contrary to the public interest;

(e) During the Material Time, Winick, Blumenfeld, Colonna and Schiavone, being directors and/or officers of Richvale, did authorize, permit or acquiesce in the commission of the violations of sections 25, 38, 53 and 126.1 of the Act, as set out above, by Richvale or by the employees, agents or representatives of Richvale, contrary to section 129.2 of the Act and contrary to the public interest;

30. Staff reserve the right to make such other allegations as Staff may advise and the Commission may permit.

DATED at Toronto, November 10, 2010.

1.2.2 Agoracom Investor Relations Corp. 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
AGORACOM INVESTOR RELATIONS CORP.,
AGORA INTERNATIONAL ENTERPRISES CORP.,
GEORGE TSIOLIS and APOSTOLIS KONDAKOS
(a.k.a. PAUL KONDAKOS)

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, on November 12, 2010 at 10:00 a.m. or as soon thereafter as the hearing can be held:

AND TAKE NOTICE that the purpose of the hearing is for the Commission to consider whether it is in the public interest to approve the settlement agreement dated November 10, 2010 between Staff of the Commission and the Respondents;

BY REASON OF the allegations set out in the Amended Statement of Allegations dated November 10, 2010 and such additional allegations as counsel may advise and the Commission may permit;

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

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

DATED at Toronto this "10th" day of November, 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
AGORACOM INVESTOR RELATIONS CORP.,
AGORA INTERNATIONAL ENTERPRISES CORP.,
GEORGE TSIOLIS and APOSTOLIS KONDAKOS
(a.k.a. PAUL KONDAKOS)

AMENDED 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. This proceeding relates to on-line posting activity by Agoracom Investor Relations Corp. ("AIRC") and Agora International Enterprises Corp. ("AIEC") (collectively "Agoracom"), an on-line investment relations firm, and its management, George Tsiolis ("Tsiolis") and Apostolis Kondakos, a.k.a. Paul Kondakos ("Kondakos") (collectively the "Respondents") in a manner that was contrary to the public interest.

2. Staff allege that the Respondents' course of conduct spanned from September 1, 2006 to July 31, 2009 (the "Material Time").

3. This proceeding also relates to the interception by Kondakos of private messages sent between public users using the Agoracom platform, contrary to the public interest. This course of conduct spanned from July 2008 to February 2009.

II. THE RESPONDENTS

A. The Corporate Respondents

4. None of the corporate respondents were registered with the Commission in any capacity during the Material Time.

5. AIRC is an Ontario company incorporated on February 12, 2007. AIRC employs Agoracom representatives and contracts with clients to provide investor relations services.

6. AIEC is an Ontario company incorporated on April 23, 1997. Revenue from Agoracom gets reported to AIEC.

7. Together, AIRC and AIEC carry on business in Toronto, Ontario as "Agoracom" and perform the business of an online investor relations firm for public companies whose securities are publicly listed in Canada.

B. The Individual Respondents

8. Tsiolis is a resident of Toronto, Ontario and is the founder and a directing mind of Agoracom. Tsiolis is the sole director of AIEC, one of two directors of AIRC and is the registrant for the domain name "agoracom.com".

9. Tsiolis was registered as an officer & director (trading) and shareholder, under the category of limited market dealer with Agoracom Capital Inc. from July 2, 2008 to September 28, 2009. Tsiolis has been registered as a dealing representative and approved as a permitted individual (officer, director and shareholder), under the category of exempt market dealer with Agoracom Capital Inc. since September 28, 2009.

10. Kondakos is a resident of Toronto, Ontario and is the other directing mind of Agoracom. Kondakos is an officer of AIRC.

11. Kondakos was registered as officer & director (trading) and approved as designated compliance officer, under the category of limited market dealer with Agoracom Capital Inc. from July 2, 2008 to September 28, 2009. Kondakos has been registered as a dealing representative and approved as a permitted individual (officer & director), under the category of exempt market dealer with Agoracom Capital Inc. since September 28, 2009. Kondakos has also been registered as ultimate designated person and chief compliance officer, under the category of exempt market dealer with Agoracom Capital Inc. since December 29, 2009.

III. ALIAS POSTINGS BY AGORACOM MANAGEMENT AND REPRESENTATIVES

12. According to their website (www.agoracom.com), Agoracom "caters to the IR and marketing needs of small and micro cap public companies trading on the TSX [and] TSX Venture …". Agoracom offers pricing models for its clients which incorporate a monthly fee and stock options equalling the greater of 250,000 shares or 0.5% of a company's fully diluted outstanding share total at current prices.

13. Agoracom's online content includes webcasts, podcasts, and blogs. Perusal of www.agoracom.com is free and open to the public. Visitors are directed to client and non-client issuer "hubs" created and maintained by Agoracom. Among the features available on a specific company's hub is a discussion forum, relating to the issuers' securities.

14. Agoracom's representatives serviced the client hubs by moderating their discussion forums and posting information and news to the forums. In order to post comments on the discussion forums, users are required to create a username and provide an e-mail address.

15. Tsiolis and Kondakos required their representatives, as part of their daily responsibilities, to post anonymously to some client forums using aliases. To post messages anonymously, the representatives created fictitious usernames and posed as investors blending in with other users, investors and interested persons. Representatives had between 40-50 aliases (some had up to 200) and were required to make up to 2 posts per hub per day or risk having their pay docked. On occasion, Agoracom staff conversed with themselves on the forums using different aliases.

16. Staff alleges that during the Material Time:

(a) more than 24,000 alias posts were created from within Agoracom on client and non-client hubs;

(b) more than 670 alias user names were created by representatives of Agoracom and used on client and non-client hubs;

(c) alias posts originated from Tsiolis' residence; and

(d) posts by Agoracom representatives, using their aliases, were occasionally promotional and promoted purchasing and/or holding stock.

17. Neither the public users nor the majority of Agoracom's clients were aware that representatives of Agoracom were posting on their hubs using aliases. In some cases, Agoracom reported the number of posts and shareholder inquiries answered by Agoracom's representatives to clients on a monthly basis, and failed to disclose that a portion of the posts and shareholder inquiries were created by Agoracom's own representatives. For certain clients, alias posts by Agoracom's representatives represented a significant proportion of the postings within the forum.

18. The Respondents also took steps to actively conceal the alias posting activity by its representatives. In March 2009, when the business development representative, Scott Purkis, revealed that he was an Agoracom representative posting with an alias, the Respondents posted an "Official Statement" stating that these actions were carried out by a single individual and that Agoracom would be taking steps within next sixty (60) days to ensure that this would never happen again. The message posted by the Respondents to the public in relation to Purkis' alias postings was misleading given that Tsiolis and Kondakos knew and instructed many representatives to create and use multiple aliases to post on all of the client forums. In addition, Tsiolis and Kondakos were aware that representatives continued to post using aliases after this Statement was released.

19. Staff allege that posting activity described above, mandated by the Respondents, was undertaken in part to create a misleading appearance of greater interest in the securities of Agoracom's clients.

IV. INTERCEPTION OF PRIVATE MESSAGES

20. Another feature available on the Agoracom platform is a "private messaging" service which, according to Agoracom's web site, allows users to have "direct and private contact with other Agoracom members."

21. From July 2008 to February 2009, Kondakos intercepted private messages sent between public users for the purpose of gathering information about reporting issuers and issuers, in which he was personally invested.

22. Kondakos forwarded private messages to a personal friend who was not associated with Agoracom and provided this individual with administrative access to the Agoracom website. This individual also intercepted private messages between public users, and forwarded these private messages to Kondakos.

VI. CONDUCT CONTRARY TO THE PUBLIC INTEREST

23. By engaging in the conduct described above, the Respondents have acted contrary to the public interest.

Dated at Toronto this 10th day of November, 2010.

1.2.3 Paul Azeff 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
PAUL AZEFF, KORIN BOBROW, MITCHELL FINKELSTEIN, 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 January 11, 2011 at 2:30 p.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 Paul Azeff ("Azeff") and Korin Bobrow ("Bobrow") and 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 Azeff, Bobrow Miller, Francis Cheng ("Cheng") and Mitchell Finkelstein ("Finkelstein"), (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, pursuant to paragraph 9 of section 127(1) of the Act;

(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, pursuant to paragraph 10 of section 127(1) of the Act;

(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 Amended Statement of Allegations of Staff of the Commission dated November 11, 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 "11th" day of November, 2010.

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

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

AND

IN THE MATTER OF
PAUL AZEFF, KORIN BOBROW, MITCHELL FINKELSTEIN, HOWARD JEFFREY MILLER AND MAN KIN CHENG (a.k.a. FRANCIS CHENG)

AMENDED STATEMENT OF ALLEGATIONS
OF STAFF OF THE ONTARIO SECURITIES COMMISSION

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

I. OVERVIEW

Finkelstein, Azeff and Bobrow

1. The Respondents, Mitchell Finkelstein ("Finkelstein"), Paul Azeff ("Azeff") and Korin Bobrow ("Bobrow") engaged in an illegal insider tipping and trading scheme over the course of a four year period from November 2004 to May 2007 (the "Relevant Period").

2. During the Relevant Period, Finkelstein, who practices corporate law in Toronto, sought out and acquired material, non-public information concerning pending corporate transactions that he would communicate to Azeff, in breach of section 76(2) of the *Securities Act*, R.S.O. 1990, c.S.5, as amended (the "Act").

3. Azeff shared the material, non-public information with his co-worker, Bobrow. They would then:

   (a) trade in securities of the reporting issuers with knowledge of material facts with respect to the reporting issuers that had not generally been disclosed, contrary to subsection 76(1) of the Act; and/or

   (b) inform, not in the necessary course of business, other persons of material facts with respect to the reporting issuers before the material facts were generally disclosed, contrary to subsection 76(2) of the Act; and/or

   (c) recommend investing in the reporting issuers to family members, friends and clients, contrary to the public interest.

Miller and Cheng

4. In or about November and December of 2004, the Respondents, Howard Jeffrey Miller ("Miller") and Man Kin Cheng a.k.a. Francis Cheng ("Cheng") engaged in illegal insider trading and tipping in securities of a reporting issuer, 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. Miller learned of the material, non-disclosed information from one of Azeff's clients who had been tipped by Azeff.

II. THE RESPONDENTS

5. Finkelstein is a resident of Toronto, Ontario and during the Relevant Period was a member of the Law Society of Upper Canada and a partner in the Corporate Finance & Securities and Mergers & Acquisitions practice at the Toronto office of Davies Ward Phillips & Vineberg LLP ("Davies"), a law firm with offices in Toronto, Montreal and New York. Finkelstein has never been registered with the Commission in any capacity.

6. Azeff is a resident of Montreal, Quebec. During the Relevant Period, Azeff was employed by CIBC World Markets Inc. ("CIBC") in Quebec. Azeff was registered with the Commission as a trading officer with CIBC from September 18, 2003 to September 28, 2009 and has been registered as a dealing representative with CIBC since September 28, 2009 to date.

7. Finkelstein and Azeff met and became friends and fraternity brothers at the University of Western Ontario and remained close personal friends thereafter. Throughout the Relevant Period, Finkelstein and Azeff were in regular and frequent contact.

8. Bobrow is also a resident of Montreal, Quebec and during the Relevant Period, Bobrow was also employed by CIBC in the same Montreal office as Azeff. At the material time, Bobrow was registered with the Commission as a salesperson with CIBC from May 14, 2003 to September 28, 2009 and has been registered as a dealing representative with CIBC since September 28, 2009 to date.

9. Bobrow and Azeff met in high school and are business partners at CIBC. Bobrow works exclusively with Azeff and all the trading done by Bobrow's clients are processed through Azeff's accounts. Azeff and Bobrow have a private compensation arrangement to reflect their respective client split of the group's annual trading activity.

10. Miller is a resident of Toronto, Ontario. During the Relevant Period, from July 1, 2002 until September 22, 2008, Miller was employed by TD Waterhouse Canada Inc. ("TD") and was registered with the Commission as a trading officer under the dealer category of investment dealer. Miller was registered as a dealing representative with Raymond James Ltd., from January 5, 2009 until October 9, 2010. Miller is not currently registered with the Commission.

11. 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.

12. During the Relevant Period, Cheng and Miller worked from the same office. In early 2007, Miller and Cheng formed the "Miller/Cheng Advisory Group". Miller and Cheng had a private compensation arrangement to reflect their respective client split of the group's annual trading activity and other factors.

II. TIPPING, INSIDER TRADING, AND CONDUCT CONTRARY BY FINKELSTEIN, AZEFF AND BOBROW

Tipping – Finkelstein

13. During the Relevant Period, Finkelstein actively sought out and acquired material, non-public information about potential corporate transactions through his role as a lawyer at Davies either by:

(a) acting as counsel to reporting issuers on pending corporate transactions; and/or

(b) by conducting searches on the documents management system at Davies for material, non-public information related to pending transactions for which he did not personally serve as counsel.

14. For each of the following acquisitions listed below (the "Acquisitions"), Finkelstein informed Azeff of material information related to the following reporting issuers (the "Reporting Issuers") prior to that information having been generally disclosed. In particular,

(a) Kohlberg Kravis Roberts & Co. ("KKR") acquisition of Masonite International Corporation ("Masonite"), announced December 22, 2004 (the "Masonite Transaction") – Davies acted on behalf of Masonite and Finkelstein was counsel on the matter. On the evening of November 16, 2004, Davies' lawyers, including Finkelstein, met with management of Masonite to discuss the Masonite Transaction. In the following three days, there were several telephone contacts between Azeff and Finkelstein, the last one occurring approximately two hours before the first buy order was placed on November 19, 2005 by Azeff and/or Bobrow.

On January 26, 2005, Azeff met with Finkelstein in Toronto. In the two days following the meeting, Finkelstein made two cash deposits in $50 and $100 bills to his two bank accounts.

(b) Vista Equity Partners ("Vista") acquisition of MDSI Mobile Data Solutions Inc. ("MDSI"), announced July 29, 2005 (the "MDSI Transaction") – Davies acted on behalf of Vista and Finkelstein accessed documents with material, non disclosed information, notwithstanding that he was not counsel on the matter. Throughout June and July 2005, Finkelstein accessed documents relating to the MDSI Transaction, and had several telephone contacts with Azeff. On July 28, 2005, one day after Finkelstein's accessing of the last MDSI documents, (one of which indicated that the MDSI Transaction would be announced on July 29, 2005), three clients of Azeff commence buying shares of MDSI.

Between September 8 and 9, 2005, Finkelstein and Azeff had several telephone contacts. Finkelstein was in Montreal for part of each of those days, returning to Toronto on September 9, 2005. On that same day, Finkelstein made a cash deposit in $100 bills to his bank account.

(c) Barrick Gold Corporation ("Barrick") acquisition of Placer Dome Inc. ("Placer Dome"), initial offer announced October 31, 2005 and revised offer announced on December 21, 2005 (the "Placer Dome Transaction") – Davies acted on behalf of Barrick and Finkelstein accessed documents with material, non disclosed

information, notwithstanding that he was not counsel on the matter. Between September 14, 2005 and October 18, 2005, Finkelstein accessed documents relating to the Place Dome Transaction. Between September 25, 2005 to October 25, 2005, there were several telephone contacts between Finkelstein and Azeff. On October 26, 2005, the first trading occurred in both Barrick and Placer Dome shares by Azeff and/or Bobrow.

On November 30, 2005, Azeff and Finkelstein met in downtown Toronto. On December 2, 2005, Finkelstein made two cash deposits, in $100 bills, in two of his bank accounts.

(d) Sherritt International Corporation acquisition of Dynatec Corporation ("Dynatec") announced April 20, 2007 (the "Dynatec Transaction") – Davies acted on behalf of Dynatec and Finkelstein accessed documents with material, non disclosed information, notwithstanding that he was not counsel on the matter. On April 18, 2007, Finkelstein accessed documents relating to the Dynatec Transaction. Within minutes of doing so, there was telephone contact between Finkelstein and Azeff. The first trading occurred in Dynatec shares by Azeff and/or Bobrow clients within minutes of that contact. Between April 20 and April 27, 2007, there were several telephone contacts between Finkelstein and Azeff.

Between April 29 and April 30, 2007, Finkelstein was in Montreal and Sherbrooke, Quebec. Between May 1 and 7, 2007, Finkelstein made a series of cash deposits to his two bank accounts consisting primarily of $100 bills.

Pursuant to subsections 76(5)(b) and (e) of the Act, Finkelstein became a person in a special relationship with the Reporting Issuers involved in the Acquisitions.

15. Finkelstein owed a fiduciary duty and a strict duty of confidentiality and loyalty to the clients of Davies. Pursuant to subsection 76(2) of the Act, Finkelstein was also prohibited from tipping others with material information related to any of the Reporting Issuers prior to that information having been generally disclosed.

Insider Trading, Tipping and Conduct Contrary – Azeff

16. Throughout the Relevant Period, Azeff obtained material information related to the pending Acquisitions from Finkelstein prior to the information having been generally disclosed. Azeff knew or ought to have known that Finkelstein obtained the information in his capacity as a lawyer and that Finkelstein stood in a special relationship to each of the Reporting Issuers.

17. By virtue of subsection 76(5)(e) of the Act, Azeff became a person in a special relationship with each of the Reporting Issuers and was accordingly prohibited from trading securities of the Reporting Issuers while in possession of material non-public information involving those Reporting Issuers.

18. With knowledge of material, non-public information supplied by Finkelstein, Azeff traded securities on behalf of himself and his wife in advance of the following Acquisitions, contrary to subsection 76(1) of the Act as follows:

(a) Masonite Transaction: Between November 19 and December 6, 2004, Azeff purchased 7,550 Masonite shares valued at approximately $255,000 in four of his CIBC accounts. Azeff sold these shares after the Press Release between December 23 and 29, 2004, for a realized profit of approximately $51,500.

(b) Placer Dome Transaction: Between October 26 and 28, 2005, Azeff purchased 2,500 Placer Dome shares valued at approximately $48,700 in two of his CIBC accounts. Azeff sold these shares after the Press Release between October 31, 2005 and January 10, 2006, for a realized profit of approximately $13,800. On October 28, 2005, Azeff purchased 800 Placer Dome shares for his wife's CIBC account valued at approximately $15,000. Azeff sold these shares after the Press Release on October 31, 2005 for a realized profit of approximately $3,300.

19. In addition, Azeff recommended investing in the securities of the following Reporting Issuers to several of his family members, contrary to the public interest. In particular,

(a) Masonite Transaction: Between November 19 and December 20, 2004, four of Azeff's relatives' CIBC accounts purchased 10,125 Masonite shares valued at approximately $345,000.

(b) Placer Dome Transaction: Between October 26 and 28, 2005, four of Azeff's relatives' CIBC accounts purchased 5,500 Placer Dome shares valued at approximately $105,000.

20. Azeff also informed Bobrow of the material, non-public information relating to the Masonite Transaction, Placer Dome Transaction and Dynatec Transaction prior to the information having been generally disclosed. In addition, Azeff informed at

least one client ("Client A") of material, non-public information relating to the Masonite Transaction and the Dynatec Transaction prior to the information having been generally disclosed, contrary to subsection 76(2) of the Act.

Insider Trading, Tipping and Conduct Contrary – Bobrow

21. Throughout the Relevant Period, Bobrow obtained material information related to one or more of the pending Acquisitions from Azeff prior to the information having been generally disclosed.

22. By virtue of subsection 76(5)(e) of the Act, Bobrow became a person in a special relationship with one or more of the Reporting Issuers when he learned of material non-public information with respect to the Reporting Issuers from Azeff, who was a person who he knew or ought reasonably to have known was a person in such a relationship. Bobrow was accordingly prohibited from trading securities of the Reporting Issuers while in possession of material non-public information involving those Reporting Issuers.

23. With knowledge of material, non-public information supplied by Azeff (who obtained it from Finkelstein), Bobrow traded securities in advance of the following Acquisitions, contrary to subsection 76(1) of the Act as follows:

(a) Masonite Transaction: Between November 19 and December 6, 2004, Bobrow purchased 2,900 Masonite shares valued at approximately $99,000 in two of his CIBC accounts. Bobrow sold these shares after the Press Release between December 23 and 29, 2004, for a realized profit of approximately $18,000.

(b) Placer Dome Transaction: Between October 26 and 28, 2005, Bobrow purchased 2,800 Placer Dome shares valued at approximately $54,600 in two of his CIBC accounts. Bobrow sold these shares after the Press Release between October 31 and November 22, 2005, for a realized profit of approximately $12,400.

24. In addition, Bobrow recommended investing in securities of the Reporting Issuers to several of his family members, contrary to the public interest. In particular,

(a) Masonite Transaction: Between November 19 and December 21, 2004, two of Bobrow's relatives' CIBC accounts purchased 1,950 Masonite shares valued at approximately $66,500.

(b) Placer Dome Transaction: Between October 26 and 28, 2005, two of Bobrow's relatives' CIBC accounts purchased 3,500 Placer Dome shares valued at approximately $68,000.

25. Bobrow also informed at least one client ("Client B") of the material, non-public information relating to the Masonite Transaction prior to the information having been generally disclosed, contrary to subsection 76(2) of the Act. Client B advised Bobrow by e-mail not to tell his girlfriend the name of the stock being purchased for her as it is "confidential", and "We don't want this info in the public domain."

Recommendations by Azeff and Bobrow to clients/friends

26. In addition, Azeff and/or Bobrow recommended investing in securities of the Reporting Issuers to several of their clients/friends, contrary to the public interest. In particular,

(a) Masonite Transaction: Between November 19 and December 22, 2004 (prior to the issuance of the Press Release), more than 100 accounts of Azeff/Bobrow friends (with accounts at and/or outside of CIBC) and CIBC clients purchased 290,000 Masonite shares, valued at approximately $9.8 million.

(b) MDSI Transaction: On July 28, 2005, five accounts of Azeff/Bobrow friends (with accounts at or outside of CIBC) purchased 24,000 MDSI shares, valued at approximately $122,000.

(c) Placer Dome Transaction: Between October 26 and 28, 2005, 29 accounts of Azeff/Bobrow friends (with accounts at and/or outside of CIBC) and CIBC clients purchased 67,700 Placer Dome shares, valued at approximately $1.29 million.

(d) Dynatec Transaction: On April 18 and 19, 2007, 16 accounts of Azeff/Bobrow friends (with accounts at and/or outside of CIBC) and CIBC clients purchased 427,500 Dynatec shares, valued at approximately $1.6 million.

Summary of Trading

27. Following the public announcements, the securities of the Reporting Issuers involved in the Acquisitions increased in value. Shortly thereafter, Azeff and Bobrow sold most of the securities they had purchased in Masonite and Placer Dome to realize a profit and obtained an unrealized profit for the remaining securities which they held, for a total gross profit over the

Relevant Period of approximately $65,500 and $30,600, respectively. In addition, Azeff and Bobrow would have earned commission income on the trading conducted by their CIBC clients in Masonite, Placer Dome and Dynatec.

28. With respect to Masonite, in aggregate, as at December 22, 2004, prior to the Press Release, Azeff and Bobrow, their families and friends (at and/or outside of CIBC), and clients at CIBC owned approximately 310,000 shares of Masonite with a book value of approximately $10.6 million. Assuming that all shares were sold at the original announcement price of $40.20, these shares would have generated profit of approximately $2 million, or 19%.

29. With respect to MDSI, as at July 29, 2005, prior to the Press Release, friends of Azeff and Bobrow owned 24,000 MDSI shares with a book value of approximately $122,000. The shares were subsequently sold on July 29, 2005, after the Press Release, for a realized profit of approximately $69,000, or 56%.

30. With respect to Placer Dome, in aggregate, as at October 31, 2005, prior to the Press Release, Azeff and Bobrow, their families and friends (at and/or outside of CIBC), and clients at CIBC owned 82,800 shares of Placer Dome with a book value of approximately $1.58 million. Assuming that all shares were sold at the October 31, 2005 opening trading price of $22.99, these shares would have generated profit of approximately $320,000, or 20%.

31. With respect to Dynatec, in aggregate, as of April 20, 2007, prior to the Press Release, Azeff and Bobrow friends (at and/or outside of CIBC) and clients owned 427,500 Dynatec shares with a book value of approximately $1.6 million. Assuming that all shares were sold on April 20, 2007, after the Press Release, at an average price of $4.42, these shares would have generated profit of approximately $265,000, or 16%.

III. INSIDER TRADING, TIPPING AND CONDUCT CONTRARY BY MILLER

32. 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 Client A (the client tipped by Azeff), who was a person who Miller 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.

33. 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*

34. 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.

35. 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.

36. 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.

37. 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.

IV. INSIDER TRADING, TIPPING AND CONDUCT CONTRARY BY CHENG

38. 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.

39. 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.

40. 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.

41. 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."*

42. 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."

V. SUMMARY OF TRADING – MILLER AND CHENG

43. 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.

44. 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%).

45. Staff alleges that the flow of material, undisclosed information with respect to the Masonite Transaction is set out in Schedule 1 attached to the within Amended Statement of Allegations.

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

46. By trading securities of one or more reporting issuers with knowledge of the material facts obtained from persons who Azeff and Bobrow knew or ought to have known were in a special relationship with a reporting issuer, that had not generally been disclosed, Azeff and Bobrow engaged in illegal insider trading, contrary to subsection 76(1) of the Act, and engaged in conduct contrary to the public interest.

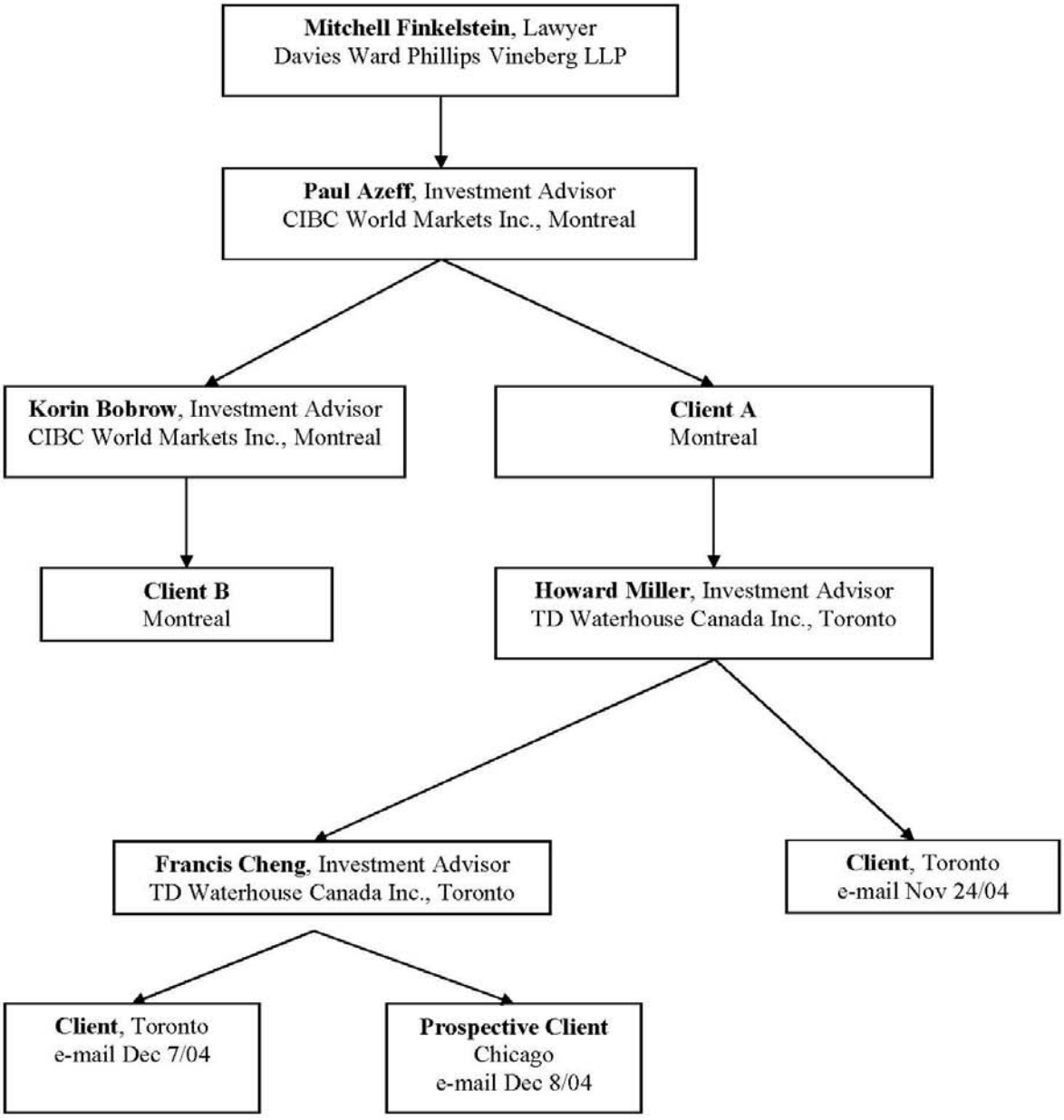
47. By recommending the purchase of securities of one or more reporting issuers with knowledge of the material facts obtained from persons who Azeff and Bobrow knew or ought to have known were in a special relationship with one or more reporting issuers, that had not generally been disclosed, Azeff and Bobrow engaged in conduct contrary to the public interest.

48. By informing other persons of materials facts with respect to one or more reporting issuers, prior to that information being generally disclosed, Finkelstein, Azeff and Bobrow engaged in tipping, contrary subsection 76(2) of the Act, and engaged in conduct contrary to the public interest.

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

Dated at Toronto this 11th day of November, 2010.

Schedule 1
Masonite Transaction



1.2.4 QuantFX Asset Management Ltd. et al. – ss. 37, 127, 127.1

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

AND

IN THE MATTER OF
QUANTFX ASSET MANAGEMENT LTD. ,
VADIM TSATSKIN, LUCIEN SHTROMVASER and
ROSTISLAV ZEMLINSKY

NOTICE OF HEARING
(Sections 37, 127 and 127.1)

TAKE NOTICE THAT the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to sections 37, 127 and 127.1 of the Ontario *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") at the offices of the Commission at 20 Queen Street West, 17th Floor Hearing Room on November 18, 2010 at 4:00 p.m., or as soon thereafter as the hearing can be held, to consider:

(i) whether, in the opinion of the Commission, it is in the public interest, pursuant to sections 127 and 127.1 of the Act to order that:

(a) trading in any securities by QuantFX Asset Management Ltd. (“QuantFX”), Vadim Tsatskin (“Tsatskin”), Lucien Shtromvaser (“Shtromvaser”) and Rostislav Zemlinsky (“Zemlinsky”), collectively, the “Respondents”, cease permanently or for such period as is specified by the Commission;

(b) the acquisition of any securities by the Respondents is prohibited permanently or for such other period as is specified by the Commission;

(c) any exemptions contained in Ontario securities law do not apply to the Respondents permanently or for such period as is specified by the Commission;

(d) the Respondents be reprimanded;

(e) Tsatskin, Shtromvaser and Zemlinsky (collectively, the “Individual Respondents”) resign one or more positions that they hold as a director or officer of any issuer, registrant, or investment fund manager;

(f) the Individual Respondents be prohibited permanently or for such other period as is specified by the Commission from becoming or acting as a director or officer of any issuer, registrant, and investment fund manager;

(g) the Respondents be prohibited permanently or for such other period as is specified by the Commission from becoming or acting as a registrant, as an investment fund manager and as a promoter;

(h) each of the Respondents disgorge to the Commission any amounts obtained as a result of non-compliance by that respondent with Ontario securities law;

(i) the Respondents each pay an administrative penalty of not more than $1 million for each failure by that respondent to comply with Ontario securities law; and

(j) the Respondents be ordered to pay the costs of the Commission investigation and the hearing.

(ii) whether, in the opinion of the Commission, an order should be made pursuant to section 37 of the Act that the Respondents cease permanently to telephone from within Ontario to any residence within or outside Ontario for the purpose of trading in any security or any class of securities; and,

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

BY REASON OF the allegations as set out in the Statement of Allegations of Staff of the Commission dated November 10, 2010 and such further additional allegations as counsel may advise and the Commission may permit;

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

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

DATED at Toronto this 10th day of November, 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
QUANTFX ASSET MANAGEMENT INC. ,
VADIM TSATSKIN, LUCIEN SHTROMVASER and
ROSTISLAV ZEMLINSKY

STATEMENT OF ALLEGATIONS
OF STAFF OF THE ONTARIO SECURITIES COMMISSION

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

I. OVERVIEW

1. This proceeding involves the unregistered trading and illegal distribution of securities from September 6, 2009 until April 13, 2010 (the "Material Time") by QuantFX Asset Management Inc. ("QuantFX") and its directors, Vadim Tsatskin ("Tstaskin"), Lucien Shtromvaser ("Shtromvaser") and Rostislav Zemlinsky ("Zemlinsky").

2. The agents of QuantFX solicited clients through its website and over the internet to invest in the currency market through accounts at GAIN Capital – Forex.com UK Ltd. ("Forex.com UK"). Agents of QuantFX also solicited potential clients over the telephone. The operations of Forex.com UK and its clients' accounts are located in the UK.

3. QuantFX also promoted its investment services on a website. This website contained misleading and/or inaccurate statements about the historical trading performance of QuantFX, the QuantFX management and its client base.

4. Clients of QuantFX, some of whom resided in Ontario, were instructed by QuantFX to deposit funds (the "Client Funds") directly with Forex.com UK in accounts in their names (the "Managed Accounts"). QuantFX and its agents then directed these clients to sign a limited power of attorney over the Managed Accounts allowing Zemlinsky to trade foreign exchange contracts on their behalf through Forex.com UK.

5. The Client Funds were then pooled by Zemlinsky and used to conduct trading in currency contracts through accounts in his name at Forex.com UK (the "Master Accounts"). He performed the foreign exchange contract trading from locations in Toronto, Ontario. Zemlinsky also allowed other traders in Russia to conduct trades in foreign exchange contracts from the Master Accounts using his password information.

6. Profits and losses in the Master Accounts were then distributed back to the Managed Accounts. Zemlinsky only had access to the Client Funds to permit him to trade in the Master Accounts. He could not instruct Forex.com UK to withdraw any funds from the Managed Accounts.

7. Clients of QuantFX also entered into a profit sharing agreement with QuantFX whereby QuantFX would receive 42.5% of any trading profits realized.

8. During the Material Time, clients placed a total of approximately $780,000 U.S. in the Managed Accounts.

II. THE RESPONDENTS

9. QuantFX was federally incorporated on August 4, 2009 and had its offices at an address located in Toronto, Ontario. Its founding directors were Tsatskin, Shtromvaser and Zemlinsky who remained directors during the Material Time.

10. During the Material Time, QuantFX, Tsatskin, Shtromvaser and Zemlinsky (collectively, the "Respondents") were not registered in any capacity with the Ontario Securities Commission (the "Commission").

11. Tsatskin, Shtromvaser and Zemlinsky are all residents of Ontario.

12. Tsatskin signed documents on behalf of QuantFX as its 'vice-president" and its "chairman".

13. Shtromvaser and Tsatskin were responsible for the development of the business infrastructure of QuantFX and its marketing and development, including the solicitation of clients. Zemlinsky was responsible for the trading on behalf of QuantFX clients.

14. Tsatskin, Shtromvaser and Zemlinsky all discussed and considered whether their activities in relation to QuantFX required registration with the Commission. All reached the conclusion that they were not required to be registered with the Commission.

III. UNREGISTERED TRADING IN SECURITIES CONTRARY TO SECTION 25 OF THE ACT

15. Staff allege that the Respondents and other agents of QuantFX engaged in the trading of securities and held themselves out as engaging in the business of trading securities without the proper registration contrary to section 25(1) of the *Securities Act*, R.S.O. 1990, c. S. 5, as amended (the "Act").

16. Further, Staff allege that the Respondents and other agents of QuantFX engaged in the business of advising members of the public with respect to the investing in, buying or selling securities of securities and held themselves out as engaging in the business of advising members of the public with respect to the investing in, buying or selling securities of securities contrary to section 25(3) of the Act.

17. The trading of foreign exchange contracts or advising regarding the trading of foreign exchange contracts by persons or companies in Ontario requires registration under section 25 of the Act.

IV. ILLEGAL DISTRIBUTION OF SECURITIES CONTRARY TO SECTION 53(1) OF THE ACT

18. Forex.com UK has never filed a prospectus or a preliminary prospectus with the Commission or obtained receipts for them from the Director regarding the trading of foreign exchange contracts in its accounts by account holders situated in Ontario. Further, these foreign exchanges contracts did not qualify for any exemption under Ontario securities law which would otherwise permit their trading.

19. The business of QuantFX was to persuade investors in Ontario and elsewhere to open trading accounts at Forex.com UK to allow QuantFX through its officers, directors, employees and agents to conduct foreign exchange contract trading on behalf of these investors.

20. From locations in Ontario, Quant FX, through its officers, directions, agents or employees, conducted trades of foreign exchange contracts on behalf of residents of Ontario and elsewhere.

21. The trading of foreign exchange contracts by persons or companies in Ontario must meet the prospectus requirements under section 53(1) of the Act or qualify for an exemption.

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

22. The specific allegations advanced by Staff related to the trades in foreign exchange contracts through Forex.com UK during the Material Time are as follows:

(a) QuantFX, Tsatskin, Shtromvaser and Zemlinsky traded in securities without being registered to trade in securities and/or held themselves out as engaging in the business of trading securities being registered to trade in securities, contrary to section 25(1) of the Act and contrary to the public interest;

(b) QuantFX, Tsatskin, Shtromvaser and Zemlinsky engaged in the business of advising in securities without being registered to trade in securities and/or held themselves out as engaging in the business of trading securities being registered to trade in securities, contrary to section 25(3) of the Act and contrary to the public interest;

(c) The actions of QuantFX, Tsatskin, Shtromvaser and Zemlinsky related to the trading of securities in accounts at Forex.com UK constituted distributions of securities where no preliminary prospectus and prospectus were issued nor receipted by the Director, contrary to section 53(1) of the Act and contrary to the public interest; and

(d) Tsatskin, Shtromvaser and Zemlinsky being directors and/or officers of QuantFX did authorize, permit or acquiesce in the commission of the violations of sections 25(1), 25(3) and 53(1) of the Act, as set out above, by QuantFX or by the agents or employees of QuantFX, contrary to section 129.2 of the Act and contrary to the public interest.

23. Staff reserve the right to make such other allegations as Staff may advise and the Commission may permit.

DATED at Toronto, November 10, 2010.

1.2.5 North American Financial Group Inc. et al. – ss. 127(7), 127(8)

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

AND

IN THE MATTER OF
NORTH AMERICAN FINANCIAL GROUP INC.,
NORTH AMERICAN CAPITAL INC.,
ALEXANDER FLAVIO ARCONTI, AND
LUIGINO ARCONTI

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

WHEREAS on the 10th day of November, 2010, the Ontario Securities Commission (the "Commission") ordered:

1. Pursuant to clause 2 of subsection 127(1) of the Act that all trading in the securities of NAFG and NAC shall cease;

2. Pursuant to clause 2 of subsection 127(1) of the Act that NAFG, NAC, Flavio and Gino cease trading in all securities; and

3. Pursuant to clause 3 of subsection 127(1) of the Act that any exemptions contained in Ontario securities law do not apply to NAFG, NAC, Flavio or Gino;

(the "Temporary Order");

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

TAKE NOTICE that the Commission will hold a hearing pursuant to subsection 127(7) and 127(8) of the Act at its offices at 20 Queen Street West, Toronto, 17th floor, Hearing Room B on Tuesday, the 23rd day of November, 2010 at 2:00 p.m. or as soon thereafter as the hearing can be held:

TO CONSIDER whether, pursuant to subsections 127(7) and 127(8) of the Act, it is in the public interest for the Commission to:

1. extend the Temporary Order until the conclusion of this hearing in this matter pursuant to subsection 127(7) of the Act or until such other time as ordered by the Commission; and

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

BY REASON of the facts cited in the Temporary Order and such further additional allegations as counsel may advise and the Commission may permit;

AND TAKE FUTHER NOTICE that any party to the proceeding may be represented at the hearing;

AND TAKE FUTHER NOTICE that upon failure of any party to attend at the time and place set out in this Notice of Hearing, the hearing my proceed in the absence of that party, and such party is not entitled to any further notice of the proceeding.

DATED at Toronto, this 10th day of November, 2010.

"John Stevenson"

1.3 News Releases

1.3.1 Canadian Securities Regulators Propose Amendments to Executive Compensation Disclosure Requirements

FOR IMMEDIATE RELEASE
November 19, 2010

CANADIAN SECURITIES REGULATORS PROPOSE
AMENDMENTS TO EXECUTIVE COMPENSATION DISCLOSURE REQUIREMENTS

Toronto – The Canadian Securities Administrators (CSA) today published for comment proposed amendments to Form 51-102F6 *Statement of Executive Compensation* designed to improve the disclosure investors receive regarding executive compensation. The proposals clarify existing requirements and introduce new substantive requirements to enhance the quality of information disclosed by public companies about key risks, governance and compensation matters.

"Improved disclosure helps investors understand how boards of directors make decisions about executive compensation and also helps them determine whether management's incentives are aligned with shareholder interests," said Jean St-Gelais, Chair of the CSA and President and Chief Executive Officer of the Autorité des marchés financiers (Québec).

In developing the proposals, the CSA considered the findings of a 2009 CSA targeted compliance review of executive compensation disclosure by a sample of public companies. The focus of the review was to assess compliance with Form 51-102F6, educate companies about the requirements of the Form, and identify any requirements that needed clarification. The findings were reported in CSA Staff Notice 51-331 *Report on Staff's Review of Executive Compensation Disclosure*.

The CSA also considered a number of recent international developments in executive compensation disclosure, including new compensation and corporate governance disclosure requirements adopted by the U.S. Securities and Exchange Commission for the 2010 proxy season.

The CSA Notice and Request for Comment, Proposed Amendments to Form 51-102F6 Statement of Executive Compensation and Consequential Amendments, is available on the websites of CSA members. The comment period for all stakeholders is open until February 17, 2011.

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

For more information:

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709-729-2594

Graham Lang
Yukon Securities Registry
867-667-5466

Louis Arki
Nunavut Securities Office
867-975-6587

1.4 Notices from the Office of the Secretary

1.4.1 Richvale Resource Corporation et al.

FOR IMMEDIATE RELEASE
November 10, 2010

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

AND

IN THE MATTER OF
RICHVALE RESOURCE CORPORATION,
MARVIN WINICK, HOWARD BLUMENFELD,
JOHN COLONNA, PASQUALE SCHIAVONE,
AND SHAFI KHAN

TORONTO – The Office of the Secretary issued a Notice of Hearing on November 10, 2010 setting the matter down to be heard on December 2, 2010 at 9:30 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 November 10, 2010 and Statement of Allegations of Staff of the Ontario Securities Commission dated November 10, 2010 are available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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Theresa Ebden
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416-593-8307

Robert Merrick
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416-593-2315

For investor inquiries:

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

1.4.2 BMO Nesbitt Burns Inc.

FOR IMMEDIATE RELEASE
November 10, 2010

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

AND

IN THE MATTER OF
BMO NESBITT BURNS INC.

TORONTO – Following a hearing held today, the Commission issued an Order in the above named matter approving the Settlement Agreement reached between Staff of the Commission and BMO Nesbitt Burns Inc.

A copy of the Order dated November 10, 2010 and Settlement Agreement dated November 8, 2010 are available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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1-877-785-1555 (Toll Free)

1.4.3 Agoracom Investor Relations Corp. et al.

FOR IMMEDIATE RELEASE
November 10, 2010

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

AND

IN THE MATTER OF
AGORACOM INVESTOR RELATIONS CORP.,
AGORA INTERNATIONAL ENTERPRISES CORP.,
GEORGE TSIOLIS and APOSTOLIS KONDAKOS
(a.k.a. PAUL KONDAKOS)

TORONTO – The Office of the Secretary issued a Notice of Hearing for a hearing to consider whether it is in the public interest to approve a settlement agreement entered into by Staff of the Commission and the Respondents. The hearing will be held on November 12, 2010 at 10:00 a.m. in Hearing Room B on the 17th floor of the Commission's offices located at 20 Queen Street West, Toronto.

A copy of the Notice of Hearing dated November 10, 2010 and the Amended Statement of Allegations of Staff of the Ontario Securities Commission dated November 10, 2010 are available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
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1.4.4 Nelson Financial Group Ltd. et al.

FOR IMMEDIATE RELEASE
November 11, 2010

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

AND

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

TORONTO – Staff of the Ontario Securities Commission filed an Amended Statement of Allegations dated November 10, 2010 with the Office of the Secretary in the above noted matter.

A copy of the Amended Statement of Allegations dated November 10, 2010 is available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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

AND

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

**AMENDED 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. This proceeding relates to an illegal distribution of securities in breach of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), by the respondent issuer, Nelson Financial Group Ltd. ("Nelson Financial"), its related investment company, Nelson Investment Group Ltd. ("Nelson Investment") (collectively, the "Nelson Entities"), the directing mind of these entities, Marc D. Boutet ("Boutet"), and by the other individually named respondents, H. W. Peter Knoll ("Knoll"), Paul Manuel Torres ("Torres") and Stephanie Lockman Sobol ("Sobol"), who were employees and/or agents of Nelson Financial and/or Nelson Investment (collectively, the "Respondents").

2. Between December 19, 2006 and January 31, 2010 (the "Material Time"), Nelson Financial, through Nelson Investment and/or its employees and agents, including the individual Respondents, raised investor funds of over $50 million (net of redemptions) from approximately 500 Ontario investors by issuing non-prospectus qualified securities. Although the Respondents purported to rely upon the Accredited Investor Exemption (defined below) in selling securities of Nelson Financial, a significant percentage of investors were not accredited. The Respondents' conduct as described herein constituted an abuse of the Accredited Investor Exemption in violation of Ontario securities law.

3. Throughout the Material Time, Nelson Financial operated at an increasing accumulated deficit and was unable to meet its obligations to investors without the receipt of new investor capital. In addition to its ongoing working capital requirements and contrary to express representations to investors about the use of their capital, Nelson Financial used investor funds that it had obtained in breach of the Act to pay other investors the returns on their investment and continued to accept additional investor funds in order to do so when Nelson Financial was insolvent. As a means of inducing investors to remain invested in Nelson Financial and to make further investment in Nelson Financial through the purchase of additional securities, Nelson Investment and Nelson Financial, at the direction of Boutet, misrepresented to investors that Nelson Financial was experiencing unprecedented financial success. Boutet, as the directing mind of the Nelson entities, and Sobol, as Nelson Financial's *de facto* chief financial and chief operating officer, were aware of and/or directed this conduct. During the Material Time, the Nelson Entities and Boutet, as the directing mind of the Nelson entities, engaged or participated in acts, practices or courses of conduct relating to the securities of Nelson Financial that they knew or ought to have known perpetrated a fraud on persons, contrary to section 126.1(b) of the Act. Boutet, as the directing mind and Sobol, as Nelson Financial's *de facto* COO and *de facto* CFO, were aware of and/or directed Nelson Financial to continue to accept investors' funds in circumstances where it was abusive to the integrity of the capital markets.

4. In addition to the unlawful conduct identified above, Nelson Financial, Nelson Investment and Boutet made statements to the Commission and to Staff of the Commission that were materially misleading and in breach of the Act.

II. THE RESPONDENTS

5. Nelson Financial was incorporated in Ontario on September 14, 1990. Nelson Financial is not a reporting issuer and is not registered under the Act. Nelson Financial provides vendor assisted financing for the purchase of home consumable products, either through a vendor (or an aggregator of vendors), or directly to the consumer (the "Consumer Loans").

6. Nelson Investment was incorporated in Ontario on September 14, 2006 for the sole purpose of selling securities of Nelson Financial. On December 19, 2006, Nelson Investment obtained registration under the Act as a dealer in the category of limited market dealer ("LMD"), now exempt market dealer ("EMD").

7. Boutet is a resident of Ontario and was at all material times listed as the sole officer and director of Nelson Financial and Nelson Investment (together, the "Nelson Entities"). Boutet is the directing mind of the Nelson Entities. Throughout the Material Time and, in addition to acting as the directing mind of the Nelson Entities, Boutet acted as a salesperson at Nelson Investment and dealt with a select group of investors.

8. Throughout the Material Time, Boutet was registered with the Commission: first as a trading officer under the category of LMD with Nelson Investment and then subsequently as the ultimate designated person and chief compliance officer under the firm registration category of EMD.

9. Knoll was initially employed by Nelson Financial in the Fall of 2005 and was then later employed by Nelson Investment as a salesperson and its compliance officer from at least December 19, 2006 until September 15, 2009. In that period, Knoll was registered with the Commission as a trading officer and the designated compliance officer of Nelson Investment. Upon Knoll's departure from Nelson

Investment, Boutet took over as the compliance officer of Nelson Investment.

10. Torres was employed by and acted as a salesperson for Nelson Investment beginning in or around August 2008. Torres has been registered under the Act as a salesperson (now dealing representative) with Nelson Investment since November 13, 2008.

11. Sobol is employed by and was the *de facto* chief financial officer ("CFO") and *de facto* chief operating officer ("COO") of Nelson Financial and has been so employed since May 2008. Sobol was a key member of the management team of the Nelson Entities. Sobol is not and has never been registered with the Commission.

III. BACKGROUND AND PARTICULARS TO ALLEGATIONS

A. Illegal Distribution – Sections 25 and 53 of the Act

12. Nelson Investment was incorporated by Boutet in 2006 for the sole purpose of selling securities of Nelson Financial and, throughout the Material Time, Nelson Investment's business was limited to selling securities of Nelson Financial.

13. During the Material Time and through Nelson Investment, Nelson Financial raised approximately $82 million through the sale and distribution of securities of Nelson Financial to (almost exclusively) Ontario investors. As of February 28, 2010, there were approximately 500 Nelson investors with a total investment amount outstanding of approximately $51.2 million, net of redemptions.

14. The securities sold and distributed by Nelson Financial were in the form of fixed term promissory notes and preferred shares and were offered by Nelson Financial at fixed/guaranteed annual rates of return of 12% and 10%, respectively, typically paid to investors on a monthly basis.

15. Nelson Investment, Boutet, Knoll and Torres each received commissions on the funds raised by the sale of Nelson Financial securities, including on amounts "rolled over" by investors upon maturity of the promissory notes, i.e. where an investor opted to remain invested with Nelson Financial instead of redeeming their investment.

16. Throughout the Material Time, the scope of registration for Nelson Investment, Boutet, Knoll and Torres was limited to the sale of securities for which a prescribed exemption was properly available.

17. In distributing securities of Nelson Financial, the Nelson Entities purported to rely upon the accredited investor exemption as set out in section 2.3 of National Instrument 45-106 (the "AI Exemption").

18. A significant percentage of the investors to whom securities were issued by Nelson Financial either did not meet the requirements necessary to qualify as accredited investors or there was insufficient information for the Nelson Entities and their employees and/or agents to make that determination.

19. In many instances, the Respondents knew or ought to have known that the investors were not accredited and failed to make further inquiries to determine whether investors were, in fact, accredited.

20. For each investment up to October 2009, Boutet signed the respective offering and issuance documents in his capacity as President of Nelson Financial, including the term sheet for each promissory note/preferred share, and each promissory note issued by Nelson Financial. After that time and upon Boutet's replacement of Knoll as the compliance officer of Nelson Investment, Sobol signed the issuance documents on behalf of Nelson Financial in lieu of Boutet. As of October 2009, Sobol was aware of significant compliance issues and/or deficiencies at Nelson Investment. In many instances, Boutet and Sobol knew or ought to have known that the investors were not accredited and failed to make further inquiries to determine whether investors were, in fact, accredited.

21. All of the Respondents traded, either directly or through acts in furtherance of trading, in securities of Nelson Financial. The trades in the securities of Nelson Financial were trades in securities not previously issued and were therefore distributions. No preliminary prospectus or prospectus was filed and no receipts were issued for them by the Director to qualify the trading of the securities.

22. The Respondents failed to ensure that the requirements of the AI Exemption were met and, therefore cannot rely on the AI Exemption in respect of many of the trades of Nelson Financial securities. The Respondents breached section 53 of the Act by distributing securities of Nelson Financial without a prospectus in circumstances where no exemption was properly available.

23. Further, as no exemption was properly available, the trades in the securities of Nelson Financial were beyond the registerable activity permitted by the category of registration under the Act and thus in breach of section 25 of the Act.

B. Misleading Staff of the Commission – Section 122(1)(a) of the Act

24. Boutet made a number of materially misleading statements to Staff, including by providing inaccurate or untrue information and/or failing to provide relevant information about the business and operations of Nelson Investment and Nelson Financial in a) a Risk Assessment Questionnaire ("RAQ") he completed and submitted on behalf of Nelson Investment on October 6, 2009; and b) during the course of an on-site compliance review of Nelson Investment by Staff of the Commission in October and November 2009.

25. Boutet's misrepresentations in the RAQ included statements regarding the disclosure of commissions and

risks to investors, the strength and nature of Nelson Investment's compliance system, and the relatedness of the parties involved in the distribution of the securities.

26. Boutet's misrepresentations to Staff during the on-site compliance review related primarily to statements about the financial position of Nelson Financial.

27. Staff allege that Boutet's misrepresentations were material and contrary to section 122(1) of the Act and contrary to the public interest.

C. Misleading the Commission – Section 122(1)(b)

28. During the Material Time, Nelson Financial filed 45-106F1s – Report of Exempt Distribution (the "Forms 45-106") with the Commission relating to the distribution of securities of Nelson Financial to investors in Ontario.

29. The Forms 45-106 did not accurately report either the commissions paid in connection with the distribution or the nature of the securities that were distributed, including by failing to identify approximately $2 million in commissions charged by Nelson Investment.

30. Staff allege that Nelson Financial's misrepresentations were material and contrary to section 122(1) of the Act and contrary to the public interest.

D. Fraudulent Conduct and Conduct Abusive to the Integrity of the Capital Markets

31. Nelson Financial relied on investors' funds for liquidity throughout the relevant period and raised new investor funds in a manner that was misleading to investors and abusive to the capital markets.

32. In soliciting investors, Nelson Investment and Nelson Financial expressly and implicitly represented to investors that Nelson Financial's business model, and consequently the success of the Nelson Financial investments, was premised upon applying investor capital to fund the Consumer Loans so that Nelson Financial would generate a higher return on the Consumer Loans than the returns promised to investors, as follows: a) investors' funds are used directly to fund the Consumer Loans; b) the Consumer Loans are extended at interest rates ranging from 29.9%; c) the fixed rates of return of 10-12% on the securities are paid to investors from the high interest rates earned on the Consumer Loans; and d) the "remaining spread" is used by Nelson Financial for "portfolio management, administration, underwriting and profit".

33. Throughout the Material Time, Nelson Financial made all of its monthly interest and "dividend" payments to investors and, for those who elected to redeem their investments upon maturity or otherwise, Nelson Financial repaid investors their full principal.

34. Throughout the Material Time, however, Nelson Financial's operations did not generate sufficient revenue for it to cover its operating expenses or its interest, "dividend", and principal repayment obligations to investors. During the Material Time, Nelson Financial had no other source of financing available to it and was solely dependant on the receipt of new investor capital.

35. In addition to its ongoing working capital requirements and contrary to express representations to investors about the use of their capital, Nelson Financial used at least part of the new investor funds that it obtained in breach of ss. 25 and 53 of the Act to offset its growing accumulated deficit, to pay other investors their monthly returns and to repay investors their principal upon redemption. Nelson Financial's continued acceptance of new investor funds in order to do meet its obligations to investors was abusive to investors in the circumstances.

36. At no time did the Respondents advise investors that Nelson Financial was insolvent or that their funds would be used either in whole or in part to pay or repay other investors. To the contrary, Nelson Investment and Nelson Financial, throughout the Material Time and at the direction of Boutet, made misrepresentations to investors that Nelson Financial was achieving record financial success as a means of inducing investors to remain invested in Nelson Financial and to make further investments in the securities of Nelson Financial.

37. On or about January 31, 2010, due to regulatory concerns raised by Staff following its on-site compliance review, Nelson Financial temporarily suspended the distribution of any of its securities.

38. On March 23, 2010, less than two months after suspending its capital raising activities, Nelson Financial was required to seek an order for creditor protection and restructuring under the *Companies' Creditors Arrangement Act* on the basis that it was insolvent.

39. During the Material Time, the Nelson Entities and Boutet, as the directing mind of the Nelson entities, engaged or participated in acts, practices or courses of conduct relating to the securities of Nelson Financial that they knew or ought to have known perpetrated a fraud on persons, contrary to section 126.1(b) of the Act. Boutet, as the directing mind and Sobol, as Nelson Financial's *de facto* COO and *de facto* CFO, were aware of and/or directed Nelson Financial to continue to accept investors' funds in circumstances where it was abusive to the integrity of the capital markets.

IV. BREACHES OF ONTARIO SECURITIES LAW AND CONDUCT CONTRARY TO THE PUBLIC INTEREST

40. Staff allege that the foregoing conduct engaged in by the Respondents constituted breaches of Ontario securities law and/or was contrary to the public interest:

(a) Nelson Financial, Nelson Investment, Boutet, Knoll, Torres and Sobol traded securities of Nelson Financial without a prospectus in circumstances where no exemption was available contrary to the

prospectus requirements of section 53 of the Act and contrary to the public interest;

(b) Boutet, as an officer and director of Nelson Financial and Nelson Investment, authorized, permitted or acquiesced in the breaches of section 53 of the Act by Nelson Financial and Nelson Investment contrary to section 129.2 of the Act and contrary to the public interest;

(c) Sobol, from at least October 2009, as a *de facto* officer of Nelson Financial, authorized, permitted or acquiesced in the breaches of section 53 of the Act by Nelson Financial contrary to section 129.2 of the Act and contrary to the public interest;

(d) Nelson Investment, Boutet, Knoll and Torres traded securities of Nelson Financial where no exemption was available contrary to the scope of their registration and the registration requirements of section 25 of the Act and contrary to the public interest;

(e) Boutet, as an officer and director of Nelson Investment, authorized, permitted or acquiesced in the breaches of section 25 by Nelson Investment contrary to section 129.2 of the Act and contrary to the public interest;

(f) Nelson Financial made statements in the Forms 45-106 filed with the Commission that were materially misleading or untrue and/or failed to state facts which were required to be stated contrary to subsection 122(1) of the Act and contrary to the public interest;

(g) Nelson Investment made statements in the Risk Assessment Questionnaire filed with the Commission that were materially misleading or untrue and/or failed to state facts which were required to be stated contrary to subsection 122(1) of the Act and contrary to the public interest;

(h) Boutet, as an officer and director of the Nelson Entities, authorized, permitted or acquiesced in the breaches of section 122(1) by Nelson Financial and Nelson Investment (described in subparagraph (e)-(f)) which was contrary to subsection 122(3) of the Act and contrary to the public interest;

(i) Boutet made statements to Staff of the Commission during the course of its on-site review of Nelson Investment that were materially misleading or untrue and/or failed to state facts which were required to be stated contrary to subsection 122(1) of the Act and contrary to the public interest;

(j) The Nelson Entities and Boutet engaged or participated in acts, practices or courses of conduct relating to the securities of Nelson Financial that he knew or ought to have known perpetrated a fraud on persons contrary to section 126.1(b) of the Act;

(k) During the Material Time, Boutet, being the sole officer and director of the Nelson Entities, did authorize, permit or acquiesce in the commission of the violations of section 126.1 of the Act, as set out above, by the Nelson Entities or by the employees, agents or representatives of the Nelson Entities, pursuant to section 129.2 of the Act; and

(l) Boutet, as the directing mind of the Nelson Entities, and Sobol, as a key member of the management team of the Nelson Entities and as a *de facto* officer of Nelson Financial, permitted, authorized or acquiesced in Nelson Financial's continued distribution of securities and continued acceptance of new investor capital in circumstances where it was abusive to the integrity of the capital markets and contrary to the public interest.

41. Staff reserve the right to make such other allegations as Staff may advise and the Commission may permit.

DATED at Toronto this November 10, 2010.

1.4.5 Paul Azeff et al.

FOR IMMEDIATE RELEASE
November 11, 2010

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

AND

IN THE MATTER OF
PAUL AZEFF, KORIN BOBROW, MITCHELL FINKELSTEIN, HOWARD JEFFREY MILLER AND MAN KIN CHENG (a.k.a. FRANCIS CHENG)

TORONTO – Staff of the Ontario Securities Commission filed an Amended Statement of Allegations dated November 11, 2010 with the Office of the Secretary in the above noted matter.

The Office of the Secretary issued a Notice of Hearing setting the matter down to be heard on January 11, 2011, at 2:30 p.m. or as soon thereafter as the hearing can be held in the above named matter.

A copy of the Notice of Hearing dated November 11, 2010 and Amended Statement of Allegations of Staff of the Ontario Securities Commission dated November 11, 2010 are available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
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416-593-8314
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1.4.6 QuantFX Asset Management Ltd. et al.

FOR IMMEDIATE RELEASE
November 12, 2010

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

AND

IN THE MATTER OF
QUANTFX ASSET MANAGEMENT LTD., VADIM TSATSKIN, LUCIEN SHTROMVASER and ROSTISLAV ZEMLINSKY

TORONTO – The Office of the Secretary issued a Notice of Hearing setting the matter down to be heard on November 18, 2010 at 4:00 p.m. or as soon thereafter as the hearing can be held in the above named matter.

A copy of the Notice of Hearing dated November 10, 2010 and Statement of Allegations of Staff of the Ontario Securities Commission dated November 10, 2010 are available at www.osc.gov.on.ca

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1.4.7 Agoracom Investor Relations Corp. et al.

FOR IMMEDIATE RELEASE
November 12, 2010

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

AND

IN THE MATTER OF
AGORACOM INVESTOR RELATIONS CORP.,
AGORA INTERNATIONAL ENTERPRISES CORP.,
GEORGE TSIOLIS and APOSTOLIS KONDAKOS
(a.k.a. PAUL KONDAKOS)

TORONTO – Following a hearing held today, the Commission issued an Order in the above named matter approving the Settlement Agreement reached between Staff of the Commission and the Respondents.

A copy of the Order November 12, 2010 and Settlement Agreement November 10, 2010 are available at **www.osc.gov.on.ca**.

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1.4.8 North American Financial Group Inc. et al.

FOR IMMEDIATE RELEASE
November 12, 2010

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

AND

IN THE MATTER OF
NORTH AMERICAN FINANCIAL GROUP INC.,
NORTH AMERICAN CAPITAL INC.,
ALEXANDER FLAVIO ARCONTI, AND
LUIGINO ARCONTI

TORONTO – The Office of the Secretary issued a Notice of Hearing on November 10, 2010 setting the matter down to be heard on November 23, 2010 at 2:00 p.m. to consider whether it is in the public interest for the Commission:

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

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

A copy of the Notice of Hearing dated November 10, 2010 and Temporary Order dated November 10, 2010 are available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
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1.4.9 Baffinland Iron Mines Corporation et al.

FOR IMMEDIATE RELEASE
November 17, 2010

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

AND

IN THE MATTER OF
BAFFINLAND IRON MINES CORPORATION,
IRON ORE HOLDINGS, LP AND ITS WHOLLY–OWNED
SUBSIDIARY NUNAVUT IRON ORE ACQUISITION INC.

TORONTO – Take notice that the hearing in the above named matter scheduled to be heard on November 18, 2010 at 9:00 a.m. will now commence at 9:30 a.m.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Fort Chicago Energy Partners L.P.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Takeover Bids – Identical consideration – Offeror requires relief from the requirement in subsection 97(1) of the Securities Act (Ontario) that all holders of the same class of securities must be offered identical consideration – Under the bid, Canadian resident shareholders will receive shares; Non-resident shareholders and tax shelters will receive substantially the same value as Canadian shareholders in the form of cash paid to the non-resident shareholders and tax shelters based on the proceeds from the sale of their shares.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 97(1).

October 19, 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
FORT CHICAGO ENERGY PARTNERS L.P.
(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 subsection 2.23(1) of Multilateral Instrument 62-104 *Take-Over Bids and Issuer Bids* and subsection 97(1) of the *Securities Act* (Ontario) (the **Identical Consideration Requirement**), which require the Filer to offer identical consideration to all of the holders of the same class of securities that are subject to a take-over bid, in connection with the Filer's offer (the **Offer**) to acquire all of the issued and outstanding common shares (**Pristine Shares**) and all of the issued and outstanding common share purchase warrants (**Pristine Warrants**) of Pristine Power Inc. (**Pristine**) including those Pristine Shares that may become outstanding after the date of the Offer on exercise or surrender of any securities of Pristine (the **Exemption Sought**).

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

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

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

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

Interpretation

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

Representations

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

1. The Filer is a limited partnership established under the *Partnership Act* (Alberta) pursuant to a limited partnership agreement dated as of October 9, 1997, as amended and restated on November 21, 1997 and May 13, 2003, and as further amended on May 25, 2005, among Fort Chicago Energy Management Ltd., the general partner of the Filer, and each person who is admitted to the Filer as a limited partner from time to time in accordance with the terms thereof (the **Partnership Agreement**).

2. The Filer's head office is located in Calgary, Alberta.

3. The Filer is a reporting issuer in each of the provinces of Canada and is not in default of any of the requirements of securities legislation applicable to it.

4. The authorized capital of the Filer consists of an unlimited number of Class A limited partnership units (**Filer Units**) and an unlimited number of Class B limited partnership units, issuable in series, of which, as at September 20, 2010, there were 144,648,389 Filer Units issued and outstanding and no Class B limited partnership units issued and outstanding.

5. The Filer Units are listed on the Toronto Stock Exchange (the **TSX**).

6. Pristine is a corporation existing under the *Canada Business Corporations Act*.

7. Pristine's head office is located in Calgary, Alberta.

8. Pristine is a reporting issuer in Alberta, British Columbia, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador.

9. To the knowledge of the Filer, the authorized capital of Pristine consists of an unlimited number Pristine Shares, of which, as at September 21, 2010, there were 35,622,556 Pristine Shares issued and outstanding.

10. To the knowledge of the Filer, as at September 21, 2010, Pristine had issued and outstanding: (a) 3,537,500 options to acquire issued and outstanding Pristine Shares, and (b) Pristine Warrants to acquire 2,895,835 Pristine Shares.

11. The Pristine Shares and Pristine Warrants are listed on the TSX.

12. On September 22, 2010, the Filer issued a news release announcing the entering into of a pre-acquisition agreement with Pristine and its intention to make the Offer.

13. On October 1, 2010, the Filer mailed the Offer to the registered holders of the Pristine Shares and the registered holders of the Pristine Warrants.

14. Under the terms of the Offer, the Filer is offering 0.2703 of a Filer Unit for each Pristine Share and $0.02 in cash for each Pristine Warrant.

15. In order for the Filer to continue to qualify as a "Canadian partnership" within the meaning of the *Income Tax Act* (Canada) (the **ITA**), Filer Units cannot be held by a person who is a "non-resident" of Canada or a partnership which is not a "Canadian partnership", each as defined in the ITA (each, a **Non-Resident**). If the Filer loses its status as a "Canadian partnership", the Filer must comply with additional and onerous requirements under the ITA.

16. In order for the exchange of Pristine Shares for Filer Units to be completed on a tax-deferred rollover basis for holders of Pristine Shares who are resident in Canada, Filer Units cannot be held by any Non-Residents.

17. In order for the Filer to remain in compliance with the terms of the Partnership Agreement and certain covenants in respect of its investments, Filer Units cannot be held by any person an interest in which would constitute a "tax shelter investment", as that term is defined in the ITA (each, a **Tax Shelter** and, together with Non-Residents, **Non-Eligible Shareholders**).

18. To the knowledge of the Filer, and based on the jurisdiction of residence of registered shareholders of Pristine as disclosed in a registered list of shareholders delivered to the Filer by Pristine, as at September 21, 2010, there were 16,500 Pristine Shares (approximately 0.05% of the issued and outstanding Pristine Shares) held of record by two persons who are Non-Residents.

19. To the knowledge of the Filer, and based on the jurisdiction of residence of beneficial shareholders of Pristine as disclosed in a geographic analysis report delivered to the Filer by Pristine, as at September 13, 2010, there were 3,543,441 Pristine Shares (approximately 9.95% of the issued and outstanding Pristine Shares) beneficially held by 44 persons who are Non-Residents.

20. To the knowledge of the Filer, as at September 21, 2010, there were no Pristine Shares held of record by Tax Shelters, and as at September 13, 2010 there were no Pristine Shares held beneficially by Tax Shelters.

21. The Filer proposes to deliver to the depositary (the **Depositary**) under the Offer the number of Filer Units that Non-Eligible Shareholders would otherwise be entitled to receive under the Offer. On behalf of the Filer, the Depositary or its nominee will sell, or cause to be sold, those Filer Units by private sale or on any exchange on which the Filer Units are then listed after the payment date for the Pristine Shares tendered by the Non-Eligible Shareholders under the Offer. After completion of the sale, the Depositary will distribute the aggregate net proceeds of the sale, after expenses, commissions and applicable withholding taxes, *pro rata* among the Non-Eligible Shareholders who tendered their Pristine Shares under the Offer.

22. Based on the exchange ratio of the Offer and the number of Pristine Shares outstanding that, to the knowledge of the Filer, are held by Non-Eligible Shareholders, and assuming that the Filer acquires 100% of the Pristine Shares, the Filer Units to be sold would represent approximately

0.63% of the outstanding Filer Units immediately following completion of the Offer.

23. There is currently a "liquid market" (as such term is defined in Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*) for Filer Units and the Filer reasonably believes that there will continue to be such a "liquid market" for Filer Units following the completion of the Offer and the sale of Filer Units on behalf of the Non-Eligible Shareholders as described in paragraph 21 above.

24. As a result of the mechanism described above, the Filer will: (a) remain a "Canadian partnership" under the ITA and will be able to continue to avail itself of the tax rules relating to "Canadian partnerships" under the ITA, including the ability to complete the Offer (as it relates to the issuance of Filer Units in exchange for Pristine Shares) on a tax-deferred rollover basis under the ITA for holders of Pristine Shares that are resident in Canada; and (b) remain in compliance with the terms of the Partnership Agreement and its covenants in respect of its various investments.

25. If the Filer increases the consideration offered to holders of Pristine Shares resident in Canada, the increase in consideration will also be offered to Non-Eligible Shareholders at the same time and on the same basis.

26. Except to the extent that relief from the Identical Consideration Requirement is granted, the Offer will comply with the requirements under the Legislation concerning take-over bids.

Decision

Each of the Decision Makers is satisfied that the decision satisfies 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, in connection with the Offer, the Exemption Sought is granted so that the Filer is exempt from the Identical Consideration Requirement, provided that Non-Eligible Shareholders who would otherwise receive Filer Units pursuant to the Offer instead receive the net cash proceeds from the sale of the Filer Units in accordance with the procedures set out in paragraph 21 above.

For the Commission:

"Glenda Campbell, QC"
Vice-Chair

"Stephen Murison"
Vice-Chair

2.1.2 Invesco Trimark Ltd.

Headnote

NP 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – mutual fund manager granted exemption to replace earlier relief which expired as a result of sunset clause – exemption allows mutual fund manager to pay a participating dealer direct costs incurred relating to a sales communication, investor conference or investor seminar prepared or presented by the participating dealer which has a primary purpose of providing educational information concerning tax or estate planning matters – exemption will also permit a participating dealer to solicit and accept payments of direct costs relating to such sales communications, investor conferences or investor seminars in accordance with subsection 2.2(2) of NI 81–105 – initial sunset clause will continue to apply to new applicants seeking similar exemptive relief.

Applicable Legislative Provisions

National Instrument 81-105 Mutual Fund Sales Practices, ss. 5.1(a), 9.1.

November 9, 2010

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

AND

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

AND

IN THE MATTER OF
INVESCO TRIMARK LTD.
(the "Filer")

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for relief from subsection 5.1(a) of National Instrument 81-105 *Mutual Fund Sales Practices* (**NI 81-105**) to permit the Filer to pay to a participating dealer direct costs incurred by the participating dealer relating to a sales communication, investor conference or investor seminar prepared or presented by the participating dealer (each individually referred to as a **Cooperative Marketing Initiative** and collectively as **Cooperative Marketing Initiatives**) if the primary purpose of the Cooperative Marketing Initiative is to provide educational information concerning tax or estate planning matters (the **Exemption Sought**).

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

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

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

Interpretation

Defined terms contained in National Instrument 14-101 *Definitions*, MI 11-102 and NI 81-105 have the same meaning in this decision unless they are otherwise defined in this decision.

Representations

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

1. The Filer is a corporation amalgamated under the laws of Ontario with its head office based in Toronto, Ontario.

2. The Filer manages a number of retail mutual funds (the **Funds**) that are qualified for distribution to investors in the Jurisdictions. Securities of the Funds are distributed by participating dealers in the Jurisdictions.

3. The Filer is not in default of the securities legislation of any jurisdiction of Canada.

4. The Filer is a "member of the organization" (as that term is defined in NI 81-105) of the Funds as it is the manager of the Funds.

5. The Filer complies with NI 81-105, in particular Part 5 of NI 81-105, in respect of its marketing and educational practices.

6. Under subsection 5.1(a) of NI 81-105, the Filer is permitted to pay a participating dealer direct costs incurred by the participating dealer relating to a Cooperative Marketing Initiative if the primary purpose of the Cooperative Marketing Initiative is to promote, or provide educational information concerning, a mutual fund, the mutual fund family of which the mutual fund is a member, or mutual funds generally.

7. Under subsection 5.2(a) of NI 81-105, the Filer is permitted to sponsor events attended by representatives of participating dealers which have the provision of educational information about, among other things, financial planning, investing in securities or mutual fund industry matters as their primary purpose.

8. Subsection 5.1(a) prohibits the Filer from paying to a participating dealer direct costs incurred by the participating dealer relating to a Cooperative Marketing Initiative where the primary purpose is to provide educational information about tax or estate planning matters.

9. The Filer has expertise in tax and estate planning matters or may retain others with such expertise. In addition to the topics currently permitted under subsection 5.1(a) of NI 81-105, the Filer wishes to sponsor Cooperative Marketing Initiatives where the primary purpose of the Cooperative Marketing Initiatives is to provide educational information concerning tax or estate planning matters. The Filer will comply with subsections 5.1(b) – (e) of NI 81-105 in respect of such Cooperative Marketing Initiatives it sponsors.

10. The Filer has previously applied for and obtained the Exemption Sought, and Cooperative Marketing Initiatives conducted in respect of such previously granted exemption have been carried out in accordance with the terms and condition of that exemption and in compliance with the applicable rules set out in NI 81-105.

11. The Filer is of the view that sponsoring Cooperative Marketing Initiatives where the primary purpose is to provide educational information about tax or estate planning matters will benefit investors.

12. The Filer is of the view that participating dealers of its Funds do not have vested interests in selling its Funds over other mutual funds.

Decision

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

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted, provided that in respect of a Cooperative Marketing Initiative the primary purpose of which is to provide educational information concerning tax or estate planning matters:

(i) the Filer does not require any participating dealer to sell any of its Funds or other financial products to investors;

(ii) other than as permitted by NI 81-105, the Filer does not provide participating dealers and their representatives with any financial or other incentives for recommending any of its Funds to investors;

(iii) the materials presented in a Cooperative Marketing Initiative concerning tax or estate planning matters contain only general educational information about tax or estate planning matters;

(iv) the Filer prepares or approves the content of the general educational information about tax or estate planning matters presented in a Cooperative Marketing Initiative and selects or approves an appropriately qualified speaker for each presentation about tax or estate planning matters delivered in a Cooperative Marketing Initiative;

(v) any general educational information about tax or estate planning matters presented in a Cooperative Marketing Initiative contains an express statement that the content presented is for information purposes only, and is not providing advice to the attendees of the investor conference or investor seminar or the recipients of the sales communication, as applicable; and

(vi) any general educational information about tax or estate planning matters presented in a Cooperative Marketing Initiative contains an indication of the types of professionals who may generally be qualified to provide advice on the subject matter of the information presented.

"C. Wesley M. Scott"
Commissioner
Ontario Securities Commission

"James D. Carnwath"
Commissioner
Ontario Securities Commission

2.1.3 Pengrowth Energy Trust

Headnote

Multilateral Instrument 11-102 Passport System and National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – exemption granted from the requirement to include financial statements and management's discussion and analysis in an information circular for an entity participating in an arrangement – the information circular will be sent to the trust's unitholders in connection with a proposed internal reorganization pursuant to which its business operations will be conducted through a corporate entity – the arrangement does not contemplate the acquisition of any additional interest in any operating assets or the disposition of any of the trust's existing interests in operating assets.

Exemption granted from the current annual financial statement and current annual information form short form prospectus qualification criteria and the requirement to file a notice declaring its intention to be qualified to file a short form prospectus at least 10 business days prior to the filing of a preliminary short form prospectus – relief granted as disclosure regarding the predecessor issuer will effectively be the disclosure of the successor issuer – predecessor issuer is qualified to file a short form prospectus.

Exemption granted to a successor issuer from the requirement to deliver personal information forms for individuals for whom the trust previously delivered personal information forms.

Applicable Legislative Provisions

National Instrument 51-102 Continuous Disclosure Obligations, s. 13.1.
Form 51-102F5 – Information Circular, Item 14.2.
National Instrument 44-101 Short Form Prospectus Distributions, s. 8.1.

Citation: Pengrowth Energy Trust, Re, 2010 ABASC 528

November 9, 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
PENGROWTH ENERGY TRUST
(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**):

(a) exempting the Filer from the requirement under section 14.2 of Form 51-102F5 *Information Circular* (the **Circular Form**) to provide: (i) an income statement, a statement of retained earnings and a cash flow statement of Pengrowth Corporation (the **Corporation**) for each of the financial years ended December 31, 2009, December 31, 2008 and December 31, 2007 as well as a balance sheet of the Corporation as at the end of December 31, 2009 and December 31, 2008 (the **Annual Financial Statements**); (ii) a comparative income statement, a statement of retained earnings, and cash flow statement of the Corporation for the interim period ended September 30, 2010, as well as a balance sheet of the Corporation as at the end of September 30, 2010 and December 31, 2009 (the **Interim Financial Statements**); and (iii) the management's discussion and analysis of the Corporation corresponding to each of the financial years ended December 31, 2009 and December 31, 2008 and the interim period of September 30, 2010 (the

MD&A, and together with the Annual Financial Statements and Interim Financial Statements, the **Financial Information**) in the management information circular (the **Circular**) to be prepared by the Filer and delivered to the holders of units and class A units of the Filer (**Unitholders**) and holders of exchangeable shares of the Corporation (**Shareholders)** in connection with a special meeting (the **Meeting**) of Unitholders and Shareholders expected to be held December 16, 2010 for the purposes of considering a plan of arrangement under the *Business Corporations Act* (Alberta) (the **Arrangement**) resulting in the internal reorganization of the Filer's trust structure into a corporate structure (the **Circular Relief**);

(b) exempting Pengrowth Energy (as defined below) from the qualification criteria for short form prospectus eligibility contained in subsection 2.2(d) of National Instrument 44-101 *Short Form Prospectus Distributions* (**NI 44-101**) following completion of the Arrangement until the earlier of: (i) March 30, 2012; and (ii) the date upon which Pengrowth Energy, as successor issuer to the Filer and which is anticipated to become a reporting issuer on January 1, 2011, has filed, or was required to file, both its annual financial statements and annual information form for the year ended December 31, 2011 pursuant to National Instrument 51-102 *Continuous Disclosure Obligations* (**NI 51-102**) (the **Qualification Relief**);

(c) exempting the corporation to be known as "Pengrowth Energy Corporation" (**Pengrowth Energy**), which will be the corporation resulting from the amalgamation of 1562803 Alberta Ltd. (**Newco**), the Corporation and certain direct and indirect wholly-owned subsidiaries of the Filer pursuant to the terms of the Arrangement, from the requirement applicable to Pengrowth Energy contained in section 2.8 of NI 44-101 to file a notice declaring its intention to be qualified to file a short form prospectus at least 10 business days prior to the filing of its first preliminary short form prospectus after the notice (the **Prospectus Relief**); and

(d) exempting Pengrowth Energy from the requirement under subsection 4.1(b) of NI 44-101 for Pengrowth Energy to file a Personal Information Form and Authorization to Collect, Use and Disclose Personal Information in the form attached as Appendix A to National Instrument 41-101 *General Prospectus Requirements* (**NI 41-101**) for each director and executive officer of Pengrowth Energy at the time of filing a preliminary short form prospectus for whom the Filer has previously delivered any of the documents described in paragraphs 4.1(b)(i)(E) through (G) of NI 44-101 at the time of filing such preliminary short-form prospectus (the **PIF Relief**).

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

(a) the Alberta Securities Commission is the principal regulator for this Application;

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

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

Interpretation

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

Representations

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

The Filer, the Corporation, Newco, and Pengrowth Energy

The Filer

1. The Filer is an unincorporated open-ended limited purpose trust established under the laws of Alberta on December 2, 1988, pursuant to a trust indenture dated December 2, 1988, as amended and restated from time to time. The principal office of the Filer is located in Calgary, Alberta.

2. The Filer is a reporting issuer or the equivalent under the securities legislation of each of the provinces of Canada. The Filer is not in default of securities legislation in any jurisdiction of Canada.

3. The authorized capital of the Filer includes an unlimited number of trust units (**Trust Units**), an unlimited number of Class A trust units (**Class A Units**) and a special voting unit (**Special Voting Unit**). As at October 18, 2010, there were 321,142,032 Trust Units, 999 Class A Units and 1 Special Voting Unit issued and outstanding.

4. The Trust Units are listed on the Toronto Stock Exchange (**TSX**) and the New York Stock Exchange (**NYSE**).

5. The Filer has filed a "current AIF" and "current annual financial statements" (as such terms are defined in NI 44-101) for the financial year ended December 31, 2009.

The Corporation

6. The Corporation is a corporation amalgamated under the laws of Alberta. The principal office of the Corporation is located in Calgary, Alberta.

7. The authorized capital of the Corporation includes an unlimited number of common shares. All common shares of the Corporation are held by the Filer.

8. The authorized capital of the Corporation also includes 4,994,496 series A exchangeable shares (E**xchangeable Shares**). The Exchangeable Shares are publicly held. As at October 18, 2010 there were 3,750,510 Exchangeable Shares issued and outstanding.

9. The Corporation is a reporting issuer in all provinces of Canada with the exception of Newfoundland and Labrador and Prince Edward Island and is not in default of applicable securities legislation in any such jurisdiction.

10. The common shares and Exchangeable Shares of the Corporation are not listed or posted for trading on any exchange or quotation and trade reporting system.

Newco and Pengrowth Energy

11. Newco is a corporation incorporated under the laws of Alberta. The principal office of Newco is located in Calgary, Alberta.

12. Newco is a wholly-owned subsidiary of the Filer and has been incorporated solely to participate in the Arrangement, including to issue common shares of Newco to former Unitholders and Shareholders and to amalgamate with the Corporation and certain other direct and indirect subsidiaries of the Filer to form Pengrowth Energy, as a result of which the former Unitholders and Shareholders will hold common shares of Pengrowth Energy (**Pengrowth Energy Shares**) following the completion of the Arrangement.

13. Newco is not a reporting issuer in any jurisdiction and is not in default of applicable securities legislation in any jurisdiction of Canada. Following completion of the Arrangement, Pengrowth Energy, as amalgamation successor to the Corporation and Newco, will be a reporting issuer in each of the provinces of Canada.

14. None of the common shares issued by Newco will be listed or posted for trading on any exchange or quotation system and trade reporting system. Applications will be made to have Pengrowth Energy Shares to be issued in connection with the Arrangement listed with the TSX and the NYSE.

Arrangement

15. As part of the Arrangement, (i) the Trust Units and Class A Units (collectively the Units) will be exchanged for common shares of Newco on a one-for-one basis; (ii) the Exchangeable Shares will be exchanged for common shares of Newco on the basis of the exchange ratio to be determined immediately prior to the exchange; (iii) the Filer will be dissolved and the Units and Special Voting Unit will be cancelled; (iv) the Corporation, Newco and certain other direct and indirect subsidiaries will amalgamate to form Pengrowth Energy; (v) the common shares of Newco will continue as Pengrowth Energy Shares and the Exchangeable Shares will be cancelled; and (vi) Pengrowth Energy will own, directly or indirectly, all of the existing assets and assume all of the existing liabilities of the Filer and the Corporation, effectively resulting in the internal reorganization of the Filer's trust structure into a corporate structure.

16. Following the completion of the Arrangement: (i) the sole business of Pengrowth Energy will be the current business of the Filer; (ii) Pengrowth Energy would be a reporting issuer or the equivalent under the securities legislation in each of the provinces of Canada; and (iii) the Pengrowth Energy Shares would, subject to approval by the TSX and NYSE, be listed on the TSX and NYSE respectively.

17. The Arrangement does not contemplate the acquisition of any additional operating assets or the disposition of any existing operating assets and will not result in a change in the ultimate beneficial ownership of the assets and liabilities of the Filer. The Arrangement will be an internal reorganization undertaken without dilution to the Unitholders or Shareholders or additional debt or interest expense.

18. Pursuant to the Filer's and the Corporation's constating documents and applicable securities laws, the Unitholders and Shareholders will be required to approve the Arrangement at the Meeting. The Arrangement must be approved by not less than two-thirds of the votes cast by Unitholders and Shareholders at the Meeting. The Meeting is anticipated to take place December 16, 2010 and the Circular is expected to be mailed in mid-November 2010.

19. The Arrangement will be a "restructuring transaction" under NI 51-102 in respect of the Filer and therefore would require compliance with section 14.2 of the Circular Form.

20. Subsequent to the effective date of the Arrangement and in accordance with the timing specified in the Qualification Relief, Pengrowth Energy, as successor issuer to the Filer, will file on its SEDAR profile certain continuous disclosure documents of the Filer for the year ended December 31, 2010 that would be required to be filed by the Filer under NI 51-102 if it were still a reporting issuer 90 days after December 31, 2010, including (i) the audited annual comparative financial statements and management's discussion and analysis of Pengrowth Energy, as successor issuer of the Filer, for the financial year ended December 31, 2010; and, (ii) an annual information form of Pengrowth Energy, as successor issuer of the Filer, for the year ended December 31, 2010 (such financial statements, management's discussion and analysis and annual information form referred to as the **Filer 2010 Annual Filings**).

21. The Arrangement is being undertaken to reorganize the Filer following the enactment by the federal government of rules in respect of the tax treatment of specified investment flow-through trusts. Pursuant to the Arrangement, the Filer will be reorganized into Pengrowth Energy, a public growth-oriented oil and gas corporation that will own, directly or indirectly, all of the existing assets and assume all of the existing liabilities of the Filer.

22. The rights of the Unitholders and Shareholders in respect of Pengrowth Energy following the Arrangement will be substantively equivalent to the rights the Unitholders and Shareholders currently have in respect of the Filer and their relative interest in and to the business carried on by Pengrowth Energy will not be affected by the Arrangement.

23. The only securities that will be distributed to the Unitholders and Shareholders pursuant to the Arrangement will be common shares of Newco, which will continue as Pengrowth Energy Shares.

24. While changes to the consolidated financial statements of Pengrowth Energy will be required to reflect the organizational structure of the Filer following the Arrangement, the financial position of Pengrowth Energy will be substantially the same as reflected in the Filer's audited annual consolidated financial statements most recently filed or required to have been filed under Part 4 of NI 51-102 prior to the date of the Circular and the Filer's unaudited interim consolidated financial statements most recently filed or required to have been filed under Part 4 of NI 51-102 prior to the date of the Circular. In particular, the entity that exists both before and subsequent to the Arrangement would be substantially the same given the fact that the assets and liabilities of the enterprise, from both an accounting perspective and economic perspective, are not changing based on the Arrangement. However, as the tax structure will be changing from that of an income trust to a corporation, the tax advantages of the income trust structure will be lost.

Financial Statement Disclosure in the Circular

25. Section 14.2 of the Circular Form requires that the Circular contain the disclosure (including financial statements) prescribed under securities legislation and described in the form of prospectus that the Corporation would be eligible to use immediately prior to the sending and filing of the Circular for a distribution of its securities. Therefore, the Circular must contain the disclosure in respect of the Corporation prescribed by NI 41-101 and, by extension, Form 41-101F1 *Information Required in a Prospectus* (**Prospectus Form**).

26. Paragraphs 8.2(1)(a) and (b) and subsection 8.2(2) of the Prospectus Form require the Filer to include the MD&A in the Circular.

27. Subsection 32.2(1) of the Prospectus Form requires the Filer to include the Annual Financial Statements in the Circular. Subsection 32.3(1) of the Prospectus Form requires the Filer to include the Interim Financial Statements in the Circular.

28. Subsection 4.2(1) of NI 41-101 requires that the Annual Financial Statements and the Interim Financial Statements be audited in accordance with National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency* (**NI 52-107**).

29. The Arrangement will not result in a change in beneficial ownership of the assets and liabilities of the Filer, from both an accounting perspective and an economic perspective. Accordingly, no acquisition will occur as a result of the Arrangement and therefore the significant acquisition financial statement disclosure requirements contained in the Prospectus Form are inapplicable.

30. The Arrangement will be an internal reorganization undertaken without dilution to the Unitholders or Shareholders or additional debt or interest expense.

Exemptive Relief Sought

Circular Relief

31. The financial statements of the Filer are reported on a consolidated basis, which includes the financial results for the Corporation. The Corporation does not report its financial results independently from the consolidated financial statements of the Filer. The Financial Information, if prepared, would not include the accounts of the Filer. This would be misleading, since there are transactions between the Corporation and the Filer that are eliminated when consolidation is performed at the trust level. To present the Financial Information, which would exclude accounts of the Filer, would present the effects of only one side of the financing activities between the Corporation and the Filer. This would result in significant intra-group balances and intra group interest expense being reflected on the Financial Information. An agreement exists between the Trust and the Corporation whereby the Corporation pays a regular royalty to the Trust related to net resource cash flows from operations. To present the Financial Information excluding the accounts of the Filer, would present only one side of the intra-group royalty expense. As a result, the presentation of these intra-group transactions, which will be eliminated upon completion of the Arrangement, would present a confusing (and potentially misleading) picture of financial performance.

32. The Financial Information is not relevant to the Unitholders and the Shareholders for the purposes of considering the Arrangement as the Financial Information following the completion of the Arrangement would be substantially and materially the same as the consolidated financial statements of the Filer filed in accordance with Part 4 of NI 51-102 prior to the completion of the Arrangement because the financial position of the entity that exists both before and after the Arrangement is substantially the same.

33. The Circular will contain prospectus level disclosure in accordance with the Prospectus Form (other than the Financial Information) and will contain sufficient information to enable a reasonable securityholder to form a reasoned judgement concerning the nature and effect of the Arrangement and the nature of the resulting public entity and reporting issuer from the Arrangement, being Pengrowth Energy.

Prospectus Relief and Qualification Relief

34. Subsection 2.7(2) of NI 44-101 contains an exemption for successor issuers from the qualification criteria for short form prospectus eligibility contained in subsection 2.2(d) of NI 44-101 if an information circular relating to the restructuring transaction that resulted in the successor issuer was filed by the successor issuer or an issuer that was a party to the restructuring transaction, and such information circular (i) complied with applicable securities legislation and, (ii) included disclosure in accordance with Item 14.2 or 14.5 of the Circular Form of the successor issuer.

35. Pengrowth Energy will be a "successor issuer" (as such term is defined in NI 44-101) as a result of the Arrangement (which, as discussed above, is a restructuring transaction). The Circular will be filed by the Filer (a party to the restructuring transaction). The Circular will comply with applicable securities legislation and the Circular will include the disclosure required by Item 14.2 of the Circular Form, except for the Financial Statements and MD&A which will not be included in the Circular pursuant to the Circular Relief (assuming the Circular Relief is granted).

36. The Filer is qualified to file a prospectus in the form of a short form prospectus pursuant to subsection 2.2 of NI 44-101 and is deemed to have filed a notice of intention to be qualified to file a short form prospectus under subsection 2.8(4) of NI 44-101.

37. The Filer anticipates that Pengrowth Energy may wish to file a preliminary short form prospectus following the completion of the Arrangement, relating to the offering or potential offering of securities (including common shares or other securities) of Pengrowth Energy.

38. Pursuant to the qualification criteria set forth in section 2.2 of NI 44-101, as modified by the Qualification Relief, following the Arrangement, Pengrowth Energy will be qualified to file a short form prospectus pursuant to NI 44-101.

39. Notwithstanding section 2.2 of NI 44-101, as modified by the Qualification Relief, subsection 2.8(1) of NI 44-101 provides that an issuer is not qualified to file a short form prospectus unless it has filed a notice declaring its intention to be qualified to file a short form prospectus at least ten business days prior to the issuer filing its first preliminary short form prospectus.

40. In anticipation of the filing of a preliminary short form prospectus, and assuming the Arrangement has been completed, Pengrowth Energy intends to file a notice of intention to be qualified to file a short form prospectus (the **Notice of**

Intention) following completion of the Arrangement. In the absence of the Prospectus Relief, Pengrowth Energy will not be qualified to file a preliminary short form prospectus until ten business days from the date upon which the Notice of Intention is filed.

41. The short form prospectus of Pengrowth Energy will incorporate by reference the documents that would be required to be incorporated by reference under item 11 of Form 44-101F1 in a short form prospectus of Pengrowth Energy, as modified by the Qualification Relief.

PIF Relief

42. Prior to May 5, 2009, the date of the most recently filed preliminary short form prospectus by the Filer, the Filer had previously delivered the documents described in subparagraphs 4.1(b)(i)(E) through (G) of NI 44-101 for each individual acting in the capacity of director or executive officer of the Corporation, the administrator of the Filer, at such time (each a Filer PIF).

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:

(a) the Circular Relief is granted;

(b) the Qualification Relief is granted provided that any short form prospectus filed by Pengrowth Energy pursuant to NI 44-101 during the currency of the Qualification Relief specifically incorporates by reference:

  (i) the Circular and any financial statements and related management's discussion and analysis of the Filer incorporated by reference into the Circular;

  (ii) if the short form prospectus is filed before the earlier of the Filer 2010 Annual Filings having been filed by Pengrowth Energy or the date that is 90 days following December 31, 2010, the unaudited comparative interim financial statements of the Filer for the three and nine months ended September 30, 2010 together with the accompanying management's discussion and analysis of the Filer;

  (iii) if the short form prospectus is filed either after the Filer 2010 Annual Filings have been filed by Pengrowth Energy or on a date more than 90 days following December 31, 2010, the Filer 2010 Annual Filings; and

  (iv) any continuous disclosure documents of Pengrowth Energy, as successor issuer to the Filer, required to be incorporated by reference pursuant to the Prospectus Form;

(c) the Prospectus Relief is granted, provided that at the time Pengrowth Energy files its Notice of Intention, Pengrowth Energy meets the requirements of section 2.2 of NI 44-101, as modified by the Qualification Relief; and

(d) the PIF Relief is granted, provided that:

  (i) each individual who is a director or executive officer of Pengrowth Energy at the time of a prospectus filing by Pengrowth Energy and for whom the Filer has previously delivered a Filer PIF authorizes the Decision Makers, in respect of a prospectus filing by Pengrowth Energy, to collect, use and disclose the personal information that was previously provided in the Filer PIF;

  (ii) Pengrowth Energy, if requested by the Decision Maker, promptly delivers such further information from each individual referred to in paragraph (i) above as the Decision Maker may require; and

  (iii) the PIF Relief will terminate in any jurisdiction in which the decision is in effect on the effective date of any change to subsection 4.1(b)(i) of NI 44-101.

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

2.1.4 AGF Investments Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted from sections 2.3(f), 2.3(h), 2.5(2)(a) and 2.5(2)(c) of National Instrument 81-102 Mutual Funds to permit mutual fund to invest in silver and to invest up to 10% of net assets in leveraged ETFs, inverse ETFs, gold ETFs, silver ETFs, leveraged gold ETFs and leveraged silver ETFs traded on Canadian or US stock exchanges, subject to 10 % exposure in gold and silver, and certain conditions.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 2.3(f), 2.3(h), 2.5(2)(a), 2.5(2)(c), 19.1.

November 8, 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
AGF INVESTMENTS INC.
(THE FILER)

DECISION

BACKGROUND

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

(a) an exemption (the **Silver Exemption**) relieving the existing and future mutual funds managed by the Filer or an affiliate of the Filer that are subject to National Instrument 81-102 *Mutual Funds* (**NI 81-102**) other than AGF Precious Metals Fund and money market funds as defined in NI 81-102 (the **Existing Funds** and the **Future Funds**, respectively, together, the **Funds** and individually, a **Fund**) from the prohibitions contained in paragraphs 2.3(f) and 2.3(h) of NI 81-102 to permit each Fund to

(A) purchase and hold silver,

(B) purchase and hold a certificate that represents silver that is:

(I) available for delivery in Canada, free of charge, to or to the order of the holder of the certificate;

(II) of a minimum fineness of 999 parts per 1,000;

(III) held in Canada;

(IV) in the form of either bars or wafers; and

(V) if not purchased from a bank listed in Schedule I, II or III of the *Bank Act* (Canada), fully insured against loss and bankruptcy by an insurance company licensed under the laws of Canada or a province or territory of Canada,

(**Permitted Silver Certificates**)

(C) purchase, sell or use a specified derivative, the underlying interest of which is silver or a specified derivative of which the underlying interest is silver on an unlevered basis

(**Silver Derivatives**, which together with silver and Permitted Silver Certificates are hereinafter referred to as **Silver**),

(b) an exemption (the **ETF Exemption**) relieving the Funds from the prohibitions contained in paragraphs 2.3(h), 2.5(2)(a) and 2.5(2)(c) of NI 81-102, to permit each Fund to purchase and hold securities of

(i) exchange-traded funds (**ETFs**) that seek to provide daily results that replicate the daily performance of a specified widely-quoted market index (the ETF's **Underlying Index**) by a multiple of 200% (**Leveraged Bull ETFs**) or an inverse multiple of 200% (**Leveraged Bear ETFs**, which together with Leveraged Bull ETFs are referred to collectively in this decision as **Leveraged ETFs**);

(ii) ETFs that seek to provide daily results that replicate the daily performance of their Underlying Index by an inverse multiple of 100% (**Inverse ETFs**);

(iii) ETFs that seek to replicate the performance of gold or silver, or the value of a specified derivative the underlying interest of which is gold or silver on an unlevered basis; and

(iv) ETFs that seek to provide daily results that replicate the daily performance of

gold or silver or the value of a specified derivative the underlying interest of which is gold or silver on an unlevered basis (the ETF's **Underlying Gold or Silver Interest**), by a multiple of 200% (**Leveraged Gold ETFs** and **Leveraged Silver ETFs**, respectively),

(the ETFs referred in paragraph (b)(iii) above, Leveraged Gold ETFs and Leveraged Silver ETFs are referred to collectively in this decision as the **Gold and Silver ETFs**, which together with Leveraged ETFs, and Inverse ETFs are referred to collectively in this decision as the **Underlying ETFs**), and

(c) revocation of the decision documents granted by the principal regulator on February 24, 2009 and June 11, 2010 (the **Previous Decisions**), insofar as the Previous Decisions applied to the Filer and the Funds (other than AGF Precious Metals Fund) (the **Revocation Relief**).

The Silver Exemption, the ETF Exemption and the Revocation Relief are collectively, the **Exemption Sought**.

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

1. the Ontario Securities Commission is the principal regulator for this application; and

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

INTERPRETATION

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

REPRESENTATIONS

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

The Filer and the Funds

1. The Filer is a corporation organized under the laws of the province of Ontario and is registered as an adviser in the appropriate categories to provide discretionary advisory services in all provinces and territories of Canada. The Filer is also registered as a mutual fund dealer, limited market dealer and commodity trading manager in Ontario and as a mutual fund dealer in British Columbia.

2. The head office of the Filer is located in Ontario.

3. The Filer or an affiliate of the Filer is the manager of each of the Existing Funds, and will be the manager of each of the Future Funds. The Filer or an affiliate of the Filer is the portfolio manager of, or has appointed a portfolio manager for, each of the Existing Funds, and will be the portfolio manager of, or will appoint a portfolio manager for, each of the Future Funds.

4. Each Existing Fund is, and each Future Fund will be: (a) an open-ended mutual fund established under the laws of the province of Ontario, (b) a reporting issuer under the laws of some or all of the provinces and territories of Canada, and (c) governed by the provisions of NI 81-102.

5. Securities of each Existing Fund are, and securities of each Future Fund will be, qualified for distribution in some or all of the provinces and territories of Canada under a simplified prospectus and annual information form prepared in accordance with National Instrument 81-101 *Mutual Fund Prospectus Disclosure* (**NI 81-101**) and filed with and receipted by the securities regulators in the applicable jurisdiction(s).

6. Neither the Filer nor any of the Existing Funds is in default of securities legislation in the Jurisdictions.

7. Upon obtaining the Exemption Sought, the Funds will not rely on the Previous Decisions.

Investments in Silver

8. In addition to investing in gold, the Funds propose to have the ability to invest in Silver.

9. To obtain exposure to gold or silver indirectly, the Filer intends to use specified derivatives the underlying interest of which is gold or silver and invest in the Gold and Silver ETFs (which together with gold, silver, permitted gold certificates and Permitted Silver Certificates are referred to collectively in this decision as **Gold and Silver Products**).

10. The Filer considers silver, like gold, to be a viable alternative to holding cash or cash equivalents. Permitting Funds to invest in silver will permit the portfolio managers of the respective Funds additional flexibility to increase gains for the Funds in certain market conditions, which may have otherwise caused the Funds to have significant cash positions and therefore deter from its ability to achieve its investment objective of providing long term capital growth.

11. The Filer believes that the markets in gold and silver are highly liquid, and there are no liquidity concerns with permitting a Fund to invest in Gold and Silver Products.

12. The Filer believes that the potential volatility or speculative nature of silver (or the equivalent in certificates or specified derivatives of which the underlying interest is silver) is no greater than that of gold, or of equity securities.

13. If the investment in Gold and Silver Products represents a material change for any Existing Fund, the Filer will comply with the material change reporting obligations for that Fund.

14. Any investment by a Fund in Silver will be made in compliance with the custodian requirements in Part 6 of NI 81-102.

The Underlying ETFs

15. Each Leveraged ETF will be rebalanced daily to ensure that its performance and exposure to its Underlying Index will not exceed +/-200% of the corresponding daily performance of its Underlying Index.

16. Each Inverse ETF will be rebalanced daily to ensure that its performance and exposure to its Underlying Index will not exceed -100% of the corresponding daily performance of its Underlying Index.

17. Each Leveraged Gold ETF and Leveraged Silver ETF will be rebalanced daily to ensure that its performance and exposure to its Underlying Gold or Silver Interest will not exceed +200% of the corresponding daily performance of its Underlying Gold or Silver Interest.

18. In addition to investing in securities of ETFs that are "index participation units" as defined in NI 81-102 (**IPUs**), the Funds propose to have the ability to invest in the Underlying ETFs, whose securities are not IPUs.

19. The amount of the loss that can result from an investment by a Fund in an Underlying ETF will be limited to the amount invested by the Fund in securities of the Underlying ETF.

Investment the Underlying ETFs and Silver

20. Each Existing Fund is, and each Future Fund will be, permitted, in accordance with its investment objectives and investment strategies, to invest in Underlying ETFs and Silver.

21. The Underlying ETFs and Silver are attractive investments for the Funds as they provide an efficient and cost effective means of achieving diversification in addition to any investment in gold.

22. But for the Silver Exemption, paragraph 2.3(f) of NI 81-102 would prohibit a Fund from purchasing Silver.

23. But for the Silver Exemption, paragraph 2.3(h) of NI 81-102 would prohibit a Fund from entering into Silver Derivatives.

24. But for the ETF Exemption, paragraph 2.3(h) of NI 81-102 would prohibit a Fund from purchasing a Silver ETF or a Leveraged Silver ETF.

25. But for the ETF Exemption, paragraph 2.5(2)(a) of NI 81-102 would prohibit a Fund from purchasing or holding a security of an Underlying ETF, because the Underlying ETFs are not subject to both NI 81-102 and NI 81-101.

26. But for the ETF Exemption, paragraph 2.5(2)(c) of NI 81-102 would prohibit a Fund from purchasing or holding securities of some Underlying ETFs, because some Underlying ETFs will not be qualified for distribution in the local jurisdiction.

27. An investment by a Fund in securities of an Underlying ETF and/or Silver will represent the business judgment of responsible persons uninfluenced by considerations other than the best interests of the Fund.

28. The simplified prospectus of each Fund discloses, or will disclose the next time it is renewed after the date hereof, (i) in the Investment Strategy section of the prospectus, the fact that the Fund has obtained relief to invest in the Underlying ETFs and Silver, together with an explanation of what each Underlying ETF is, and (ii) the risks associated with investments in the Underlying ETFs and Silver.

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:

(a) the investment by a Fund in securities of an Underlying ETF and/or Silver is in accordance with the fundamental investment objectives of the Fund;

(b) a Fund does not short sell securities of an Underlying ETF;

(c) the securities of the Underlying ETFs are traded on a stock exchange in Canada or the United States;

(d) the securities of the Underlying ETFs are treated as specified derivatives for the purposes of Part 2 of NI 81-102;

(e) a Fund does not purchase securities of an Underlying ETF if, immediately after the purchase, more than 10% of the net assets of the Fund in aggregate, taken at market value at the time of the purchase, would consist of securities of the Underlying ETFs;

(f) a Fund does not enter into any transaction if, immediately after the transaction, more than 20% of the net assets of the Fund, taken at market value at the time of the transaction, would consist of, in aggregate, securities of Underlying ETFs and all securities sold short by the Fund;

(g) a Fund does not purchase Gold and Silver Products if, immediately after the transaction, more than 10% of the net assets of the Fund, taken at market value at the time of the transaction, would consist of Gold and Silver Products; and

(h) a Fund does not purchase Gold and Silver Products if, immediately after the transaction, the market value exposure to gold or silver through the Gold and Silver Products is more than 10% of the net assets of the Fund, taken at market value at the time of the transaction.

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

2.1.5 IMRIS Inc.

Headnote

National Policy 11-203 – Process for Exemptive Relief Applications in Multiple Jurisdictions – relief from prospectus requirement in connection with the use of electronic roadshow materials – cross border offering of securities – compliance with U.S. rules leads to non-compliance with Canadian regime – relief required as use of electronic roadshow materials constitutes a primary distribution to the public requiring compliance with the prospectus requirement.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 53, 74.

November 5, 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
IMRIS INC.
(the Filer)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (Decision Maker) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) for relief from the prospectus requirement to permit the Filer to post certain electronic roadshow materials (the Website Materials) on the website of one or more commercial services, such as www.retailroadshow.com and/or www.netroadshow.com, during the waiting period between the date of the receipt for a preliminary short from base PREP prospectus and the date of receipt of the final short form base PREP prospectus (the Exemption 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 Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 Passport System (MI 11-102) is intended to be relied upon in each of the provinces and territories of Canada, and

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

Furthermore, the Decision Makers have received a request from the Filer for a decision that the application and this decision be kept confidential and not made public until the earlier of (i) the date of issuance by the Manitoba Securities Commission of a receipt for the Preliminary Prospectus (as defined below), (ii) the date on which the Filer advises 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).

Interpretation

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

Representations

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

1. The Filer was incorporated under the Canada Business Corporations Act on May 18, 2005.

2. The principal office of the Filer is located at 100-1370 Sony Place, Winnipeg, Manitoba, R3T 1N5.

3. The Filer intends to file a preliminary short form base PREP prospectus (the Preliminary Prospectus) in respect of a treasury offering of common shares by the Filer and a secondary offering of common shares by certain shareholders of the Filer (the Offering).

4. Contemporaneously with the filing of the Preliminary Prospectus, the Filer also intends to file a registration statement on Form F-10 (the Form F-10) under the United States Securities Act of 1933, as amended (the "1933 Act"), with the United States Securities and Exchange Commission (the SEC) in respect of the Offering.

5. Following the issuance of a receipt pursuant to National Instrument 11-202 Process for Prospectus Reviews in Multiple Jurisdictions from the Manitoba Securities Commission, as principal regulator, in respect of the Preliminary Prospectus the Filer intends to commence the marketing of the Offering.

6. During the period between the date of the receipt for the Preliminary Prospectus and the date of the receipt for the final base PREP prospectus for the Offering (the Waiting Period), the Filer intends to utilize the Website Materials as part of the marketing of the Offering, as is now typical for an initial public offering in the United States.

7. Rule 433(d)(8)(ii) under the 1933 Act, requires the Filer to either file the Website Materials with the SEC or make them "available without restriction by means of graphic communication to any person ...".

8. Compliance with applicable U.S. securities laws requires the Filer to either make the Website Materials available in a manner that affords unrestricted access to the public, or file the Website Materials on the SEC's EDGAR system, which will have the same effect as affording unrestricted access. However, affording unrestricted access to the Website Materials during the Waiting Period is contrary to Canadian securities laws, in particular, the prospectus requirement and activities that are permissible during the Waiting Period which, when applied together, require that access to the Website Materials be controlled by the Filer or the underwriters by such means as password protection and otherwise, as suggested by National Policy 47-201 Trading Securities Using the Internet and Other Electronic Means (NP 47-201).

9. The Filer wishes to comply with applicable U.S. securities laws by posting the Website Materials on the website of one or more commercial services, such as www.retailroadshow.com and/or www.netroadshow.com, without any restriction thereon, such as password protection.

10. The securities laws of the Jurisdictions do not, absent the requested relief, allow the Filer to post the Website Materials during the waiting period in a manner that would allow the Website Materials to be accessible to all prospective investors in the Jurisdictions without restriction.

11. The Website Materials will contain a statement that information conveyed through the Website Materials does not contain all of the information in the Preliminary Prospectus, including any amendments to it, or the final base PREP prospectus, including any amendments to it or the supplemented PREP prospectus, including any amendments to it (the Final Prospectus) and that prospective purchasers should review all of those prospectuses, in addition to the Website Materials, for complete information.

12. The Website Materials will be fair and balanced.

13. The Website Materials will also contain a hyperlink to the prospectuses referred to in the foregoing paragraph, as at and after such time as a particular prospectus is filed.

14. Canadian purchasers will only be able to purchase common shares of the Filer under the Offering through at least one underwriter that is registered in the jurisdiction of residence of the purchaser under the Final Prospectus.

15. The Website Materials, the Preliminary Prospectus, any further amendments thereto and the Final Prospectus will state that purchasers of the Offered Shares in the Jurisdictions will have a contractual right of action against the Filer and the underwriters in connection with the information contained in the Website Materials posted on the website of one or more commercial services, such as www.retailroadshow.com and/or www.netroadshow.com.

16. The Filer is not in default of securities legislation.

17. At least one underwriter that will sign the Preliminary Prospectus, any subsequently amended preliminary prospectus and the Final Prospectus will be registered in each of the provinces and territories of Canada.

18. The Filer acknowledges that the Exemption Sought relates only to the posting of the Website Materials on the website of one or more commercial services, such as www.retailroadshow.com and/or www.netroadshow.com.

Decision

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

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

1. the Filer and the Canadian underwriters provide each Canadian purchaser of the Filer's common shares under the Final Prospectus, including any amendments to it, with a contractual right of action against the Filer and the Canadian underwriters as described in the disclosure required by condition 2;

2. the Preliminary Prospectus, including any amendments to it, and the Final Prospectus, including any amendments to it, state that purchasers of the Offered Shares in each of the Jurisdictions have a contractual right of action against the Filer and the Canadian underwriters, substantially in the following form:

> "We may make available certain material describing the Offering (the Website Materials) on the website of one or more commercial services, such as www.retailroadshow.com and/or www.netroadshow.com under the heading "IMRIS Inc." in accordance with US federal securities laws during the period prior to obtaining a final receipt for the final short form base PREP prospectus relating to the Offering (the Final Prospectus) from the securities regulatory authorities in each of the provinces and territories of Canada. In order to give purchasers in each of the provinces and territories of Canada the same unrestricted access to the Website Materials as provided to US purchasers, we have applied for and obtained exemptive relief in a decision dated *, 2010 from the securities regulatory authorities in each of the provinces and territories of Canada. Under the terms of that exemptive relief, we and each of the Canadian underwriters signing the certificate contained in the Final Prospectus agreed that, if the Website Materials contained any untrue statement of a material fact or omitted to state a material fact required to be stated or necessary in order to make any statement therein not misleading in light of the circumstances in which it was made (a misrepresentation), a purchaser resident in a province or territory of Canada who purchases Offered Shares under the Final Prospectus during the period of distribution has, without regard to whether the purchaser relied on the misrepresentation, rights against us and each of the Canadian underwriters for the misrepresentation that are equivalent to the rights under section 141 of the Securities Act (Manitoba) or the comparable provision of the securities legislation in each of the other provinces and territories of Canada, as if that misrepresentation was contained in the Final Prospectus."

3. the Website Materials will not include comparables unless the comparables are also included in the Preliminary Prospectus;

4. the Website Materials will also contain a hyperlink to the Preliminary Prospectus, including any amendments to it, and the Final Prospectus including any amendments to it, as at and after such time as a particular prospectus is filed; and

5. at least one underwriter signing the Preliminary Prospectus, including any amendments to it, and the Final Prospectus, including any amendments to it, will be registered in each of the provinces and territories of Canada.

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

“Chris Besko”
Deputy Director – Legal
The Manitoba Securities Commission

2.1.6 IPL Inc. – s. 1(10)

Headnote

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

Applicable Legislative Provisions

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

November 12, 2010

IPL INC.
140 Commerciale Street
St-Damien-de-Buckland (Québec)
G0R 2Y0

Dear Sir/Mesdames:

Re: IPL Inc. (the "Applicant") – Application for a decision under the securities legislation of Québec and Ontario (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's status as a reporting issuer is revoked.

"Alida Gualtieri"
Manager, Continuous Disclosure

2.1.7 Mahalo Energy Ltd.

Headnote

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

Applicable Legislative Provisions

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

Citation: Mahalo Energy Ltd., Re, 2010 ABASC 533

November 12, 2010

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN,
MANITOBA, ONTARIO AND QUÉBEC
(the Jurisdictions)**

AND

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

AND

**IN THE MATTER OF
MAHALO ENERGY LTD.
(the Filer)**

DECISION

Background

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

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

(a) The Alberta Securities Commission is the principal regulator for this application; and

(b) The decision is the decision of the principal regulator and evidences the decision of each other Decision Maker.

Interpretation

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

Representations

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

1. The Filer was incorporated under the *Business Corporations Act* (Alberta) on April 21, 2004.

2. The Filer's head office is located in Calgary, Alberta.

3. The Filer is currently a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Québec.

4. The authorized share capital of the Filer consists of an unlimited number of class A common shares (the **Class A Shares**) and an unlimited number of class B common shares (the **Class B Shares**) of which 2,525,000 Class A Shares and 2,525,000 Class B Shares are issued and outstanding as of the date hereof.

5. On May 22, 2009, the Filer was granted protection from its creditors under the *Companies' Creditors Arrangement Act* (the **CCAA**) pursuant to an initial order granted by the Court of Queen's Bench of Alberta on May 22, 2009, which order has been extended several times (the **Initial Order**). All proceedings against the Filer were stayed pursuant to the Initial Order, the purpose of which is to allow the Filer time to solicit and implement a Court approved CCAA plan of arrangement (the **Plan**).

6. The Filer has entered into an agreement with Alpine Capital Corp. (**Alpine**) and three other investors identified by Alpine (the **New Investors**) to conclude a process under the Plan that includes taking the Filer private.

7. On September 16, 2010, the Filer received a sanction order (the **Sanction Order**) from the Court of Queen's Bench of Alberta approving the Plan. Among other things, the Plan approved the creation and issuance of the Class A Shares and the Class B Shares (and the cancellation of the former common shares (the **Common Shares**).

8. Pursuant to the Plan, the Filer:

   (a) issued 2,525,000 Class A Shares to Alpine and the New Investors for cash consideration of $2,525,000;

   (b) issued 2,525,000 Class B Shares to 30 unsecured creditors for settlement, in part, of their outstanding claims under the Plan;

   (c) redeemed and cancelled all of the Common Shares for nil consideration; and

   (d) cancelled all other securities of the Filer (other than the Class A Shares and Class B Shares).

9. As ordered by the Sanction Order, the former Common Shares held by the public shareholders were redeemed for nil and cancelled. As such there are no longer any public shareholders of the Filer and only four holders of Class A Shares and 30 holders of Class B Shares.

10. The outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by fewer than 51 security holders in total in Canada and the Filer has fewer than 15 security holders in each Jurisdiction (except Alberta, where it has 34 security holders).

11. The transactions contemplated by the Plan have closed in escrow pursuant to an escrow agreement among Alpine, the Filer and Burnet, Duckworth & Palmer LLP whereby the Class A Shares and the subscription proceeds for such shares have been placed in escrow with Burnet, Duckworth & Palmer LLP with an irrevocable direction that they be released upon receipt of this cease to be a reporting issuer order as well as the full revocation orders from each of the Jurisdictions (collectively, the **Orders**) and, provided that, no order, ruling or determination having the effect of ceasing, suspending or restricting trading in any securities of the Filer shall otherwise be outstanding.

12. Once the Orders have been received, the escrow agreement provides that Burnet, Duckworth & Palmer LLP will release the share certificates to the holders of Class A Shares and disburse the subscription proceeds to the Filer. Upon satisfaction of the escrow release conditions, the Plan will be concluded and completed in all respects.

13. Each holder of Class A Shares has consented to the Filer making this application and each holder of Class B Shares has knowledge of this application by virtue of the fact that each of the creditors receiving Class B Shares has voted in favour of the Plan, which contains details pertaining to this order. In addition, each Class B share holder was given notice of creditor approval of the Plan.

14. The Filer has had its former Common Shares delisted from the NEX on October 6, 2010 and no securities of the Filer are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*.

15. 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.

16. The Filer is not in default of any of its obligations as a reporting issuer, other than the obligation to file: (a) audited annual financial statements, related management's discussion and analysis and certifications for the year ended December 31, 2009 (the **Annual Filings**); (b) its interim unaudited financial statements, management's discussion and analysis and certifications for the period ended March 31, 2010 (the **Interim Filings**); and (c) the Filer is in default of the following requirements under OSC Rule 13-502 *Fees* (**Rule 13-502**): (i) the Filer should have filed an applicable form under Rule 13-502 in respect of its year ended December 31, 2009; and (ii) the Filer has not paid the late filing fees in respect of this late payment.

17. The Filer is not eligible to use the simplified procedure under CSA Staff Notice 12-307 *Applications for a Decision that an Issuer is not a Reporting Issuer* because: (a) it is in default of filing the Annual Filings and the Interim Filings; and (b) it has more than 15 securityholders resident in Alberta.

18. The Filer did not voluntarily surrender its status as a reporting issuer in British Columbia pursuant to BC Instrument 11-102 *Voluntary Surrender of Reporting Issuer Status* (the **BC Instrument**) in order to avoid the 10-day waiting period under the BC Instrument.

19. The Filer, upon the receipt of the decision, will no longer be a reporting issuer or the equivalent thereof in any jurisdiction in Canada.

Decision

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

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

"Blaine Young"
Associate Director, Corporate Finance
Alberta Securities Commission

2.1.8 Peak Energy Services Trust

Headnote

Multilateral Instrument 11-102 Passport System and National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – exemption granted from the requirement to include financial statements and management's discussion and analysis in an information circular for an entity participating in an arrangement – the information circular will be sent to the trust's unitholders in connection with a proposed internal reorganization pursuant to which its business operations will be conducted through a corporate entity – the arrangement does not contemplate the acquisition of any additional interest in any operating assets or the disposition of any of the trust's existing interests in operating assets.

Exemption granted from the current annual financial statement and current annual information form short form prospectus qualification criteria and the requirement to file a notice declaring its intention to be qualified to file a short form prospectus at least 10 business days prior to the filing of a preliminary short form prospectus.

Exemption granted to a successor issuer from the requirement to deliver personal information forms for individuals for whom the trust previously delivered personal information forms.

Applicable Legislative Provisions

National Instrument 51-102 Continuous Disclosure Obligations, s. 13.1.
Form 51-102F5 – Information Circular, Item 14.2.
National Instrument 44-101 Short Form Prospectus Distributions, s. 8.1.

Citation: Peak Energy Services Trust, Re, 2010 ABASC 509

November 2, 2011

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
PEAK ENERGY SERVICES TRUST (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**):

(a) exempting the Filer from the requirement under section 14.2 of Form 51-102F5 *Information Circular* (the **Circular Form**) to provide: (i) an income statement, a statement of retained earnings and a cash flow statement of Peak Energy Services Ltd. (**PESL**) for each of the financial years ended December 31, 2009, December 31, 2008 and December 31, 2007 as well as a balance sheet of PESL as at the end of December 31, 2009 and December 31, 2008 (the **Annual Financial Statements**); (ii) a comparative income statement, a statement of retained earnings, and cash flow statement of PESL for the interim period ended June 30, 2010, as well as a balance sheet of PESL as at the end of June 30, 2010 and December 31, 2009 (the **Interim Financial Statements**); and (iii) the management's discussion and analysis of PESL corresponding to each of the financial years ended December 31, 2009 and December 31, 2008 and the interim period of June 30, 2010 (the **MD&A**, and together with the Annual Financial Statements and Interim Financial Statements, the **Financial Information**) in the management information circular (the **Circular**) to be prepared by the Filer and delivered to the holders (**Unitholders**) of trust units of the Filer (**Units**) in connection with a special meeting (the **Meeting**) of Unitholders and the holders of options to acquire Units (together with the Unitholders, the

Securityholders) expected to be held December 3, 2010 for the purposes of considering a plan of arrangement under the *Business Corporations Act* (Alberta) (the **Arrangement**) resulting in the internal reorganization of the Filer's trust structure into a corporate structure (the **Circular Relief**);

(b) exempting the corporation to be known as Peak Energy Services Ltd. (**New Peak**), which will be the corporation resulting from the amalgamation of Peak Energy Services (2011) Ltd. (**Newco**) and PESL pursuant to the terms of the Arrangement, from the requirement applicable to New Peak contained in section 2.8 of National Instrument 44-101 *Short Form Prospectus Distributions* (**NI 44-101**) to file a notice declaring its intention to be qualified to file a short form prospectus at least 10 business days prior to the filing of its first preliminary short form prospectus after the notice (the **Prospectus Relief**); and

(c) exempting New Peak from the requirement under subsection 4.1(b) of NI 44-101 for New Peak to file a Personal Information Form and Authorization to Collect, Use and Disclose Personal Information in the form attached as Appendix A to National Instrument 41-101 *General Prospectus Requirements* (**NI 41-101**) for each director and executive officer of New Peak at the time of filing a preliminary short form prospectus for whom the Filer has previously delivered any of the documents described in paragraphs 4.1(b)(i)(E) through (G) of NI 44-101 at the time of filing such preliminary short-form prospectus (the **PIF Relief**).

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

(a) the Alberta Securities Commission is the principal regulator for this Application;

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

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

Interpretation

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

Representations

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

The Filer, PESL, Newco, and New Peak

The Filer

1. The Filer is an unincorporated open-ended limited purpose trust established under the laws of Alberta pursuant to a trust indenture dated March 20, 2004, as amended from time to time. The principal office of the Filer is located in Calgary, Alberta.

2. The Filer is a reporting issuer or the equivalent under the securities legislation of each of the provinces of Canada. The Filer is not in default of securities legislation in any jurisdiction of Canada.

3. The authorized capital of the Filer includes an unlimited number of Units. As at October 15, 2010, there were 172,383,175 Units outstanding.

4. The Units are listed on the Toronto Stock Exchange (**TSX**).

5. The Filer has filed a “current AIF” and “current annual financial statements” (as such terms are defined in NI 44-101) for the financial year ended December 31, 2009.

PESL

6. PESL is a corporation amalgamated under the laws of Alberta. The principal office of PESL is located in Calgary, Alberta.

7. PESL is wholly-owned by the Filer.

8. PESL is a reporting issuer under the securities legislation of each of the provinces of Canada and is not in default of applicable securities legislation in any jurisdiction of Canada.

9. The authorized capital of PESL includes an unlimited number of common shares (**PESL Shares**). As at October 15, 2010, there were 201 PESL Shares outstanding.

10. The PESL Shares are not listed or posted for trading on any exchange or quotation and trade reporting system.

Newco and New Peak

11. Newco is a corporation incorporated under the laws of Alberta. The principal office of Newco will be located in Calgary, Alberta.

12. Newco will be a wholly-owned subsidiary of PESL and will be incorporated solely to participate in the Arrangement, including to issue common shares of Newco to former Unitholders and to amalgamate with PESL to form New Peak, as a result of which the former Unitholders will hold common shares of New Peak (**New Peak Shares**) following the completion of the Arrangement.

13. Newco will not be a reporting issuer in any jurisdiction and is not in default of applicable securities legislation in any jurisdiction of Canada. Following completion of the Arrangement, New Peak, as amalgamation successor to Newco and PESL, will be a reporting issuer in each of the provinces of Canada.

14. None of the common shares issued by Newco will be listed or posted for trading on any exchange or quotation system and trade reporting system. Applications will be made to have New Peak Shares to be issued in connection with the Arrangement listed with the TSX.

Arrangement

15. As part of the Arrangement, (i) the Filer will be dissolved; (ii) the Units will be cancelled; (iii) common shares of Newco will be distributed to the Unitholders on a one-for-one basis; (iv) the common shares of Newco will continue as New Peak Shares; and (iv) New Peak will own, directly or indirectly, all of the existing assets and assume all of the existing liabilities of the Filer and PESL, effectively resulting in the internal reorganization of the Filer's trust structure into a corporate structure.

16. Following the completion of the Arrangement: (i) the sole business of New Peak will be the current business of the Filer; (ii) New Peak would be a reporting issuer or the equivalent under the securities legislation in each of the provinces of Canada; and (iii) the New Peak Shares would, subject to approval by the TSX, be listed on the TSX.

17. The Arrangement does not contemplate the acquisition of any additional operating assets or the disposition of any existing operating assets and will not result in a change in the ultimate beneficial ownership of the assets and liabilities of the Filer. The Arrangement will be an internal reorganization undertaken without dilution to the Unitholders or additional debt or interest expense.

18. Pursuant to the Filer's constating documents and applicable securities laws, the Securityholders will be required to approve the Arrangement at the Meeting. The Arrangement must be approved by not less than two-thirds of the votes cast by Securityholders at the Meeting. The Meeting is anticipated to take place December 3, 2010 and the Circular is expected to be mailed in early November 2010.

19. The Arrangement will be a “restructuring transaction” under National Instrument 51-102 *Continuous Disclosure Obligations* (NI 51-102) in respect of the Filer and therefore would require compliance with section 14.2 of the Circular Form.

20. The Arrangement is being undertaken to reorganize the Filer following the enactment by the federal government of rules in respect of the tax treatment of specified investment flow-through trusts. Pursuant to the Arrangement, the Filer will be reorganized into a public growth-oriented oil and gas services corporation that will retain the name “Peak Energy Services Ltd.” and will own, directly or indirectly, all of the existing assets and assume all of the existing liabilities of the Filer.

21. The rights of the Unitholders in respect of New Peak following the Arrangement will be substantively equivalent to the rights the Unitholders currently have in respect of the Filer, as applicable, and their relative interest in and to the business carried on by New Peak will not be affected by the Arrangement.

22. The only securities that will be distributed to the Unitholders pursuant to the Arrangement will be common shares of Newco, which will continue as New Peak Shares.

23. While changes to the consolidated financial statements of New Peak will be required to reflect the organizational structure of the Filer following the Arrangement, the financial position of New Peak will be substantially the same as reflected in the Filer's audited annual consolidated financial statements most recently filed or required to have been filed under Part 4 of NI 51-102 prior to the date of the Circular and the Filer's unaudited interim consolidated financial statements most recently filed or required to have been filed under Part 4 of NI 51-102 prior to the date of the Circular. In particular, the entity that exists both before and subsequent to the Arrangement would be substantially the same given the fact that the assets and liabilities of the enterprise, from both an accounting perspective and economic perspective, are not changing based on the Arrangement. However, as the tax structure will be changing from that of an income trust to a corporation, the tax advantages of the income trust structure will be lost.

Financial Statement Disclosure in the Circular

24. Section 14.2 of the Circular Form requires that the Circular contain the disclosure (including financial statements) prescribed under securities legislation and described in the form of prospectus that PESL would be eligible to use immediately prior to the sending and filing of the Circular for a distribution of its securities. Therefore, the Circular must contain the disclosure in respect of PESL prescribed by NI 41-101 and, by extension, Form 41-101F1 *Information Required in a Prospectus* (**Prospectus Form**).

25. Paragraphs 8.2(1)(a) and (b) and subsection 8.2(2) of the Prospectus Form require the Filer to include the MD&A in the Circular.

26. Subsection 32.2(1) of the Prospectus Form requires the Filer to include the Annual Financial Statements in the Circular. Subsection 32.3(1) of the Prospectus Form requires the Filer to include the Interim Financial Statements in the Circular.

27. Subsection 4.2(1) of NI 41-101 requires that the Annual Financial Statements and the Interim Financial Statements be audited in accordance with National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency* (**NI 52-107**).

28. The Arrangement will not result in a change in beneficial ownership of the assets and liabilities of the Filer, from both an accounting perspective and an economic perspective. Accordingly, no acquisition will occur as a result of the Arrangement and therefore the significant acquisition financial statement disclosure requirements contained in the Prospectus Form are inapplicable.

29. The Arrangement will be an internal reorganization undertaken without dilution to the Unitholders or additional debt or interest expense.

Exemptive Relief Sought

Circular Relief

30. The financial statements of the Filer are reported on a consolidated basis, which includes the financial results for PESL. PESL does not report its financial results independently from the consolidated financial statements of the Filer. The Financial Information, if prepared, would not include the accounts of the Filer. This would present a confusing (and potentially misleading) picture of financial performance.

31. The Financial Information is not relevant to the Unitholders for the purposes of considering the Arrangement as the Financial Information following the completion of the Arrangement would be substantially and materially the same as the consolidated financial statements of the Filer filed in accordance with Part 4 of NI 51-102 prior to the completion of the Arrangement because the financial position of the entity that exists both before and after the Arrangement is substantially the same.

32. The Circular will contain prospectus level disclosure in accordance with the Prospectus Form (other than the Financial Information) and will contain sufficient information to enable a reasonable securityholder to form a reasoned judgement concerning the nature and effect of the Arrangement and the nature of the resulting public entity and reporting issuer from the Arrangement, being New Peak.

Prospectus Relief

33. The Filer is qualified to file a prospectus in the form of a short form prospectus pursuant to subsection 2.2 of NI 44-101 and is deemed to have filed a notice of intention to be qualified to file a short form prospectus under subsection 2.8(4) of NI 44-101.

34. The Filer anticipates that New Peak may wish to file a preliminary short form prospectus following the completion of the Arrangement, relating to the offering or potential offering of securities (including common shares, debt securities or subscription receipts) of New Peak.

35. Pursuant to the qualification criteria set forth in section 2.2 of NI 44-101 following the Arrangement, New Peak will be qualified to file a short form prospectus pursuant to NI 44-101.

36. Notwithstanding section 2.2 of NI 44-101, subsection 2.8(1) of NI 44-101 provides that an issuer is not qualified to file a short form prospectus unless it has filed a notice declaring its intention to be qualified to file a short form prospectus at least ten business days prior to the issuer filing its first preliminary short form prospectus.

37. In anticipation of the filing of a preliminary short form prospectus, and assuming the Arrangement has been completed, New Peak intends to file a notice of intention to be qualified to file a short form prospectus (the **Notice of Intention**) following completion of the Arrangement. In the absence of the Prospectus Relief, New Peak will not be qualified to file a preliminary short form prospectus until ten business days from the date upon which the Notice of Intention is filed.

38. The short form prospectus of New Peak will incorporate by reference the documents that would be required to be incorporated by reference under item 11 of Form 44-101F1 in a short form prospectus of New Peak.

PIF Relief

39. Prior to February 16, 2010, the date of the most recently filed preliminary short form prospectus by the Filer, the Filer had previously delivered the documents described in subparagraphs 4.1(b)(i)(E) through (G) of NI 44-101 for each individual acting in the capacity of director or executive officer of PESL, the administrator of the Filer, at such time (each a Filer PIF).

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:

(a) the Circular Relief is granted;

(b) the Prospectus Relief is granted, provided that at the time New Peak files its Notice of Intention, New Peak meets the requirements of section 2.2 of NI 44-101; and

(c) the PIF Relief is granted, provided that:

(i) each individual who is a director or executive officer of New Peak at the time of a prospectus filing by New Peak and for whom the Filer has previously delivered a Filer PIF authorizes the Decision Makers, in respect of a prospectus filing by New Peak, to collect, use and disclose the personal information that was previously provided in the Filer PIF;

(ii) New Peak, if requested by the Decision Maker, promptly delivers such further information from each individual referred to in paragraph (i) above as the Decision Maker may require; and

(iii) the PIF Relief will terminate in any jurisdiction in which the decision is in effect on the effective date of any change to subsection 4.1(b)(i) of NI 44-101.

“Blaine Young”
Associate Director, Corporate Finance

2.1.9 Peyto Energy Trust

Headnote

Multilateral Instrument 11-102 Passport System and National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – exemption granted from the requirement to include financial statements and management's discussion and analysis in an information circular for an entity participating in an arrangement – the information circular will be sent to the trust's unitholders in connection with a proposed internal reorganization pursuant to which its business operations will be conducted through a corporate entity – the arrangement does not contemplate the acquisition of any additional interest in any operating assets or the disposition of any of the trust's existing interests in operating assets.

Exemption granted from the current annual financial statement and current annual information form short form prospectus qualification criteria and the requirement to file a notice declaring its intention to be qualified to file a short form prospectus at least 10 business days prior to the filing of a preliminary short form prospectus.

Exemption granted to a successor issuer from the requirement to deliver personal information forms for individuals for whom the trust previously delivered personal information forms.

Applicable Legislative Provisions

National Instrument 51-102 Continuous Disclosure Obligations, s. 13.1.
Form 51-102F5 – Information Circular, Item 14.2.
National Instrument 44-101 Short Form Prospectus Distributions, s. 8.1.

Citation: Peyto Energy Trust, Re, 2010 ABASC 508

November 2, 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
PEYTO ENERGY TRUST
(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**):

(a) exempting the Filer from the requirement under section 14.2 of Form 51-102F5 *Information Circular* (the **Circular Form**) to provide: (i) an income statement, a statement of retained earnings, and a cash flow statement of each of Peyto Energy Administration Corp. (**Peyto AdminCo**) and Peyto Exploration & Development Corp. (**PEDC**) for each of the financial years ended December 31, 2009, December 31, 2008 and December 31, 2007, as well as a balance sheet of each of Peyto AdminCo and PEDC as at the end of December 31, 2009 and December 31, 2008 (the **Annual Financial Statements**); (ii) a comparative income statement, a statement of retained earnings, and cash flow statement of each of Peyto AdminCo and PEDC for the interim period ended June 30, 2010, as well as a balance sheet of each of Peyto AdminCo and PEDC as at the end of June 30, 2010 and December 31, 2009 (the **Interim Financial Statements**); and (iii) the management's discussion and analysis of each of Peyto AdminCo and PEDC corresponding to each of the financial years ended December 31, 2009 and December 31, 2008 and the interim period of June 30, 2010 (the MD&A, and together with the Annual Financial Statements and Interim Financial Statements, the **Financial**

Information), in the management information circular (the **Circular**) to be prepared by the Filer and delivered to the holders (**Unitholders**) of trust units of the Filer (**Units**) in connection with a special meeting (the **Meeting**) of Unitholders expected to be held December 8, 2010 for the purposes of considering a plan of arrangement under the *Business Corporations Act* (Alberta) (the **Arrangement**) resulting in the internal reorganization of the Filer's trust structure into a corporate structure (the **Circular Relief**);

(b) exempting the corporation, to be known as Peyto Exploration & Development Corp. (**New Peyto**), which will be the corporation resulting from the amalgamation of Peyto AdminCo, PEDC and Peyto Exploration (2011) Ltd. (**Newco**) pursuant to the terms of the Arrangement, from the requirement applicable to New Peyto contained in section 2.8 of National Instrument 44-101 *Short Form Prospectus Distributions* (**NI 44-101**) to file a notice declaring its intention to be qualified to file a short form prospectus at least 10 business days prior to the filing of its first preliminary short form prospectus after the notice (the **Prospectus Relief**); and

(c) exempting New Peyto from the requirement under subsection 4.1(b) of NI 44-101 for New Peyto to file a Personal Information Form and Authorization to Collect, Use and Disclose Personal Information in the form attached as Appendix A to National Instrument 41-101 *General Prospectus Requirements* (**NI 41-101**) for each director and executive officer of New Peyto at the time of filing a preliminary short form prospectus for whom the Filer has previously delivered any of the documents described in paragraphs 4.1(b)(i)(E) through (G) of NI 44-101 at the time of filing such preliminary short form prospectus (the **PIF Relief**).

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

(a) the Alberta Securities Commission is the principal regulator for this Application;

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

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

Interpretation

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

Representations

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

The Filer, Peyto AdminCo, PEDC, Newco and New Peyto

The Filer

1. The Filer is an open-ended unincorporated investment trust established under the laws of Alberta pursuant to a trust indenture dated May 22, 2003 and amended and restated on January 1, 2008. The principal office of the Filer is located in Calgary, Alberta.

2. The Filer is a reporting issuer or the equivalent under the securities legislation of each of the provinces of Canada. The Filer is not in default of securities legislation in any jurisdiction of Canada.

3. The authorized capital of the Filer includes an unlimited number of Units. As at October 15, 2010, there were 122,581,236 Units outstanding.

4. The Units are listed on the Toronto Stock Exchange (**TSX**).

5. The Filer has filed a "current AIF" and "current annual financial statements" (as such terms are defined in NI 44-101) for the financial year ended December 31, 2009.

Peyto AdminCo

6. Peyto AdminCo is a corporation incorporated under the laws of Alberta. The principal office of Peyto AdminCo is located in Calgary, Alberta.

7. Peyto AdminCo is wholly-owned by the Filer.

8. Peyto AdminCo is not a reporting issuer in any jurisdiction and is not in default of applicable securities legislation in any jurisdiction of Canada.

9. The common shares of Peyto AdminCo are not listed or posted for trading on any exchange or quotation and trade reporting system.

PEDC

10. PEDC is a corporation amalgamated under the laws of Alberta. The principal office of PEDC is located in Calgary, Alberta.

11. PEDC is wholly-owned by the Filer.

12. PEDC is not a reporting issuer in any jurisdiction and is not in default of applicable securities legislation in any jurisdiction of Canada.

13. The common shares of PEDC are not listed or posted for trading on any exchange or quotation and trade reporting system.

Newco and New Peyto

14. Newco will be a corporation incorporated under the laws of Alberta. The principal office of Newco will be located in Calgary, Alberta.

15. Newco will be an indirect wholly-owned subsidiary of the Filer and will be incorporated solely to participate in the Arrangement, including to issue common shares of Newco to former Unitholders and to amalgamate with Peyto AdminCo and PEDC to form New Peyto, as a result of which the former Unitholders will hold common shares of New Peyto (**New Peyto Shares**) following the completion of the Arrangement.

16. Newco will not be a reporting issuer in any jurisdiction and will not be in default of applicable securities legislation in any jurisdiction of Canada. Following completion of the Arrangement, New Peyto, as amalgamation successor to Peyto AdminCo, PEDC and Newco, will be a reporting issuer in each of the provinces of Canada.

17. None of the common shares issued by Newco will be listed or posted for trading on any exchange or quotation system and trade reporting system. Application will be made to have the New Peyto Shares to be issued in connection with the Arrangement listed with the TSX.

Arrangement

18. As part of the Arrangement: (i) the Filer will be dissolved; (ii) the Units will be cancelled; (iii) common shares of Newco will be distributed to the Unitholders on a one-for-one basis; (iv) the common shares of Newco will continue as New Peyto Shares; and (iv) New Peyto will directly own all of the existing assets and assume all of the existing liabilities of the Filer, effectively resulting in the internal reorganization of the Filer's trust structure into a corporate structure.

19. Following the completion of the Arrangement: (i) the sole business of New Peyto will be the current business of the Filer; (ii) New Peyto will be a reporting issuer or the equivalent under the securities legislation in each of the provinces of Canada; and (iii) the New Peyto Shares will, subject to approval by the TSX, be listed on the TSX.

20. The Arrangement does not contemplate the acquisition of any additional operating assets or the disposition of any existing operating assets and will not result in a change in the ultimate beneficial ownership of the assets and liabilities of the Filer. The Arrangement will be an internal reorganization undertaken without dilution to the Unitholders or additional debt or interest expense.

21. Pursuant to the Filer's constating documents and applicable securities laws, the Unitholders will be required to approve the Arrangement at the Meeting. The Arrangement must be approved by not less than two-thirds of the votes cast by the Unitholders at the Meeting. The Meeting is anticipated to take place December 8, 2010 and the Circular is expected to be mailed in early November 2010.

22. The Arrangement will be a "restructuring transaction" under National Instrument 51-102 *Continuous Disclosure Obligations* (**NI 51-102**) in respect of the Filer and therefore would require compliance with section 14.2 of the Circular Form.

23. The Arrangement is being undertaken to reorganize the Filer following the enactment by the federal government of rules in respect of the tax treatment of specified investment flow-through trusts. Pursuant to the Arrangement, the Filer will be reorganized into a dividend paying public oil and gas exploration and development corporation that will operate under the name "Peyto Exploration & Development Corp." and will directly own all of the existing assets and assume all of the existing liabilities of the Filer.

24. The rights of the Unitholders in respect of New Peyto following the Arrangement will be substantively equivalent to the rights the Unitholders currently have in respect of the Filer and their relative interest in and to the business carried on by New Peyto will not be affected by the Arrangement.

25. The only securities that will be distributed to the Unitholders pursuant to the Arrangement will be common shares of Newco, which will continue as New Peyto Shares.

26. While changes to the consolidated financial statements of New Peyto will be required to reflect the organizational structure of the Filer following the Arrangement, the financial position of New Peyto will be substantially the same as reflected in the Filer's audited annual consolidated financial statements most recently filed or required to have been filed under Part 4 of NI 51-102 prior to the date of the Circular and the Filer's unaudited interim consolidated financial statements most recently filed or required to have been filed under Part 4 of NI 51-102 prior to the date of the Circular. In particular, the entity that exists both before and subsequent to the Arrangement would be substantially the same given the fact that the assets and liabilities of the enterprise, from both an accounting perspective and economic perspective, are not changing based on the Arrangement. However, as the tax structure will be changing from that of an income trust to a corporation, the tax advantages of the income trust structure will be lost.

Financial Statement Disclosure in the Circular

27. Section 14.2 of the Circular Form requires that the Circular contain the disclosure (including financial statements) prescribed under securities legislation and described in the form of prospectus that Peyto AdminCo and PEDC would be eligible to use immediately prior to the sending and filing of the Circular for a distribution of their securities. Therefore, the Circular must contain the disclosure in respect of Peyto AdminCo and PEDC prescribed by NI 41-101 and, by extension, Form 41-101F1 *Information Required in a Prospectus* (**Prospectus Form**).

28. Paragraphs 8.2(1)(a) and (b) and subsection 8.2(2) of the Prospectus Form require the Filer to include the MD&A in the Circular.

29. Subsection 32.2(1) of the Prospectus Form requires the Filer to include the Annual Financial Statements in the Circular. Subsection 32.3(1) of the Prospectus Form requires the Filer to include the Interim Financial Statements in the Circular.

30. Subsection 4.2(1) of NI 41-101 requires that the Annual Financial Statements and the Interim Financial Statements be audited in accordance with National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency* (**NI 52-107**).

31. The Arrangement will not result in a change in beneficial ownership of the assets and liabilities of the Filer, from both an accounting perspective and an economic perspective. Accordingly, no acquisition will occur as a result of the Arrangement and therefore the significant acquisition financial statement disclosure requirements contained in the Prospectus Form are inapplicable.

32. The Arrangement will be an internal reorganization undertaken without dilution to the Unitholders or additional debt or interest expense.

Exemptions Sought

Circular Relief

33. The financial statements of the Filer are reported on a consolidated basis, which includes the financial results for Peyto AdminCo and PEDC. Peyto AdminCo and PEDC do not report their financial results independently from the consolidated financial statements of the Filer. The Financial Information, if prepared, would not include the accounts of the Filer. This would be misleading, since there are transactions between Peyto AdminCo and the Filer, and PEDC and the Filer, respectively, that are eliminated when consolidation is performed at the trust level. To present the Financial Information, which would exclude accounts of the Filer, would present the effects of only one side of the financing activities between Peyto AdminCo and the Filer, and PEDC and the Filer, respectively. This would result in significant intra-group balances and other intra-group expenses being reflected in the Financial Information. As a result, the

presentation of these intra-group transactions, which will be eliminated upon completion of the Arrangement, would present a confusing (and potentially misleading) picture of financial performance.

34. The Financial Information is not relevant to the Unitholders for the purposes of considering the Arrangement as the Financial Information would be substantially and materially the same (other than as described above) as the consolidated financial statements of the Filer filed in accordance with Part 4 of NI 51-102 because the financial position of the entity that exists both before and after the Arrangement is substantially the same.

35. The Circular will contain prospectus level disclosure in accordance with the Prospectus Form (other than the Financial Information) and will contain sufficient information to enable a reasonable securityholder to form a reasoned judgement concerning the nature and effect of the Arrangement including information explaining how the tax position of New Peyto after the completion of the Arrangement will differ from the existing tax position of the Filer.

Prospectus Relief

36. The Filer is qualified to file a prospectus in the form of a short form prospectus pursuant to section 2.2 of NI 44-101 and is deemed to have filed a notice of intention to be qualified to file a short form prospectus under subsection 2.8(4) of NI 44-101.

37. The Filer anticipates that New Peyto may wish to file a preliminary short form prospectus following the completion of the Arrangement, relating to the offering or potential offering of securities (including common shares, debt securities or subscription receipts) of New Peyto.

38. Pursuant to the qualification criteria set forth in section 2.2 of NI 44-101 following the Arrangement, New Peyto will be qualified to file a short form prospectus pursuant to NI 44-101.

39. Notwithstanding section 2.2 of NI 44-101, subsection 2.8(1) of NI 44-101 provides that an issuer is not qualified to file a short form prospectus unless it has filed a notice declaring its intention to be qualified to file a short form prospectus at least ten business days prior to the issuer filing its first preliminary short form prospectus.

40. In anticipation of the filing of a preliminary short form prospectus, and assuming the Arrangement has been completed, New Peyto intends to file a notice of intention to be qualified to file a short form prospectus (the **Notice of Intention**) following the completion of the Arrangement. In the absence of the Prospectus Relief, New Peyto will not be qualified to file a short form prospectus until ten days from the date upon which the Notice of Intention is filed.

41. The short form prospectus of New Peyto will incorporate by reference the documents that would be required to be incorporated by reference under Item 11 of Form 44-101F1 *Short Form Prospectus* in a short form prospectus of New Peyto.

PIF Relief

42. Prior to April 9, 2010, the date of the most recently filed preliminary short form prospectus by the Filer, the Filer had previously delivered the documents described in subparagraphs 4.1(b)(i)(E) through (G) of NI 44-101 for each individual acting in the capacity of a director or executive officer of the Filer at such time (each, a **Filer PIF**).

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:

(a) the Circular Relief is granted;

(b) the Prospectus Relief is granted, provided that at the time New Peyto files its Notice of Intention, New Peyto meets the requirements of section 2.2 of NI 44-101; and

(c) the PIF Relief is granted, provided that:

(i) each individual who is a director or executive officer of New Peyto at the time of a prospectus filing by New Peyto and for whom the Filer has previously delivered a Filer PIF authorizes the Decision Makers, in respect of a prospectus filing by New Peyto, to collect, use and disclose the personal information that was previously provided in the Filer PIF;

(ii) New Peyto, if requested by the Decision Maker, promptly delivers such further information from each individual referred to in paragraph (i) above as the Decision Maker may require; and

(iii) the PIF Relief will terminate in any jurisdiction in which the decision is in effect on the effective date of any change to subsection 4.1(b)(i) of NI 44-101.

"Blaine Young"
Associate Director, Corporate Finance

2.1.10 Odyssey Re Holdings Corp.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – clause 1(10)(b) of the Securities Act – Application by United States issuer for a decision that it is not a reporting issuer – Only debt securities of the issuer are held by the public – all of the common stock of the issuer acquired by one shareholder pursuant to a tender offer and subsequent merger-Common stock was delisted from trading on the NYSE. – Issuer has *de minimis* market presence in Canada – Other than one beneficial holder of debt securities and one common shareholder, residents of Canada do not beneficially own more than 2% of each class or series of outstanding securities of the issuer worldwide and do not comprise more than 2% of the total number of securityholders of the issuer worldwide – However, when considering all series of debt securities in the aggregate, residents of Canada represent only 1.3% of the aggregate principal amount of the issuer's outstanding debt securities worldwide and only 0.11% of the total number of beneficial holders of the issuer's publicly issued debt securities worldwide – In the preceding 12 months, the issuer has not taken any steps that indicate there is a market for its securities in Canada – The issuer's securities are not listed on any stock exchange or publicly traded on a marketplace – The issuer has no current intention to distribute any securities to the public – Under the trust indentures that created the debt securities, issuer will still be required to provide statutory quarterly financial statements and audited statutory year-end financial statements as filed with applicable state insurance regulators, and quarterly and year-end financial information extracted from the segment information in respect of the issuer that common stockholder makes publicly available in its quarterly and annual financial statements. – Issuer will provide to its holders of debt securities in Canada all disclosure material that is required to be provided under the trust indentures – Issuer issued a press release announcing that it had applied for a decision to be released from public company reporting obligations in Canada – Requested relief granted.

Applicable Legislative Provisions

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

November 12, 2010

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

AND

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

AND

IN THE MATTER OF
ODYSSEY RE HOLDINGS CORP.
(the "Filer")

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the "**Decision Maker**") has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the "**Legislation**") that 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 the application, and

(b) the decision is the decision of the principal regulator and evidences the decision of each other Decision Maker.

Interpretation

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

Representations

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

1. The Filer was incorporated on March 21, 2001 under the laws of the state of Delaware.

2. The Filer's head office is located in Stamford, Connecticut. The Filer has an office located at 55 University Avenue, Suite 1600, Toronto, Ontario.

3. The Filer is a worldwide underwriter of property and casualty treaty and facultative reinsurance, as well as specialty insurance.

4. At that time, the Filer's common stock was listed on the Toronto Stock Exchange ("**TSX**") and the New York Stock Exchange ("**NYSE**").

5. On November 14, 2003, the Filer's common stock was voluntarily delisted from the TSX.

6. In October 2009, Fairfax Financial Holdings Limited ("**Fairfax**"), a reporting issuer in each of the Jurisdictions, acquired, pursuant to a tender

offer and subsequent merger, all of the outstanding common stock of the Filer that it did not already own and the common stock was delisted from trading on the NYSE. Following that transaction, the Filer continued to have outstanding Series A preferred stock and Series B preferred stock (collectively, the "**Preferred Stock**") listed on the NYSE. The Filer also has outstanding the following:

(a) US$224.8 million principal amount of 7.65% senior notes due 2013 (the "**2013 Notes**"),

(b) US$124.6 million principal amount of 6.875% senior notes due 2015 (the "**2015 Notes**"),

(c) US$50.0 million principal amount of Series A floating rate debentures due 2021 (the "**Series A Debentures**"),

(d) US$50.0 million principal amount of Series B floating rate debentures due 2016 (the "**Series B Debentures**"), and

(e) US$40.0 million principal amount of Series C floating rate debentures due 2021 (the "**Series C Debentures**").

7. The 2013 Notes and 2015 Notes (collectively, the "**Senior Notes**") were issued in public offerings in the United States and on a private placement basis in Canada in 2003 and 2005, respectively. The Senior A Debentures, the Senior B Debentures and the Senior C Debentures were offered on a private placement basis in the United States in 2006. The Senior Notes, the Series A Debentures, Series B Debentures and Series C Debentures are collectively referred to as the "**Debt Securities**".

8. On July 20, 2010, the Filer completed a consent solicitation and obtained the requisite consents to amend the indenture governing the Senior Notes to allow the Filer to provide statutory quarterly financial statements and audited statutory year-end financial statements as filed with applicable state insurance regulators, and quarterly and year-end financial information extracted from the segment information in respect of the Filer that Fairfax makes publicly available in Fairfax's quarterly and annual financial statements. The foregoing information will be provided to the trustee for the Senior Notes and posted on the Filer's website (which website may be non-public, in which case the Filer will provide access to such website to any holder of Senior Notes, any beneficial owner of Senior Notes or any prospective investor, securities analysts or market maker in the Senior Notes), in lieu of the reports the Filer currently files with the United States' Securities and Exchange Commission (the "**SEC**").

9. On September 15, 2010, the Filer issued a press release announcing that it was redeeming all of the outstanding Preferred Stock not owned by affiliates. The redemption occurred on October 20, 2010.

10. Following the redemption, the Preferred Stock was delisted from trading on the NYSE. The NYSE filed a Form 25 with the SEC on October 21, 2010 to effect the delisting of the Preferred Stock and the delisting became effective on November 1, 2010.

11. The Filer also announced that upon redeeming the Preferred Stock, it will terminate its obligation to file periodic reports under the U.S. *Securities Exchange Act of 1934*, as amended, and it would file this application with Canadian securities regulators to cease its continuous disclosure obligations under Canadian securities laws.

12. Based on beneficial ownership information obtained from geographical searches conducted by Broadridge Financial Solutions, Inc. ("**Broadridge**") as of September 27, 2010 and from Non-Objecting Beneficial Owner lists obtained by the Filer as of September 15, 2010 in respect of the Senior Notes and as of September 27, 2010 in respect of the other Debt Securities, there is one beneficial holder of Debt Securities shown as having a Canadian address (out of 889 beneficial holders worldwide).

13. Based on the results of the Broadridge searches, the Canadian holder has an address in the province of Ontario and holds US$6.25 million of Debt Securities (the "**Ontario Resident**").

14. The Filer does not have any securities outstanding except for its common stock, which is 100% owned indirectly by Fairfax, and the Debt Securities.

15. The Filer has no current intention to distribute any securities to the public.

16. The Filer does not currently intend to seek financing by way of a public offering of its securities.

17. In the preceding 12 months, the Filer has not taken any steps that indicate there is a market for its securities in Canada.

18. Based upon the information and diligent inquiries of the Filer, the Filer has concluded that residents of Canada, other than Fairfax, and other than the Ontario Resident who holds less than 1.3% of the outstanding principal amount of Debt Securities, residents of Canada do not:

(a) directly or indirectly beneficially own more than 2% of any class or series of outstanding securities of the Filer worldwide; and

(b) directly or indirectly comprise more than 2% of the total number of securityholders of the Filer worldwide.

19. The Filer will provide to its holders of Debt Securities in Canada all disclosure material that is required to be provided to holders under the trust indentures governing such Debt Securities.

20. 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.

21. No securities of the Filer are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* and the Filer does not intend to have its securities traded or quoted on such a marketplace.

22. The Filer is not in default of any of its obligations under the Legislation as a reporting issuer.

23. Upon the granting of the Exemptive Relief Sought, the Filer will not be a reporting issuer or its equivalent in any jurisdiction in Canada.

Decision

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

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

"Jo-Anne Matear"
Assistant Manager, Corporate Finance

2.1.11 Northern Property Real Estate Investment Trust and NorSerCo Inc.

Headnote

National Policy 11-203 Process For Exemptive Relief Applications in Multiple Jurisdictions – Exemption from requirement to file annual and interim financial statements and related MD&A subject to condition that combined financial statements of real estate investment trust and new company are filed and MD&A based on the combined financial statements is filed – new company wants relief from Parts 4 and 5 of NI 51-102 – exemption granted provided combined financial statements are filed – new company wants relief from Parts 6 and sections 9.1(2)(a) and 11.6 of NI 51-102.

Exemption from various disclosure obligations granted to new company – exemption granted subject to conditions including that real estate investment trust and new company continue to comply with conditions of continuous disclosure relief.

Exemption from certification requirements to permit real estate investment trust to file modified certificates which refer to combined financial statements – new company granted relief from certification requirements – exemption granted subject to conditions.

Exemption from basic qualification criteria granted to real estate investment trust and new company – exemption granted subject to conditions including that real estate investment trust and new company continue to comply with conditions of continuous disclosure relief.

Exemption from the prospectus requirements in respect of certain trades – relief conditional upon each unit of real estate investment trust being stapled to a unit of the subsidiary and to trade as a stapled unit – the first trade of any security acquired as a result of any such trade shall be deemed to be a distribution under the legislation of the jurisdiction where the trade takes place unless applicable resale conditions in National Instrument 45-102 Resale of Securities are satisfied – relief will terminate if units of real estate investment trust are not stapled to units of subsidiary and vice versa.

Applicable Legislative Provisions

Securities Act (Ontario), R.S.O. 1990, c. S.5, as am., s. 74(1).
National Instrument 51-102 Continuous Disclosure Obligations.
National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings.
National Instrument 52-110 Audit Committees.
National Instrument 58-101 Corporate Governance.
National Instrument 44-101 Short Form Prospectus Distributions.

Citation: Northern Property Real Estate Investment Trust, Re, 2010 ABASC 535

November 12, 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
NORTHERN PROPERTY REAL ESTATE
INVESTMENT TRUST (the Filer) ON ITS OWN
BEHALF AND ON BEHALF OF NORSERCO INC.
(NorSerCo)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Maker**) has received an application (the **Application**) from the Filer on its own behalf and on behalf of NorSerCo, a new corporation to be formed pursuant to the proposed reorganization of the Filer by way of a plan of arrangement (the **Plan of Arrangement**) under section 193 of the *Business Corporations Act* (Alberta) (the **ABCA**), for a decision under the securities legislation of the Jurisdictions (the **Legislation**) for the following relief (the **Exemption Sought**) in connection with the Plan of Arrangement:

(a) pursuant to section 13.1 of NI 51-102 *Continuous Disclosure Obligations* (**NI 51-102**), that the Filer be exempted from the obligations in sections 4.1(1), 4.3(1) and 4.6 of NI 51-102 relating to the filing of annual and interim financial statements on a standalone basis, and to the delivery of the same, along with the accompanying annual or interim management's discussion and analysis (**MD&A**), to the holders of the Filer's trust units (the **NP REIT Unitholders**) and the holders of the Filer's special voting units (collectively, the **Unitholders**) (the **Filer's Financial Disclosure Requirements**);

(b) pursuant to section 13.1 of NI 51-102, that NorSerCo be exempted from the obligations in Parts 4 and 5 of NI 51-102 relating to the filing of annual and interim financial statements and MD&A, respectively, on a standalone basis, and relating to the delivery of the same to the shareholders of NorSerCo (the **NorSerCo Financial Disclosure Requirements**);

(c) pursuant to section 13.1 of NI 51-102, that NorSerCo be exempted from: (i) the disclosure obligations in Parts 6 and 7 of NI 51-102 relating to annual information forms (**AIFs**) and material change reports respectively; and (ii) the disclosure obligations in sections 9.1(2)(a) and 11.6 of NI 51-102 relating to management information circulars (collectively, the **Specified Continuous Disclosure Requirements**);

(d) pursuant to section 3.1 of National Instrument 58-101 *Disclosure of Corporate Governance Practices* (**NI 58-101**), that NorSerCo be exempted from the corporate governance disclosure requirements of NI 58-101 (the **Corporate Governance Disclosure Requirements**);

(e) pursuant to section 8.6 of National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (**NI 52-109**), that the Filer be exempted from the requirements of sections 4.2 and 5.2 of NI 52-109 in respect of filing the chief executive officer (**CEO**) and chief financial officer (**CFO**) certificates that the Filer would normally have to file if it prepared annual and interim financial statements and MD&A on a standalone basis (the **Certificate Form Requirement**);

(f) pursuant to section 8.6 of NI 52-109, that NorSerCo be exempted from the requirements of NI 52-109 (the **Certification Requirements**) in respect of filing the CEO and CFO certificates that would, in the absence of the requested relief, normally be required in support of any interim and annual filings of NorSerCo;

(g) pursuant to section 8.1 of National Instrument 44-101 *Short Form Prospectus Distributions* (**NI 44-101**), that the Filer be exempted from certain of the basic qualification criteria contained in sections 2.2(d)(i) and 2.2(e) of NI 44-101 for eligibility to file a short form prospectus, in particular the requirement that the Filer have current annual financial statements for any period for which the Filer files Combined or Consolidated Financial Statements (as defined in paragraph 16 below) and that the Filer have equity securities listed and posted for trading on a short form eligible exchange (collectively, the **Filer Short Form Criteria**);

(h) pursuant to section 8.1 of NI 44-101, that NorSerCo be exempted from certain of the basic qualification criteria contained in sections 2.2(d) and 2.2(e) of NI 44-101 for eligibility to file a short form prospectus, in particular the requirements that NorSerCo have current annual financial statements, a current annual information form (**AIF**) and equity securities listed and posted for trading on a short form eligible exchange (the **NorSerCo Short Form Criteria**); and

(i) that NorSerCo be exempted from the requirement under the Legislation to file a prospectus in connection with the distribution of NorSerCo Common Shares (as defined in paragraph 8 below) to a trustee, officer or employee of the Filer in connection with options currently outstanding, or that may be issued in the future, under the Filer's unit option plan (the **NorSerCo Prospectus Requirements**).

Further, the securities regulatory authority or regulator in each of the Jurisdictions has received a request from the Filer for a decision that the Application and this decision be kept confidential and not be made public until the earliest of:

(a) the date on which the Filer publicly announces the Plan of Arrangement;

(b) the date on which the Filer advises the principal regulator that there is no longer any need for the Application and this decision to remain 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 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 each of British Columbia, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Yukon, the Northwest Territories, and Nunavut; and

(c) this 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* or MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

Representations

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

1. The Filer is an unincorporated open-ended "mutual fund trust" (for the purposes of the *Income Tax Act* (Canada) (the **Tax Act**)) that was created on January 2, 2002 pursuant to a declaration of trust as from time to time amended and restated (the **NP REIT Declaration of Trust**) and is governed under the laws of Alberta.

2. The Filer's principal and head office is located in Calgary, Alberta.

3. The Filer's principal business is to own and operate or lease "real or immoveable property" as defined under section 122.1 of the Tax Act (**Real Property**), directly and through various subsidiaries, in British Columbia, Alberta, the Northwest Territories, Nunavut and Newfoundland and Labrador.

4. The authorized capital of the Filer consists of an unlimited number of trust units (**NP REIT Units**) and an unlimited number of special voting units (**NP REIT Voting Units**). As of September 14, 2010, there were 23,273,060 NP REIT Units and 1,897,705 NP REIT Voting Units issued and outstanding.

5. The NP REIT Units are listed and posted for trading on the Toronto Stock Exchange (the **TSX**) under the symbol "NPR.UN".

6. The Filer is a reporting issuer in each of the provinces and territories of Canada, and is not in default of the securities legislation in any of the provinces and territories of Canada.

7. The purpose of the Plan of Arrangement is to ensure that the Filer continues to qualify as a "real estate investment trust" for Canadian income tax purposes in order for it to be exempt from the application of income tax on "SIFT trusts" (as defined in the Tax Act) that will, without the completion of the Plan of Arrangement, apply to the Filer on January 1, 2011.

8. Pursuant to the Plan of Arrangement, NorSerCo will be incorporated under the laws of Alberta and the Filer will transfer the majority of its assets, other than its Real Property, to NorSerCo for consideration that will include common shares in the capital of NorSerCo (**NorSerCo Common Shares**) that will be issued to the Filer.

9. As part of the Plan of Arrangement, the Filer will make a distribution (the **Distribution**) to NP REIT Unitholders of one NorSerCo Common Share per NP REIT Unit held by the NP REIT Unitholders. Consequently, following the completion of the Plan of Arrangement, each NP REIT Unitholder will hold an equal number of NP REIT Units and NorSerCo Common Shares. Pursuant to section 2.11 of National Instrument 45-106 *Prospectus and Registration Exemptions* (**NI 45-106**), the Distribution will be exempt from the prospectus requirements.

10. At the time of the Distribution, each NP REIT Unit will be stapled to a NorSerCo Common Share (together, a **Stapled Security**) and the two securities will trade together as Stapled Securities on the TSX (the **Stapled Structure**). Thereafter, an NP REIT Unit will only be issued, transferred or redeemed together with a NorSerCo Common Share unless the Stapled Securities become unstapled in accordance with the limited circumstances set out in paragraph 13 below.

11. The Stapled Securities will be listed and posted for trading on the TSX in substitution for the NP REIT Units. The NP REIT Units and NorSerCo Common Shares underlying the Stapled Securities will be separately listed, but not posted for trading, on the TSX.

12. Following the Plan of Arrangement, the Filer will continue to hold (directly or through its subsidiaries) all of its Real Property, some of which will be leased to NorSerCo (directly or through its subsidiaries). The sole assets of the Filer will be its direct and indirect ownership interests in certain Real Property and assets incidental thereto. As such, due to the necessary interaction between the business and the assets of the Filer and NorSerCo respectively, any business decision taken by either the Filer or NorSerCo with respect to their respective assets will, due to the structure of the Filer and NorSerCo following the Plan of Arrangement, have a corresponding effect on the other entity.

13. The Stapled Securities will only become unstapled: (a) in the event that NP REIT Unitholders vote in favour of the unstapling of NP REIT Units and NorSerCo Common Shares; or (b) at the sole discretion of the trustees of the Filer, or the directors of NorSerCo, upon an event of bankruptcy or insolvency of any of the Filer, NorSerCo or their respective subsidiaries.

14. The initial directors of NorSerCo will be the current trustees of the Filer. In addition, it is expected that one new independent director will join the board of directors of NorSerCo. The senior management of NorSerCo will be the same as the senior management of the Filer.

15. Upon completion of the Plan of Arrangement, the NP REIT Units and the NorSerCo Common Shares will not trade separately; rather, they will trade as part of the Stapled Securities except in the limited circumstances set out in paragraph 13 above. The economic interest of a holder of Stapled Securities (a **Stapled Security Holder**) will be in the Filer and NorSerCo together.

16. Provided that the Stapled Securities are not unstapled, the financial information most relevant to Stapled Security Holders following the Plan of Arrangement will be that of the Filer and NorSerCo on either a combined or consolidated basis. Accordingly, while the Stapled Structure persists, in order to ensure that the most relevant information is provided to a Stapled Security Holder, the Filer proposes filing one set of financial statements prepared on a combined or consolidated basis (**Combined or Consolidated Financial Statements**) using the accounting principles applicable to the Filer pursuant to the securities legislation of the Jurisdictions (**Applicable Accounting Principles**) to reflect the financial condition of the Filer and NorSerCo.

17. If the requested relief is granted, NorSerCo will not file standalone financial statements. Given that the current external auditor of the Filer was appointed by the NP REIT Unitholders, who necessarily and by virtue of the Stapled Structure will be the shareholders of NorSerCo, the initial auditor of the Filer will be appointed as the external auditor for NorSerCo. NorSerCo will appoint an audit committee that is comprised of the same persons as the Filer's audit committee.

18. If, after completion of the Plan of Arrangement, the Filer wishes to raise capital by issuing NP REIT Units, pursuant to a short form prospectus or otherwise, it is expected that NorSerCo will be required, under the terms of a support agreement to be entered into between NorSerCo and the Filer, to issue the same number of NorSerCo Common Shares as the number of NP REIT Units issued in connection with the proposed financing simultaneous with the issuance by the Filer of such NP REIT Units. Any such NorSerCo Common Shares and NP REIT Units will trade together as Stapled Securities except in the limited circumstances described in paragraph 13 above. The net proceeds of any offering of NP REIT Units and NorSerCo Common Shares will be allocated between the Filer and NorSerCo based on the relative values of the NP REIT Units and the NorSerCo Common Shares at the time of the offering.

19. If the Filer and NorSerCo rely on the requested relief from the Filer Short Form Criteria and the NorSerCo Short Form Criteria to distribute Stapled Securities, they will file a single short form prospectus qualifying the distribution of securities of each issuer (a **Joint Prospectus**), which will incorporate by reference the following documents:

    (a) the Filer's then current AIF (the **Filer's Current AIF**);

    (b) if NorSerCo files separate AIFs, its then current AIF (**NorSerCo's Current AIF**);

(c) the then most recent audited annual consolidated financial statements of the Filer or audited annual Combined or Consolidated Financial Statements, as the case may be, together with the related MD&A;

(d) if, at the date of the Joint Prospectus, the Filer has filed or is required to file interim Combined or Consolidated Financial Statements for a period subsequent to its then most recent financial year-end, such interim financial statements together with the related interim MD&A;

(e) if NorSerCo files standalone financial statements for any period in respect of which the Filer's financial statements are incorporated by reference, such standalone financial statements and related MD&A;

(f) if the Filer or NorSerCo files Combined or Consolidated Financial Statements for any period for which either the Filer or NorSerCo has filed standalone financial statements, such Combined or Consolidated Financial Statements together with the related MD&A;

(g) any notice filed by NorSerCo indicating that it is relying on financial statements, MD&A, AIF, material change reports or statements of executive compensation filed by the Filer, including any summary financial information (as defined in section 13.4 of NI 51-102) attached thereto;

(h) the content of any news release or other public communication that is disseminated by the Filer or by NorSerCo prior to the filing of the Joint Prospectus and that contains historical financial information about one or both of the Filer and NorSerCo for a period more recent than the end of the most recent period for which financial statements are required under paragraphs (c) through (f) above;

(i) any material change report of the Filer or NorSerCo, other than a confidential material change report, filed by the Filer under Part 7 of NI 51-102 or by NorSerCo in accordance with this decision since the end of the financial year in respect of which the Filer's Current AIF (or NorSerCo's Current AIF, if applicable) is filed;

(j) any business acquisition report filed by the Filer or NorSerCo under Part 8 of NI 51-102 for acquisitions completed since the beginning of the financial year in respect of which the Filer's Current AIF (or NorSerCo's Current AIF, if applicable) is filed, unless:

(i) the business acquisition report is incorporated by reference in an AIF that is itself incorporated by reference in the Joint Prospectus; or

(ii) at least nine months of the relevant business operations are reflected in annual financial statements that are incorporated by reference in the Joint Prospectus;

(k) any information circular filed by the Filer under Part 9 of NI 51-102, or by NorSerCo in accordance with this decision, since the beginning of the financial year in respect of which the Filer's Current AIF (or NorSerCo's Current AIF, if applicable) is filed, other than an information circular prepared in connection with an annual general meeting of either the Filer or NorSerCo if it has filed and incorporated by reference in the Joint Prospectus an information circular for a later annual general meeting; and

(l) any other disclosure document which the Filer or NorSerCo has filed pursuant to an undertaking to a provincial and territorial securities regulatory authority, or pursuant to an exemption from any requirement of securities legislation of a Canadian jurisdiction, since the beginning of the financial year in respect of which the Filer's Current AIF (or NorSerCo's Current AIF, if applicable) is filed.

20. The Filer intends to make consequential amendments to its unit option plan and its long term incentive plan to address the Stapled Structure. Such plans will provide that where a trustee, officer or employee of the Filer (each a **Participant**) is entitled to receive an NP REIT Unit in accordance with the applicable plan, such Participant will simultaneously be issued a NorSerCo Common Share by NorSerCo, which securities will, upon issuance, be stapled together as Stapled Securities.

21. NorSerCo cannot rely on the prospectus exemption in section 2.24 of NI 45-106 (the **Employee Exemption**) in connection with distributions of NorSerCo Common Shares (via the Stapled Structure) to Participants because the Employee Exemption applies only to distributions of NP REIT Units to such persons (i.e., it does not apply to distributions of NorSerCo Common Shares to Participants, such persons not being trustees, officers or employees of NorSerCo).

Decision

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

2. The decision of the Decision Makers under the Legislation is that the Exemption Sought is granted for so long as (i) each NorSerCo Common Share is stapled to an NP REIT Unit and each NP REIT Unit is stapled to a NorSerCo Common Share, so that each NorSerCo Common Share and each NP REIT Unit trade together as a Stapled Security, and (ii) NorSerCo has no outstanding securities other than the NorSerCo Common Shares, the special shares from time to time issuable in consideration for property acquisitions, in tandem with units of a partnership exchangeable, ultimately, for NP REIT Units, and debt securities that are stapled to debt securities of the Filer, provided that:

   (a) in respect of the Filer's Financial Disclosure Requirements and the NorSerCo Financial Disclosure Requirements:

      (i) the Filer and NorSerCo continue to satisfy the conditions set out in paragraph (b) of this section 2;

      (ii) the Filer files, under its profile on the System for Electronic Document Analysis and Retrieval (**SEDAR**), Combined or Consolidated Financial Statements prepared in accordance with Applicable Accounting Principles;

      (iii) any Combined or Consolidated Financial Statements filed by the Filer include the components specified in sections 4.1(1) of NI 51-102 (for annual financial reporting periods) and 4.3(2) of NI 51-102 (for interim financial reporting periods);

      (iv) the Combined or Consolidated Financial Statements filed by the Filer provide in the notes thereto segmented financial information for each of NorSerCo and the Filer if and to the extent required under Applicable Accounting Principles;

      (v) the annual Combined or Consolidated Financial Statements filed by the Filer are audited;

      (vi) prior to filing its unaudited Combined or Consolidated Financial Statements for each interim period during its financial year ending December 31, 2011 the Filer and its auditor have concluded that the preparation of Combined or Consolidated Financial Statements is acceptable under International Financial Reporting Standards as issued by the International Accounting Standards Board;

      (vii) the Combined or Consolidated Financial Statements filed by the Filer are accompanied by the fee, if any, applicable to filings of annual financial statements;

      (viii) the MD&A of the Filer is prepared with reference to the Combined or Consolidated Financial Statements;

      (ix) NorSerCo files a notice under its SEDAR profile indicating that it is relying on the financial statements and related MD&A filed by the Filer and directing readers to refer to the Filer's SEDAR profile;

      (x) on each date on which the Filer files Combined or Consolidated Financial Statements, NorSerCo files under its SEDAR profile, together with the notice referred to in paragraph (viii) above, summary financial information (as defined in section 13.4 of NI 51-102) for the periods covered by the Combined or Consolidated Financial Statements, as the case may be, filed on that date by the Filer, presented in separate columns for each of the following:

         (A) NorSerCo and its subsidiaries on a consolidated basis;

         (B) the Filer and its subsidiaries on a consolidated basis; and

         (C) total combined or consolidated, as applicable;

      (xi) the Filer continues to satisfy the requirements set out in NI 52-110;

      (xii) the audit committee of the Filer is responsible for:

(A) overseeing the work of the external auditors engaged for the purposes of auditing the Combined or Consolidated Financial Statements under Applicable Accounting Principles; and

(B) resolving disputes between the external auditors and management of both the Filer and NorSerCo regarding financial reporting; and

(xiii) the Filer continues to satisfy the requirements of section 4.6 of NI 51-102, except that for each financial reporting period in respect of which Combined or Consolidated Financial Statements are prepared, the Filer shall only be required to send to NP REIT Unitholders copies of the Combined or Consolidated Financial Statements and related MD&A;

(b) in respect of the Specified Continuous Disclosure Requirements and the Corporate Governance Disclosure Requirements:

(i) the Filer is a reporting issuer in a designated Canadian jurisdiction (as defined in section 13.4 of NI 51-102), complies with NI 51-102 or the conditions of any exemptions therefrom and is an electronic filer under National Instrument 13-101 *System for Electronic Document Analysis and Retrieval (SEDAR)* that has filed all documents it is required to file under NI 51-102 or under the conditions of any exemptions therefrom;

(ii) an AIF, management information circular or statement of executive compensation filed by the Filer contains all information that would be required in an AIF, management information circular or statement of executive compensation, as applicable, filed by NorSerCo for the same reporting period;

(iii) NorSerCo files a notice under its SEDAR profile indicating that it is relying on the AIF, management information circular, material change reports and statements of executive compensation filed by the Filer and directing readers to refer to the Filer's SEDAR profile;

(iv) NorSerCo issues a news release and files a material change report in accordance with Part 7 of NI 51-102 for all material changes in respect of the affairs of NorSerCo that is not also a material changes in the affairs of the Filer;

(v) the Filer continues to satisfy the requirements set out in NI 58-101; and

(vi) if the NorSerCo Common Shares and the NP REIT Units become unstapled and trade separately, NorSerCo will comply with the requirements of sections 9.1(1) and 9.1(2)(a) of NI 51-102 in respect of any meeting for which it gives notice to any registered holder of securities of NorSerCo;

(c) in respect of the Certificate Form Requirement:

(i) the Filer and NorSerCo continue to satisfy the conditions set out in paragraph (a) of this section 2;

(ii) the certificates filed by the Filer in accordance with section 4.1 of NI 52-109, in connection with the filing of Combined or Consolidated Financial Statements prepared under Applicable Accounting Principles for each annual financial reporting period in respect of which the NorSerCo Common Shares are stapled to the NP REIT Units, are substantially in the form required by section 4.2 of NI 52-109, except that the certificates refer to and certify matters in respect of the filing of Combined or Consolidated Financial Statements and related MD&A; and

(iii) the certificates filed by the Filer in accordance with section 4.1 of NI 52-109, in connection with the filing of Combined or Consolidated Financial Statements prepared under Applicable Accounting Principles for each interim financial reporting period in respect of which the NorSerCo Common Shares are stapled to the NP REIT Units, are substantially in the form required by section 5.2 of NI 52-109, except that the certificates refer to and certify matters in respect of the filing of Combined or Consolidated Financial Statements and related MD&A;

(d) in respect of the Certification Requirements:

(i) the Filer and NorSerCo continue to satisfy the conditions set out in paragraphs (a) and (b) of this section 2;

(ii) the CEO of the Filer is the same person as the CEO of NorSerCo, and the CFO of the Filer is the same person as the CFO of NorSerCo; and

(iii) the Filer continues to satisfy the requirements of NI 52-109 or complies with the conditions set out in paragraph (c) of this section 2;

(e) in respect of the Filer Short Form Criteria:

(i) each Stapled Security is listed and posted for trading on a short form eligible exchange, as defined in NI 44-101 (an **Exchange**);

(ii) the Filer and NorSerCo continue to satisfy the conditions set out in paragraph (a) of this decision or NorSerCo complies with the NorSerCo Financial Disclosure Requirements; and

(iii) each Joint Prospectus filed by the Filer and NorSerCo incorporates by reference any applicable documents listed in paragraph 19 above;

(f) in respect of the NorSerCo Short Form Criteria:

(i) each Stapled Security is listed and posted for trading on an Exchange;

(ii) the Filer and NorSerCo continue to satisfy the conditions set out in paragraph (a) of this section 2 or NorSerCo complies with the NorSerCo Financial Disclosure Requirements;

(iii) the Filer and NorSerCo continue to satisfy the conditions set out in paragraph (b) of this section 2 or NorSerCo complies with the Specified Continuous Disclosure Requirements; and

(iv) each Joint Prospectus filed by the Filer and NorSerCo incorporates by reference any applicable documents listed in paragraph 19 above; and

(g) in respect of the NorSerCo Prospectus Requirements:

(i) each Stapled Security is listed and posted for trading on an Exchange; and

(ii) the first trade of any NorSerCo Common Share acquired as a result of any such trade shall be deemed to be a distribution under the securities legislation of the Canadian jurisdictions where the trade takes place unless the conditions is section 2.6(3) of National Instrument 45-102 *Resale of Securities* are satisfied.

3. The further decision of the Decision Makers under the Legislation is that the Confidentiality Sought is granted.

For the Commission:

“Glenda Campbell, QC”
Vice-Chair

“Stephen Murison”
Vice-Chair

2.1.12 Sprott Asset Management LP et al.

Headnote

NP 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Exemptive relief granted from National Instrument 81-102 Mutual Funds to exchange traded mutual fund from investment restriction on purchases of silver, custodial provisions to allow Royal Canadian Mint to act as custodian and Brinks to act as sub-custodian, and certain mutual fund requirements and restrictions on purchase and redemption orders, calculation and payment of redemptions and date of record for payment of distributions.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 2.3(f), 3.3, 6.1(1), 6.1(3)(b), 6.2, 9.1, 10.2, 10.3, 10.4(1), 12.1(1), 14.1, 19.1.

October 27, 2010

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

AND

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

AND

IN THE MATTER OF
SPROTT ASSET MANAGEMENT LP
(the Manager)

AND

IN THE MATTER OF
SPROTT PHYSICAL SILVER TRUST
(the Trust)

AND

IN THE MATTER OF
ROYAL CANADIAN MINT
(the Silver Custodian)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Manager, in its capacity as the manager of the Trust, for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for relief from the following provisions of National Instrument 81-102 *Mutual Funds* (**NI 81-102**):

(a) Subsection 2.3(f), to permit the Trust to invest up to 100% of its net assets, taken at market value at the time of purchase, in physical silver bullion (the **Silver Bullion**);

(b) Section 3.3, to permit the filing and listing fees of the applicable securities regulatory authorities and stock exchanges, the fees and expenses payable to the Silver Custodian (as hereinafter defined) and the Registrar and Transfer Agent (as hereinafter defined), auditing and printing expenses and the selling commissions of the underwriters involved in the initial public offering (the **Offering**) of transferable, redeemable units of the Trust (the **Units**) to be borne by the Trust;

(c) Subsection 6.1(1) and Section 6.2, to permit the Trust to appoint the Silver Custodian as a custodian of the Trust to hold the Trust's Silver Bullion in Canada;

(d) Paragraph 6.1(3)(b) and Section 6.2, to permit the Silver Custodian to appoint The Brink's Company (the **Sub-Custodian**), acting through its Canadian subsidiary, Brink's Canada Limited, as sub-custodian of the Trust to hold the Trust's Silver Bullion in Canada;

(e) Sections 9.1 and 10.2, to permit purchases of the Units on the Toronto Stock Exchange (**TSX**) and the New York Stock Exchange Arca (**NYSE Arca**), and redemption requests to be submitted directly to the Registrar and Transfer Agent;

(f) Section 10.3, to permit the redemption price of the Units to which a redemption request pertains to be a price other than the Net Asset Value per Unit (as hereinafter defined) next determined after receipt by the Trust of the redemption request;

(g) Paragraph 10.4(1)(a), to permit payment of the redemption price for redeemed Units to be made later than three Business Days (as hereafter defined) after the date of calculating the Net Asset Value per Unit for the purpose of effecting such redemption;

(h) Subsection 12.1(1), to relieve the Trust from the requirement of completing and filing with the applicable securities regulatory authorities the reports required by that subsection; and

(i) Section 14.1, to permit the Trust to establish a record date for determining the right of unitholders of the Trust (the **Unitholders**) to receive distributions by the Trust in accordance with the rules

and policies of the TSX and the NYSE Arca,

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

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

(a) the Ontario Securities Commission is the principal regulator for this application (the **Principal Regulator**); and

(b) the Manager has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Québec, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador, Northwest Territories, Nunavut and Yukon.

Interpretation

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

In this decision, the "total net assets" of the Trust means the net asset value of the Trust determined in accordance with Part 14 of National Instrument 81-106 Investment Fund Continuous Disclosure.

Representations

This decision is based on the following facts represented by the Manager and the Trust:

The Manager and the Trust

1. The Manager is a limited partnership formed and organized under the laws of the Province of Ontario and maintains its head office in Toronto, Ontario. The general partner of the Manager is Sprott Asset Management GP Inc. (the **General Partner**), which is a corporation incorporated under the laws of the Province of Ontario. The General Partner is a wholly-owned, direct subsidiary of Sprott Inc. Sprott Inc. is a corporation incorporated under the laws of the Province of Ontario and is a public company listed on the TSX. Sprott Inc. is the sole limited partner of the Manager and the sole shareholder of the General Partner.

2. The Manager is registered under the securities legislation in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, and Newfoundland and Labrador as an adviser in the category of portfolio manager.

3. The Trust is a closed-end mutual fund trust established under the laws of the Province of Ontario pursuant to a trust agreement dated as of June 30, 2010, as amended and restated as of October 1, 2010 (the **Trust Agreement**), as the same may be further amended, restated or supplemented from time to time. Pursuant to the Trust Agreement, RBC Dexia Investor Services Trust (the **Trustee**) and the Manager are the trustee and the manager of the Trust, respectively.

4. Equity Financial Trust Company (the **Registrar and Transfer Agent**) will be the registrar and transfer agent of the Trust pursuant to a transfer agent, registrar and disbursing agent agreement to be entered into on or about the filing of the final base PREP prospectus of the Trust (the **Final Prospectus**).

5. In connection with the Offering of the Units, a preliminary base PREP prospectus dated July 9, 2010 of the Trust was filed with the securities regulatory authorities in each province and territory of Canada (the **Canadian Jurisdictions**) and the Trust intends to become a reporting issuer, or the equivalent thereof, in such Canadian Jurisdictions following the filing of the Final Prospectus.

6. Concurrently with filing the foregoing preliminary prospectus, the Trust filed a registration statement on Form F-1 (the *Registration Statement*) under the U.S. *Securities Act of 1933*, as amended, with the United States Securities and Exchange Commission (the **SEC**) in connection with the Offering of the Units in the United States.

7. The Trust subsequently filed via SEDAR the third amended and restated preliminary base PREP prospectus of the Trust dated October 18, 2010 (the **Preliminary Prospectus**) amending and restating the second amended and restated preliminary base PREP prospectus of the Trust dated October 1, 2010 which amended and restated the amended and restated preliminary base PREP prospectus of the Trust dated September 7, 2010 which amended and restated the preliminary base PREP prospectus of the Trust dated July 9, 2010 with each of the Canadian Jurisdictions. Concurrently with filing the Preliminary Prospectus, the Trust filed via EDGAR an amended version of the Registration Statement with the SEC.

8. The Trust intends to list the Units on the TSX and the NYSE Arca. The Trust will not file the Final Prospectus until the TSX and the NYSE Arca have conditionally approved the listing of the Units.

9. Although the Manager and the Trust are unable to predict with any accuracy as to where sales of Units will actually occur, the Offering is expected to be marketed to investors on a global basis and,

in particular, to investors resident in Canada, the United States, Europe, Asia and the Middle East.

10. The Trust is a "mutual fund in Ontario" as such term is defined in the *Securities Act* (Ontario) and is subject to the investment restrictions applicable to mutual funds which are prescribed by NI 81-102. The Manager has established an independent review committee for the Trust in accordance with the requirements under National Instrument 81-107 *Independent Review Committee for Investment Funds*.

11. The Trust is not required to register as an "investment company" as such term is defined in the U.S. *Investment Company Act of 1940*, as amended (the **1940 Act**), since the Trust will invest all or substantially all of its assets in Silver Bullion. Silver Bullion does not fall within the definition of either a "security" or an "investment security" under the 1940 Act and, accordingly, the Trust is not required to be registered as an "investment company".

12. The Manager and the Trust are not in default of securities legislation in the Canadian Jurisdictions.

The Trust's Investment Objective, Strategy, and Investment and Operating Restrictions

13. The Trust was created to invest and hold substantially all of its assets in Silver Bullion. The Trust seeks to provide a secure, convenient and exchange-traded investment alternative for investors interested in holding Silver Bullion without the inconvenience that is typical of a direct investment in Silver Bullion. The Trust intends to achieve its objective by investing primarily in long-term holdings of unencumbered, fully allocated, Silver Bullion and will not speculate with regard to short-term changes in silver prices. The Trust will not invest in silver certificates or other financial instruments that represent silver or that may be exchanged for silver. The Trust does not anticipate making regular cash distributions to Unitholders.

14. Except with respect to cash held by the Trust to pay expenses and anticipated redemptions of Units, the Trust expects to own only Silver Bullion in London Good Delivery bar form. The Manager intends to invest and hold approximately 97% of the total net assets of the Trust in Silver Bullion.

15. As disclosed in the Preliminary Prospectus, the investment and operating restrictions of the Trust provide that, among other things, the Trust will invest in and hold a minimum of 90% of the total net assets of the Trust in Silver Bullion in London Good Delivery bar form and hold no more than 10% of the total net assets of the Trust, at the discretion of the Manager, in Silver Bullion (in London Good Delivery bar form or otherwise), debt obligations of or guaranteed by the Government of Canada or a province thereof, or by the Government of the United States of America or a state thereof, short-term commercial paper obligations of a corporation or other person whose short-term commercial paper is rated R-1 (or its equivalent, or higher) by DBRS Limited or its successors or assigns or F1 (or its equivalent, or higher) by Fitch Ratings or its successors or assigns or A-1 (or its equivalent, or higher) by Standard & Poor's or its successors or assigns or P-1 (or its equivalent, or higher) by Moody's Investor Service or its successors or assigns, interest-bearing accounts and short-term certificates of deposit issued or guaranteed by a Canadian chartered bank or trust company, money market mutual funds, short-term government debt or short-term investment grade corporate debt, or other short-term debt obligations approved by the Manager from time to time (for the purpose of this paragraph, the term "short-term" means having a date of maturity or call for payment not more than 182 days from the date on which the investment is made), except during the 60-day period following the closing of the Offering or additional offerings or prior to the distribution of the assets of the Trust.

16. The Manager and the Trust believe that, as the market in silver is highly liquid, there are no liquidity concerns with permitting the Trust to invest in Silver Bullion despite the restrictions of NI 81-102.

Net Asset Value of the Trust and Redemption of Units

17. The net asset value (the **Net Asset Value**) of the Trust and the Net Asset Value per Unit will be determined on a daily basis as of 4:00 p.m. (Toronto time) on each day on which the NYSE Arca or the TSX is open for trading (a **Business Day**), by the Trust's valuation agent, which is the Trustee.

18. Pursuant to the Offering, Units will be offered at a price equal to USD $10.00 per Unit. The Trust may not issue additional Units following the completion of the Offering, except: (i) if the net proceeds per Unit to be received by the Trust are not less than 100% of the most recently calculated Net Asset Value per Unit immediately prior to, or upon, the determination of the pricing of such issuance; or (ii) by way of Unit distribution in connection with an income distribution.

19. Subject to the terms of the Trust Agreement and the Manager's right to suspend redemptions of Units in certain circumstances, Units may be redeemed at the option of a Unitholder in any month for Silver Bullion. Unitholders whose Units are redeemed for Silver Bullion will be entitled to receive a redemption price equal to 100% of the Net Asset Value per Unit of the redeemed Units

on the last day of the month on which the NYSE Arca is open for trading for the month in respect of which the redemption request is processed. Redemption requests for Silver Bullion must be for amounts that are at least equivalent to the value of ten London Good Delivery bars or an integral multiple of one bar in excess thereof, plus applicable expenses. A "London Good Delivery bar" of Silver Bullion weighs between 750 and 1,100 troy ounces (approximately 23 to 34 kilograms) and usually weighs approximately 1,000 troy ounces. Any fractional amount of redemption proceeds in excess of ten London Good Delivery bars or an integral multiple of one bar in excess thereof will be paid in cash at a rate equal to 100% of the Net Asset Value per Unit of such excess amount. The ability of a Unitholder to redeem Units for Silver Bullion may be limited by the sizes of London Good Delivery bars held by the Trust at the time of redemption. A Unitholder redeeming Units for Silver Bullion will be responsible for the expenses in connection with effecting the redemption and applicable delivery expenses, including the handling of the notice of redemption, the delivery of the Silver Bullion for Units that are being redeemed and the applicable silver storage in-and-out fees.

20. A Unitholder that owns a sufficient number of Units who desires to exercise redemption privileges for Silver Bullion must do so by instructing his, her or its broker, who must be a direct or indirect participant of The Depository Trust Company (**DTC**) or CDS Clearing and Depository Services Inc. (**CDS**), to deliver to the Registrar and Transfer Agent on behalf of the Unitholder a written notice of the Unitholder's intention to redeem Units for Silver Bullion. A redemption notice to redeem Units for Silver Bullion must be received by the Registrar and Transfer Agent no later than 4:00 p.m. (Toronto time) on the 15th day of the month in which the redemption notice for Silver Bullion will be processed or, if such day is not a Business Day, then on the immediately following day that is a Business Day. Any redemption notice for Silver Bullion received after such time will be processed in the next month. Any such redemption notice must include a valid signature guarantee to be deemed valid by the Trust.

21. Once a redemption notice for Silver Bullion is received by the Registrar and Transfer Agent, the Registrar and Transfer Agent, together with the Manager, will determine whether such redemption notice for Silver Bullion complies with the applicable requirements, is for an amount of Silver Bullion that is equal to at least ten London Good Delivery bars in the Trust's inventory at the Silver Custodian plus applicable expenses, and contains delivery instructions that are acceptable to the armoured service transportation carrier. If the Registrar and Transfer Agent and the Manager determine that the redemption notice for Silver Bullion complies with all applicable requirements, the Registrar and Transfer Agent will provide a notice to such redeeming Unitholder's broker confirming that the redemption notice for Silver Bullion was received and determined to be complete.

22. Any redemption notice for Silver Bullion delivered to the Registrar and Transfer Agent regarding a Unitholder's intent to redeem Units that the Registrar and Transfer Agent or the Manager, in their sole discretion, determines to be incomplete, not in proper form, not duly executed or for an amount of Silver Bullion less than at least ten London Good Delivery bars held by the Trust at the Silver Custodian, or in an amount that cannot be satisfied based on the bar sizes of Silver Bullion owned by the Trust, will for all purposes be void and of no effect, and the redemption privilege to which it relates will be considered for all purposes not to have been exercised thereby. If the Registrar and Transfer Agent and the Manager determine that the redemption notice for Silver Bullion does not comply with the applicable requirements, the Registrar and Transfer Agent will provide a notice explaining the deficiency to the Unitholder's broker.

23. If the redemption notice for Silver Bullion is determined to have complied with the applicable requirements, the Registrar and Transfer Agent and the Manager will determine on the last Business Day of the applicable month the amount of Silver Bullion and the amount of cash that will be delivered to the redeeming Unitholder. Also on the last Business Day of the applicable month, the redeeming Unitholder's broker will deliver the redeemed Units to CDS or DTC, as the case may be, for cancellation.

24. Based on instructions from the Manager, the Silver Custodian will release the requisite amount of Silver Bullion from its custody to the armoured transportation service carrier. As directed by the Manager, any cash to be received by a redeeming Unitholder in connection with a redemption of Units for Silver Bullion will be delivered or caused to be delivered by the Manager to the Unitholder's brokerage account within 10 Business Days after the month in which the redemption is processed.

25. A Unitholder redeeming Units for Silver Bullion will receive the Silver Bullion from the Silver Custodian. Silver Bullion received by a Unitholder as a result of a redemption of Units will be delivered by armoured transportation service carrier pursuant to delivery instructions provided by the Unitholder to the Manager, provided that the delivery instructions are acceptable to the armoured transportation service carrier. The armoured transportation service carrier will be engaged by, or on behalf of, the redeeming

Unitholder. Silver Bullion delivered to an institution located in North America authorized to accept and hold London Good Delivery bars will likely retain its London Good Delivery status while in the custody of such institution. Silver Bullion delivered pursuant to a Unitholder's delivery instruction to a destination other than an institution located in North America authorized to accept and hold London Good Delivery bars will no longer be deemed London Good Delivery once received by the Unitholder.

26. The armoured transportation service carrier will receive the Silver Bullion in connection with a redemption of Units approximately 10 Business Days after the end of the month in which the redemption notice is processed. Once the Silver Bullion representing the redeemed Units has been placed with the armoured transportation service carrier, the Silver Custodian will no longer bear the risk of loss of, and damage to, such Silver Bullion. In the event of a loss after the Silver Bullion has been placed with the armoured transportation service carrier, the Unitholder will not have recourse against the Trust or the Silver Custodian.

27. Subject to the terms of the Trust Agreement and the Manager's right to suspend redemptions of Units in certain circumstances, Units may also be redeemed at the option of a Unitholder in any month for cash. Unitholders whose Units are redeemed for cash will be entitled to receive a redemption price per Unit equal to 95% of the lesser of (i) the volume-weighted average trading price of the Units traded on the NYSE Arca or, if trading has been suspended on the NYSE Arca, the volume-weighted average trading price of the Units traded on the TSX, for the last five days on which the respective exchange is open for trading for the month in which the redemption request is processed, and (ii) the Net Asset Value per Unit of the redeemed Units as of 4:00 p.m. (Toronto time) on the last day of such month on which the NYSE Arca is open for trading. Cash redemption proceeds will be transferred to a redeeming Unitholder approximately three Business Days after the end of the month in which such redemption notice is processed by the Trust.

28. To redeem Units for cash, a Unitholder must instruct the Unitholder's broker to deliver a notice to redeem Units for cash to the Registrar and Transfer Agent. A redemption notice to redeem Units for cash must be received by the Registrar and Transfer Agent no later than 4:00 p.m. (Toronto time) on the 15th day of the month in which the redemption notice for cash will be processed or, if such day is not a Business Day, then on the immediately following day that is a Business Day. Any redemption notice to redeem Units for cash received after such time will be processed in the next month. Any such redemption notice must include a valid signature guarantee to be deemed valid by the Trust.

29. Any redemption notice for cash delivered to the Registrar and Transfer Agent regarding a Unitholder's intent to redeem Units that the Registrar and Transfer Agent or the Manager determines to be incomplete, not in proper form or not duly executed will for all purposes be void and of no effect and the redemption privilege to which it relates will be considered for all purposes not to have been exercised thereby. For each redemption notice for cash, the Registrar and Transfer Agent will notify the redeeming Unitholder's broker that such redemption notice for cash has been deemed insufficient or accepted and duly processed, as the case may be.

30. Upon receipt of the redemption notice for cash, the Registrar and Transfer Agent and the Manager will determine on the last Business Day of the applicable month the amount of cash that will be delivered to the redeeming Unitholder. Also on the last Business Day of the applicable month, the redeeming Unitholder's broker will deliver the redeemed Units to CDS or DTC, as the case may be, for cancellation.

The Trust's Custody Arrangements

This decision is also based on the following facts represented by the Manager, the Trust and the Silver Custodian (with respect to matters relating to the Silver Custodian):

31. The Trustee acts as the custodian of the assets of the Trust other than the Silver Bullion pursuant to the Trust Agreement. The Trustee will only be responsible for the assets of the Trust that are directly held by it, its affiliates or appointed sub-custodians.

32. The Silver Bullion owned by the Trust will be fully allocated and stored in the vaults of a custodian and/or sub-custodian. The Trust intends to store its Silver Bullion at the vault facilities of the Silver Custodian. The Trust is unable to appoint the Silver Custodian as the sole custodian of its assets since the Silver Custodian cannot hold the cash or securities owned by the Trust. However, as described below, depending on the quantity of Silver Bullion held by the Trust, the vault facilities of the Sub-Custodian may be used to store a portion of the Trust's Silver Bullion.

33. The Silver Custodian operates pursuant to the *Royal Canadian Mint Act* (Canada) and is a Canadian crown corporation. Crown corporations are "agents of Her Majesty the Queen" and, as such, their obligations generally constitute unconditional obligations of the Government of Canada. The Silver Custodian had shareholders' equity of $209.9 million as at December 31, 2009.

The Silver Custodian is responsible for the minting and distribution of Canada's circulation coins. As part of its operations, the Silver Custodian maintains a secure storage facility located in Canada that it owns and operates, and provides storage space to third parties.

34. The Silver Custodian has advised the Trust that due to its physical storage capacity constraints in Canada, having regard to the quantity of Silver Bullion that the Trust anticipates purchasing in connection with the Offering, the Silver Custodian may be required to store and hold a portion of the Trust's Silver Bullion on a fully allocated basis at vault facilities located in Canada leased by the Silver Custodian from the Sub-Custodian for this purpose. As a result of the foregoing, the Silver Custodian may be required to hold a portion of the Trust's Silver Bullion that it does not hold directly in its own vaults through the vaults of the Sub-Custodian located in Canada.

35. The Sub-Custodian is a public company listed on the New York Stock Exchange. The Sub-Custodian had shareholders' equity of U.S. $534.9 million as at December 31, 2009. The Sub-Custodian, through it subsidiaries, is a leading global provider of secure logistics for valuables, including diamonds, jewellery, precious metals, securities, currency and secure data, serving banks, retailers, governments, mines, refiners, metal traders, and diamantaires. The Sub-Custodian is an authorized depository for the London Bullion Market Association (**LBMA**) and has vault facilities that are accepted as warehouses for the LBMA.

36. The relationship between the Silver Custodian and the Sub-Custodian will be primarily one whereby the Silver Custodian is sub-contracting the vault facilities of this service provider for the purposes of storing the Trust's Silver Bullion in Canada. The Sub-Custodian, acting through its Canadian subsidiary, will be appointed as sub-custodian of the Trust in Canada pursuant to a written agreement between the Silver Custodian and the Sub-Custodian that complies with the requirements of Part 6 of NI 81-102. The Silver Custodian will remain responsible for (i) ensuring that adequate safeguards are in place, including satisfactory insurance arrangements; and (ii) indemnifying the Trust for all direct loss, damage or expense that may occur in connection with the Trust's Silver Bullion that is stored at the vault facilities of either the Silver Custodian or the Sub-Custodian arising out of any negligence, wilful misconduct, fraud or lack of good faith by the Silver Custodian or the Sub-Custodian in its capacity as sub-custodian of the Trust in Canada, including arising out of the failure of the Sub-Custodian to comply with its standard of care consistent with the standard of care under Part 6 of NI 81-102. Prior to appointing the Sub-Custodian, and on a periodic basis thereafter, the Silver Custodian will review the facilities, procedures, records and creditworthiness of the Sub-Custodian. The Trust will rely upon the Silver Custodian, who is in the business of precious metals storage, to satisfy itself as to the appropriateness of the use or continued use of the Sub-Custodian as sub-custodian of the Trust's Silver Bullion in Canada.

37. The Silver Custodian has also advised the Trust and the Manager that, pursuant to the terms of its existing relationship with the Sub-Custodian, the Sub-Custodian has arranged for sufficient insurance coverage in respect of any material held by the Silver Custodian through the vault facilities of the Sub-Custodian. The Manager has discussed with the Silver Custodian the level of insurance coverage obtained by the Sub-Custodian and the risks insured against by the Sub-Custodian and believes that the level of insurance will be sufficient.

38. The Manager and the Silver Custodian believe that the Sub-Custodian, acting through its Canadian subsidiary, has the resources and experience required to act as sub-custodian for the Trust's Silver Bullion in Canada.

39. The Silver Custodian will be appointed as the custodian of the Silver Bullion owned by the Trust pursuant to a silver storage agreement between the Manager, for and on behalf of the Trust, and the Silver Custodian (the **Storage Agreement**). The Storage Agreement will provide for the storage of the Silver Bullion generally and will not place any limitations on the Trust's ability to buy or sell Silver Bullion. The Storage Agreement, including the arrangements between the Silver Custodian and the Trust in connection with the Silver Bullion, will comply with the requirements of Part 6 of NI 81-102.

40. Under the Storage Agreement, upon written notice from the Manager to the Silver Custodian of the Manager's intention to have any of the Silver Bullion owned by the Trust delivered to the Silver Custodian, the Silver Custodian will receive such Silver Bullion based on a list provided by the Manager in such written notice that specifies the amount, weight, type, assay characteristics and value, and serial number of the London Good Delivery bars. After verification, the Silver Custodian will issue a "receipt of deposit" that confirms the bar count and the total weight in troy ounces of the Silver Bullion. The Silver Custodian reserves the right to refuse delivery in the event of storage capacity limitations at either its own vault facilities or at the vault facilities of the Sub-Custodian. In the event of a discrepancy arising during the verification process, the Silver Custodian will promptly notify the Manager. The Silver Custodian will keep the Silver Bullion owned

by the Trust specifically identified as the property of the Trust and will keep it on a labelled shelf or physically segregated pallets at all times. The Silver Custodian will provide a monthly inventory statement, which the Manager will reconcile with the Trust's records of its Silver Bullion holdings. The Manager will have the right to physically count and have the Trust's auditors subject the Trust's Silver Bullion to audit procedures at the vault facilities of the Silver Custodian and at the Sub-Custodian upon request on any Silver Custodian business day (which means any day other than a Saturday, Sunday or a holiday observed by the Silver Custodian) during the Silver Custodian's regular business hours, provided that such physical count or audit procedures do not interrupt the routine operation of the Silver Custodian's facility or the Sub-Custodian's facility, as the case may be.

41. The Silver Bullion owned by the Trust and stored at the vault facilities of the Silver Custodian or, if Silver Bullion is stored with the Sub-Custodian, at the vault facilities of the Sub-Custodian, will be subject to a physical count by a representative of the Manager periodically on a spot-inspection basis as well as subject to audit procedures by the Trust's external auditors on at least an annual basis.

42. The Manager will ensure that no director or officer of the Manager or its General Partner, or representative of the Trust or the Manager will be authorized to enter into the Silver Custodian's or the Sub-Custodian's storage vaults without being accompanied by at least one representative of the Silver Custodian or the Sub-Custodian, as the case may be.

43. The Manager will ensure that no part of the stored Silver Bullion may be delivered out of safekeeping by the Silver Custodian (except to the Sub-Custodian or another authorized sub-custodian) or the Sub-Custodian without receipt of an instruction from the Manager in the form specified by the Silver Custodian or the Sub-Custodian indicating the purpose of the delivery and giving direction with respect to the specific amount.

44. Upon the Silver Custodian's receipt and taking into possession and control (either directly or through the Sub-Custodian) of any of the Silver Bullion owned by the Trust, whether through physical delivery or a transfer of the Silver Bullion from a different customer's account at the Silver Custodian, the Silver Custodian's liability under the Storage Agreement will commence with respect to such Silver Bullion. The Silver Custodian will bear all risk of physical loss of, or damage to, the Silver Bullion owned by the Trust in the Silver Custodian's custody (which includes Silver Bullion held by the Sub-Custodian), except in the case of circumstances or causes beyond the Silver Custodian's reasonable control, including, without limitation, acts or omissions or the failure to cooperate of the Manager, acts or omissions or the failure to cooperate by any third party, fire or other casualty, act of God, strike or labour dispute, war or other violence, or any law, order or requirement of any governmental agency or authority, and has contractually agreed to replace or pay for lost, damaged or destroyed Silver Bullion in the Trust's account while in the Silver Custodian's possession and control. The Silver Custodian's liability terminates with respect to any Silver Bullion upon termination of the Storage Agreement upon transfer of such Silver Bullion to a different customer's account at the Silver Custodian or the Sub-Custodian, as requested by the Manager, or at the time such Silver Bullion is remitted to the armoured transportation service carrier pursuant to delivery instructions provided by the Manager on behalf of a redeeming Unitholder.

45. In the event of physical loss, damage or destruction of the Trust's Silver Bullion in the Silver Custodian's possession and control (which includes Silver Bullion stored with the Sub-Custodian), the Manager must give written notice to the Silver Custodian within five Silver Custodian business days after the discovery of any such loss, damage or destruction, but, in the case of loss or destruction of the Trust's Silver Bullion, in any event no more than 30 days after the delivery by the Silver Custodian to the Trust of an inventory statement in which the discrepancy first appears. The Silver Custodian will, in its discretion, either (i) replace, or restore to its original state in the event of partial damage, as the case may be, the Trust's Silver Bullion that was lost, destroyed or damaged as soon as practicable after the Silver Custodian becomes aware of said loss or destruction, based on the advised weight and assay characteristics provided in the initial notice; or (ii) compensate the Trust, through the Manager, for the monetary value of the Trust's Silver Bullion that was lost or destroyed, within five Silver Custodian business days from the date the Silver Custodian becomes aware of said loss or destruction, based on the advised weight and assay characteristics provided in the initial notice and the market value of such Silver Bullion that was lost or destroyed, using the first available London fix of the LBMA from the date the Silver Custodian becomes aware of said loss or destruction. If such notice is not given in accordance with the terms of the Storage Agreement, all claims against the Silver Custodian will be deemed to have been waived. In addition, no action, suit or other proceeding to recover any loss, damage or destruction may be brought against the Silver Custodian unless notice of such loss, damage or destruction has been given in accordance with the terms of the Storage Agreement and unless such action, suit or

proceeding shall have been commenced within 12 months from the time such notice is sent to the Silver Custodian. The Silver Custodian will not be responsible for any special, incidental, consequential, indirect or punitive losses or damages (including lost profits or lost savings), except as a result of gross negligence or wilful misconduct by the Silver Custodian and whether or not the Silver Custodian had knowledge that such losses or damages might be incurred.

46. Pursuant to the Storage Agreement, the Silver Custodian will be required to exercise the same degree of care and diligence in safeguarding the property of the Trust as any reasonably prudent person acting as a custodian would exercise in the same circumstances. The Silver Custodian will not be entitled to an indemnity from the Trust in the event the Silver Custodian breaches its standard of care.

47. The Silver Custodian reserves the right to reject Silver Bullion delivered to it by the Trust if the Silver Bullion contains a hazardous substance or if the Silver Bullion is or becomes unsuitable or undesirable for metallurgical, environmental or other reasons.

48. The Manager may terminate the custodial relationship with the Silver Custodian by giving written notice to the Silver Custodian of its intent to terminate the Storage Agreement if: (i) the Silver Custodian has committed a material breach of its obligations under the Storage Agreement that is not cured within ten Silver Custodian business days following the Manager giving written notice to the Silver Custodian of such material breach; (ii) the Silver Custodian is dissolved or adjudged bankrupt, or a trustee, receiver or conservator of the Silver Custodian or of its property is appointed, or an application for any of the foregoing is filed; or (iii) the Silver Custodian is in breach of any representation or warranty contained in the Storage Agreement. The obligations of the Silver Custodian include, but are not limited to, maintaining an inventory of the Trust's Silver Bullion stored with the Silver Custodian, providing a monthly inventory to the Trust, maintaining the Trust's Silver Bullion physically segregated and specifically identified as the Trust's property, and taking good care, custody and control of the Trust's Silver Bullion. The Trust believes that all of these obligations are material and anticipates that the Manager would terminate the Silver Custodian as custodian if the Silver Custodian breaches any such obligation and does not cure such breach within ten Silver Custodian business days of the Manager giving written notice to the Silver Custodian of such breach. Prior to terminating the custodial relationship with the Silver Custodian, the Manager, with the consent of the Trustee, will appoint a replacement custodian for the Silver Bullion that complies with the requirements under NI 81-102.

49. The Silver Custodian carries such insurance as it deems appropriate for its businesses and its position as custodian of the Trust's Silver Bullion and will provide the Trust with at least 30 days' notice of any cancellation or termination of such coverage. The Trust's ability to recover from the Silver Custodian is not contingent upon the Silver Custodian's ability to claim on its own insurance or the Sub-Custodian's ability to claim on its own insurance. Based on information provided by the Silver Custodian, the Manager believes that the insurance carried by the Silver Custodian, together with its status as a Canadian Crown corporation with its obligations generally constituting unconditional obligations of the Government of Canada, provides the Trust with such protection in the event of loss or theft of the Trust's Silver Bullion stored at the Silver Custodian or at the Sub-Custodian that is consistent with the protection afforded under insurance carried by other custodians that store silver commercially.

50. The Manager and the Trust believe that the custodial arrangements with the Silver Custodian and the Sub-Custodian in connection with the Trust's Silver Bullion are consistent with industry practice.

51. The Manager will not be responsible for any losses or damages to the Trust arising out of any action or inaction by the Trust's custodians or any sub-custodian holding the assets of the Trust, including the Trustee holding the assets of the Trust other than the Silver Bullion and the Silver Custodian or the Sub-Custodian holding the Silver Bullion owned by the Trust.

52. he Manager, with the consent of the Trustee, will have the authority to change the custodial arrangements described above including, but not limited to, the appointment of a replacement custodian or sub-custodian and/or additional custodians or sub-custodians subject to the requirements under NI 81-102.

Decision

The Principal Regulator is satisfied that the decision meets the tests 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:

(a) the Manager, on behalf of the Trust, ensures that the prospectus of the Trust contains disclosure regarding the unique risks associated with an investment in the

Trust, including the risk that direct purchases of Silver Bullion by the Trust may generate higher transaction and custody costs than other types of investments, which may impact the performance of the Trust;

(b) the Trust and the Silver Custodian are limited to using the Sub-Custodian as sub-custodian for the Trust's Silver Bullion which will be held only in Canada;

(c) the Silver Custodian and the Sub-Custodian each has in excess of the highest minimum capitalization amount of shareholders' equity required under NI 81-102 for entities qualified to act as a custodian or a sub-custodian for assets held in Canada;

(d) in respect of the compliance reports to be prepared by the Silver Custodian pursuant to paragraphs 6.7(1)(b), 6.7(1)(c)(ii) and 6.7(2)(c) of NI 81-102, as such paragraphs will not be applicable given the nature of the relief granted herein, the Silver Custodian shall include a statement in such reports regarding the completion of the Silver Custodian's review process for the Sub-Custodian and that the Silver Custodian is of the view that the Sub-Custodian continues to be an appropriate sub-custodian to hold the Trust's Silver Bullion; and

(e) the Trust complies with applicable TSX and NYSE Arca requirements in setting the record date for the payment of distributions to Unitholders.

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

2.2 Orders

2.2.1 BMO Nesbitt Burns Inc. – ss. 127, 127.1

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

AND

IN THE MATTER OF
BMO NESBITT BURNS INC.

ORDER
(Sections 127 and 127.1)

WHEREAS the Ontario Securities Commission (the "Commission") issued a Notice of Hearing dated November 8, 2010 (the "Notice of Hearing") pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "*Act*"), in respect of BMO Nesbitt Burns Inc. ("BMONB");

AND WHEREAS on November 8, 2010, Staff of the Commission filed a Statement of Allegations in respect of BMONB;

AND WHEREAS BMONB entered into a Settlement Agreement dated November 8, 2010 (the "Settlement Agreement") with Staff of the Commission in relation to the matters set out in the Statement of Allegations;

AND UPON reviewing the Settlement Agreement, the Notice of Hearing and the Statement of Allegations, and upon considering submissions of counsel for BMONB and Staff of the Commission;

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

IT IS HEREBY ORDERED THAT:

1. the Settlement Agreement is approved;

2. BMONB is reprimanded;

3. BMONB shall make a payment by certified cheque to the Commission in the amount of $3,000,000 for allocation to or for the benefit of third parties pursuant to s. 3.4(2)(b) of the *Act*; and

4. BMONB shall make a payment by certified cheque to the Commission in the amount of $300,000 in respect of a portion of the costs of the investigation in this matter.

DATED at Toronto this 10th day of November, 2010.

"James D. Carnwath"

2.2.2 Copernic Inc. – s. 1(10)

Headnote

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

Applicable Legislative Provisions

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

November 11, 2010

Leslie Milroy
McCarthy Tetrault LLP
Box 48, Suite 5300
Toronto Dominion Bank Tower
Toronto, ON
M5K 1E6

Dear Sir/Madam:

Re: Copernic Inc. (the Applicant) – Application for an order under Clause 1(10)(b) of the *Securities Act* (Ontario) that the Applicant is not a reporting issuer

The Applicant has applied to the Ontario Securities Commission for an order under clause 1(10)(b) of the Act that the Applicant is not a reporting issuer.

As the Applicant has represented to the Commission that:

- The outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by less than 15 security holders in Ontario and less than 51 security holders in Canada;
- No securities of the Applicant are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*;
- The Applicant is not in default of any of its obligations under the Act as a reporting issuer; and
- The Applicant will not be a reporting issuer or the equivalent in any jurisdiction in Canada immediately following the Director granting the relief requested.

The Director is satisfied that it would not be prejudicial to the public interest to grant the requested relief and orders that the Applicant is not a reporting issuer.

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

2.2.3 Agoracom Investor Relations Corp. et al.

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

AND

IN THE MATTER OF
AGORACOM INVESTOR RELATIONS CORP.,
AGORA INTERNATIONAL ENTERPRISES CORP.,
GEORGE TSIOLIS and APOSTOLIS KONDAKOS
(a.k.a. PAUL KONDAKOS)

ORDER

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

AND WHEREAS the Respondents entered into a settlement agreement with Staff of the Commission ("Staff") dated November 10, 2010 (the "Settlement Agreement"), a copy of which is attached as Schedule "A" to this Order, subject to the approval of the Commission;

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

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

IT IS ORDERED THAT:

1. The settlement agreement is approved.

2. The registration granted to Agoracom Capital Inc. under Ontario securities law be terminated on the date of the Commission's order.

3. The registrations granted to Tsiolis and Kondakos (the "Individual Respondents") under Ontario securities law be suspended for a period of 10 years commencing on the date of the Commission's order, and the Individual Respondents are prohibited from becoming or acting as a registrant or as an investment fund manager for a period of 10 years commencing on the date of the Commission's order.

4. The Individual Respondents be permanently prohibited from becoming or acting as a director or officer of any client of Agoracom or any client of Agoracom's affiliates or subsidiaries;

5. The Individual Respondents be prohibited from becoming or acting as a director or officer of any reporting issuer, registrant or investment fund manager for a period of 5 years commencing on the date of the Commission's order.

6. The Respondents will not trade or invest in any client of Agoracom or any client of Agoracom's affiliates or subsidiaries, save and except for options or placements that are part of a contractual compensation arrangement.

7. The Individual Respondents be reprimanded.

8. Within 24 hours of the date of the Commission's order, the Respondents will issue a press release, pre-approved by Staff (the "Press Release"), which shall include an electronic link to the within Settlement Agreement. The press release shall be posted on the home page of www.agoracom.com for a period of 6 months commencing on the date of the Commission's order.

9. The Respondents will pay $125,000, to be allocated under s. 3.4(2)(b) of the Act to or for the benefit of third parties.

10. The Respondents will pay the costs of the Commission's investigation in the amount of $25,000.

11. The Respondents, jointly and severally agree to make the payments ordered pursuant to paragraphs 9 and 10 above as follows:

    (a) $50,000 by certified cheque when the Commission approves this Settlement Agreement; and

    (b) 2 post-dated cheques, each in the amount of $50,000.00, dated 9 months and 18 months following the approval of this Settlement

DATED at Toronto this “12th” day of November, 2010.

“Carol S. Perry”

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

AND

IN THE MATTER OF
AGORACOM INVESTOR RELATIONS CORP.,
AGORA INTERNATIONAL ENTERPRISES CORP.,
GEORGE TSIOLIS and APOSTOLIS KONDAKOS
(a.k.a. PAUL KONDAKOS)

SETTLEMENT AGREEMENT

PART I – INTRODUCTION

1. The Ontario Securities Commission (the "Commission") will issue a Notice of Hearing to announce that it will hold a hearing to consider whether, pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), it is in the public interest for the Commission to make certain orders in respect of Agoracom Investor Relations Corp. ("AIRC"), Agora International Enterprises Corp. ("AIEC") (collectively "Agoracom"), George Tsiolis ("Tsiolis") and Apostolis Kondakos, a.k.a. Paul Kondakos ("Kondakos") (collectively the "Respondents").

PART II – JOINT SETTLEMENT RECOMMENDATION

2. Staff of the Commission ("Staff") agree to recommend settlement of the proceeding commenced by Notice of Hearing dated April 1, 2010 (the "Proceeding") against the Respondents according to the terms and conditions set out in Part VI of this Settlement Agreement. The Respondents agree to the making of an order in the form attached as Schedule "A", based on the facts set out below.

PART III – AGREED FACTS

3. For this proceeding, and any other regulatory proceeding commenced by any provincial or territorial securities regulatory authority in Canada, the Respondents agree with the facts as set out in Part III of this Settlement Agreement.

I. OVERVIEW

4. This proceeding relates to on-line posting activity by Agoracom Investor Relations Corp. ("AIRC") and Agora International Enterprises Corp. ("AIEC") (collectively "Agoracom"), an on-line investment relations firm, and its management, George Tsiolis ("Tsiolis") and Apostolis Kondakos, a.k.a. Paul Kondakos ("Kondakos") (collectively the "Respondents") in a manner that was contrary to the public interest.

5. Staff allege that the Respondents' course of conduct spanned from September 1, 2006 to July 31, 2009 (the "Material Time").

6. This proceeding also relates to the interception by Kondakos of private messages sent between public users using the Agoracom platform, contrary to the public interest. This course of conduct spanned from July 2008 to February 2009.

II. THE RESPONDENTS

A. The Corporate Respondents

7. None of the corporate respondents were registered with the Commission in any capacity during the Material Time.

8. AIRC is an Ontario company incorporated on February 12, 2007. AIRC employs Agoracom representatives and contracts with clients to provide investor relations services.

9. AIEC is an Ontario company incorporated on April 23, 1997. Revenue from Agoracom gets reported to AIEC.

10. Together, AIRC and AIEC carry on business in Toronto, Ontario as "Agoracom" and perform the business of an online investor relations firm for public companies whose securities are publicly listed in Canada.

B. The Individual Respondents

11. Tsiolis is a resident of Toronto, Ontario and is the founder and a directing mind of Agoracom. Tsiolis is the sole director of AIEC, one of two directors of AIRC and is the registrant for the domain name "agoracom.com".

12. Tsiolis was registered as an officer & director (trading) and shareholder, under the category of limited market dealer with Agoracom Capital Inc. from July 2, 2008 to September 28, 2009. Tsiolis has been registered as a dealing representative and approved as a permitted individual (officer, director and shareholder), under the category of exempt market dealer with Agoracom Capital Inc. since September 28, 2009.

13. Kondakos is a resident of Toronto, Ontario and is the other directing mind of Agoracom. Kondakos is an officer of AIRC.

14. Kondakos was registered as officer & director (trading) and approved as designated compliance officer, under the category of limited market dealer with Agoracom Capital Inc. from July 2, 2008 to September 28, 2009. Kondakos has been registered as a dealing representative and approved as a permitted individual (officer & director), under the category of exempt market dealer with Agoracom Capital Inc. since September 28, 2009. Kondakos has also been registered as ultimate designated person and chief compliance officer, under the category of exempt market dealer with Agoracom Capital Inc. since December 29, 2009.

III. ALIAS POSTINGS BY AGORACOM MANAGEMENT AND REPRESENTATIVES

15. According to their website (www.agoracom.com), Agoracom "caters to the IR and marketing needs of small and micro cap public companies trading on the TSX [and] TSX Venture …". Agoracom offers pricing models for its clients which incorporate a monthly fee and stock options equalling the greater of 250,000 shares or 0.5% of a company's fully diluted outstanding share total at current prices.

16. Agoracom's online content includes webcasts, podcasts, and blogs. Perusal of www.agoracom.com is free and open to the public. Visitors are directed to client and non-client issuer "hubs" created and maintained by Agoracom. Among the features available on a specific company's hub is a discussion forum, relating to the issuers' securities.

17. Agoracom's representatives serviced the client hubs by moderating their discussion forums and posting information and news to the forums. In order to post comments on the discussion forums, users are required to create a username and provide an e-mail address.

18. Tsiolis and Kondakos required their representatives, as part of their daily responsibilities, to post anonymously to some client forums using aliases. To post messages anonymously, the representatives created fictitious usernames and posed as investors blending in with other users, investors and interested persons. Representatives had between 40-50 aliases (some had up to 200) and were required to make up to 2 posts per hub per day or risk having their pay docked. On occasion, Agoracom staff conversed with themselves on the forums using different aliases.

19. During the Material Time:

(a) more than 24,000 alias posts were created from within Agoracom on client and non-client hubs;

(b) more than 670 alias user names were created by representatives of Agoracom and used on client and non-client hubs;

(c) alias posts originated from Tsiolis' residence; and

(d) posts by Agoracom representatives, using their aliases, were occasionally promotional and promoted purchasing and/or holding stock.

20. Neither the public users nor the majority of Agoracom's clients were aware that representatives of Agoracom were posting on their hubs using aliases. In some cases, Agoracom reported the number of posts and shareholder inquiries answered by Agoracom's representatives to clients on a monthly basis, and failed to disclose that a portion of the posts and shareholder inquiries were created by Agoracom's own representatives. For certain clients, alias posts by Agoracom's representatives represented a significant proportion of the postings within the forum.

21. The Respondents also took steps to actively conceal the alias posting activity by its representatives. In March 2009, when the business development representative, Scott Purkis, revealed that he was an Agoracom representative posting with an alias, the Respondents posted an "Official Statement" stating that these actions were carried out by a single individual and that Agoracom would be taking steps within next sixty (60) days to ensure that this would never happen again. The message

posted by the Respondents to the public in relation to Purkis' alias postings was misleading given that Tsiolis and Kondakos knew and instructed many representatives to create and use multiple aliases to post on several of the client forums. In addition, Tsiolis and Kondakos were aware that representatives continued to post using aliases after this Statement was released.

22. The posting activity described above, mandated by the Respondents, was undertaken, in part, to create an appearance of greater interest in the securities of some of Agoracom's clients.

IV. INTERCEPTION OF PRIVATE MESSAGES

23. Another feature available on the Agoracom platform is a "private messaging" service which, according to Agoracom's web site, allows users to have "direct and private contact with other Agoracom members."

24. From July 2008 to February 2009, Kondakos intercepted private messages sent between public users for the purpose of gathering information about reporting issuers and issuers, in which he was personally invested.

25. Kondakos forwarded private messages to a personal friend who was not associated with Agoracom and provided this individual with administrative access to the Agoracom website. This individual also intercepted private messages between public users, and forwarded these private messages to Kondakos.

PART IV – CONDUCT CONTRARY TO THE PUBLIC INTEREST

26. By engaging in the conduct described above, the Respondents have acted contrary to the public interest.

PART V – RESPONDENTS' POSITION

27. The Respondents request that the settlement hearing panel consider the following:

(a) Unlike account representatives at Agoracom, Mr. Purkis as the business development representative was never instructed by the Respondents to use alias postings. Mr. Purkis' activities have been subject to a separate Settlement Agreement with Staff.

(b) Staff has not alleged that Kondakos or his friend traded in any securities based on information obtained from the interception of private messages.

PART VI – TERMS OF SETTLEMENT

28. The Respondents agree to the terms of settlement listed below.

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

(a) The settlement agreement is approved.

(b) The registration granted to Agoracom Capital Inc. under Ontario securities law be terminated on the date of the Commission's order.

(c) The registrations granted to Tsiolis and Kondakos (the "Individual Respondents") under Ontario securities law be suspended for a period of 10 years commencing on the date of the Commission's order, and the Individual Respondents are prohibited from becoming or acting as a registrant or as an investment fund manager for a period of 10 years commencing on the date of the Commission's order.

(d) The Individual Respondents be permanently prohibited from becoming or acting as a director or officer of any client of Agoracom or any client of Agoracom's affiliates or subsidiaries;

(e) The Individual Respondents be prohibited from becoming or acting as a director or officer of any reporting issuer, registrant or investment fund manager for a period of 5 years commencing on the date of the Commission's order.

(f) The Respondents will not trade or invest in any client of Agoracom or any client of Agoracom's affiliates or subsidiaries, save and except for options or placements that are part of a contractual compensation arrangement.

(g) The Individual Respondents be reprimanded.

(h) Within 24 hours of the date of the Commission's order, the Respondents will issue a press release, pre-approved by Staff (the "Press Release"), which shall include an electronic link to the within Settlement Agreement. The press release shall be posted on the home page of www.Agoracom.com for a period of 6 months commencing on the date of the Commission's order.

(i) The Respondents will pay $125,000, to be allocated under s. 3.4(2)(b) of the Act to or for the benefit of third parties.

(j) The Respondents will pay the costs of the Commission's investigation in the amount of $25,000.

30. The Respondents, jointly and severally agree to make the payments ordered above as follows:

(a) $50,000 by certified cheque when the Commission approves this Settlement Agreement; and

(b) 2 post-dated cheques, each in the amount of $50,000.00, dated 9 months and 18 months following the approval of this Settlement

31. The Respondents undertake to consent to a regulatory Order made by any provincial or territorial securities regulatory authority in Canada containing any or all of the prohibitions set out in sub-paragraphs 29 (c) to (f) above.

PART VII – STAFF COMMITMENT

32. If the Commission approves this Settlement Agreement, Staff will not commence any proceeding under Ontario securities law in relation to the facts set out in Part III of this Settlement Agreement, subject to the provisions of paragraph 33 below.

33. If the Commission approves this Settlement Agreement and the Respondents fail to comply with any of the terms of the Settlement Agreement, including, but not limited to paragraph 37 below, Staff may bring proceedings under Ontario securities law against the Respondent. These proceedings may be based on, but are not limited to, the facts set out in Part III of this Settlement Agreement as well as the breach of the Settlement Agreement.

PART VIII – PROCEDURE FOR APPROVAL OF SETTLEMENT

34. The parties will seek approval of this Settlement Agreement at a public hearing before the Commission scheduled for November 10, 2010, or on another date agreed to by Staff and the Respondent, according to the procedures set out in this Settlement Agreement and the Commission's Rules of Practice.

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

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

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

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

PART IX – DISCLOSURE OF SETTLEMENT AGREEMENT

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

(a) this Settlement Agreement and all discussions and negotiations between Staff and the Respondents before the settlement hearing takes place will be without prejudice to Staff and the Respondents; and

(b) Staff and the Respondents will each be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing of the allegations contained in the Statement of Allegations. Any

proceedings, remedies and challenges will not be affected by this Settlement Agreement, or by any discussions or negotiations relating to this agreement.

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

PART X – EXECUTION OF SETTLEMENT AGREEMENT

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

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

Dated this "10th" day of November, 2010.

"George Tsiolis"
AGORACOM INVESTOR RELATIONS CORP.,
by its duly authorized signatories

"George Tsiolis"
AGORA INTERNATIONAL ENTERPRISES CORP.,
by its duly authorized signatories

"George Tsiolis"
GEORGE TSIOLIS

"M. D' Souza"
Witness

"Paul Kondakos"
APOSTOLIS KONDAKOS
(a.k.a. PAUL KONDAKOS)

"M. D' Souza"
Witness

"Tom Atkinson"
Director, Enforcement Branch

2.2.4 North American Financial Group Inc. et al. – ss. 127(1), 127(5)

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

AND

**IN THE MATTER OF
NORTH AMERICAN FINANCIAL GROUP INC.,
NORTH AMERICAN CAPITAL INC.,
ALEXANDER FLAVIO ARCONTI, AND
LUIGINO ARCONTI**

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

WHEREAS it appears to the Ontario Securities Commission that:

1. North American Financial Group Inc. ("NAFG") and North American Capital Inc. ("NAC") are Ontario corporations;

2. Neither NAFG nor NAC is a reporting issuer;

3. Alexander Flavio Arconti ("Flavio") is the sole registered director and officer of NAFG;

4. Flavio and Luigino Arconti ("Gino") each own 50% of NAFG;

5. Flavio and Gino are the directing minds of NAFG;

6. Flavio and Gino are the directors of NAC;

7. Gino is the sole officer of NAC;

8. Flavio and Gino each own 50% of the common shares of NAC;

9. Flavio and Gino are the directing minds of NAC;

10. Flavio and Gino were registered with the Ontario Securities Commission through Carter Securities Inc. Its registration was suspended on September 22, 2010;

11. Neither NAFG nor NAC has filed a preliminary prospectus or a prospectus and the Director has not issued a receipt in respect of these companies;

12. NAFG and NAC securities have been distributed, offered for sale, and sold to members of the public who are not accredited investors in Ontario, by representatives of NAFG and NAC;

13. Staff are conducting an investigation into the trading of NAFG and NAC securities, and it appears that NAFG, NAC, Flavio and Gino may have engaged in the following conduct between 2007 and September 2010:

    (i) traded in securities of NAFG and NAC that would be a distribution of securities without an exemption from the prospectus requirement and for which no preliminary prospectus or prospectus has been filed and no receipt has been issued by the Director contrary to section 53(1) of the *Securities Act*, RSO 1990, c. S.5 (the "Act");

    (ii) made statements that they knew or reasonably ought to have known were in a material respect and at the time and in light of the circumstances, misleading or untrue and had a significant effect on the value of the security contrary to section 126.2 of the Act.

14. Flavio and Gino may have engaged in the following conduct between 2007 and September 2010:

    (i) failed to conduct due diligence to ensure that investors were accredited prior to selling shares of NAFG or NAC to them, contrary to the know your client and suitability obligations of registrants under sections 13.2 and 13.3 respectively of NI 31-103-Registration Requirements and Exemptions;

    (ii) failed to disclose the true financial circumstances of NAFG while trading its securities to their clients contrary to their duty to their clients to act fairly, honestly and in good faith under Section 2.1 of OSC Rule 31-505;

    (iii) traded securities without an exemption from the registration requirement contrary to section 25 of the Act;

15. Staff are concerned that the conduct of NAFG, NAC, Flavio and Gino caused harm to investors and is likely to cause continuing harm to investors;

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

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

AND WHEREAS by Commission order made November 1, 2010 pursuant to section 3.5(3) of the Act, any one of James E. A. Turner, Kevin J. Kelly, Carol S. Perry, Patrick J. LeSage, James D. Carnwath and Mary G. Condon, acting alone, is authorized to make orders under section 127 of the Act;

IT IS ORDERED pursuant to clause 2 of subsection 127(1) of the Act that all trading in the securities of NAFG and NAC shall cease;

IT IS FURTHER ORDERED pursuant to clause 2 of subsection 127(1) of the Act that NAFG, NAC, Flavio and Gino cease trading in all securities;

IT IS FURTHER ORDERED pursuant to clause 3 of subsection 127(1) of the Act that any exemptions contained in Ontario securities law do not apply to NAFG, NAC, Flavio or Gino; and

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

Dated at Toronto this 10th day of November, 2010

"James D. Carnwath"

2.2.5 Mahalo Energy Ltd. – s. 144

Headnote

Section 144 – application for full revocation of cease trade order – issuer cease traded due to failure to file with the Commission annual financial statements – issuer has applied for a full revocation of the cease trade order upon completion of Plan of Arrangement under the Companies' Creditors Arrangement Act – full revocation granted subject to conditions.

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 AMEMDED
(the Act)

AND

IN THE MATTER OF
MAHALO ENERGY LTD.

ORDER
(Section 144 of the Act)

WHEREAS the securities of Mahalo Energy Ltd. (the **Filer**) are subject to a temporary cease trade order issued by the Director on June 29, 2010 pursuant to subsections 127(1) and 127(5) of the Act and a further cease trade order issued by the Director on July 12, 2010 pursuant to subsection 127(1) of the Act (together the **Ontario CTO**), directing that all trading in the securities of the Filer cease until further order by the Director;

AND WHEREAS the Filer has applied to the Ontario Securities Commission (the **Commission**) for an order pursuant to section 144 of the Act (the **Application**) for a full revocation of the Ontario CTO.

AND WHEREAS the Filer has represented to the Commission that:

1. The Filer was incorporated under the *Business Corporations Act* (Alberta) on April 21, 2004.

2. The Filer's head office is located in Calgary, Alberta.

3. The Filer is currently a reporting issuer in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Québec (each a **Jurisdiction**).

4. The Filer has applied for and expects to be granted concurrently with this full revocation order, a decision that the Filer has ceased to be a reporting issuer in each Jurisdiction (the **Not a Reporting Issuer Decision**). If that decision is

granted, the Filer will not be a reporting issuer in any jurisdiction in Canada.

5. The Filer is not in default of any of its obligations as a reporting issuer as of the date hereof, other than the obligation to file: (a) its annual audited financial statements, managements' discussion and analysis and certification of annual filings for the year ended December 31, 2009; (b) interim unaudited financial statements, interim managements' discussion and analysis and certification of interim filings for the interim periods ended March 31, 2010 and June 30, 2010; and (c) the Filer is in default of the following requirements under OSC Rule 13-502 *Fees* (**Rule 13-502**): (i) Filer should have filed an applicable form under Rule 13-502 in respect of its year ended December 31, 2009; and (ii) the Filer has not paid the late filing fees in respect of this late filing.

6. The authorized share capital of the Filer consists of an unlimited number of class A common shares (**Class A Shares**) and an unlimited number of class B common shares (**Class B Shares**) of which 2,525,000 Class A Shares and 2,525,000 Class B Shares are issued and outstanding as of the date hereof.

7. On May 22, 2009 the Filer was granted protection from its creditors under the *Companies' Creditors Arrangement Act* (the **CCAA**) pursuant to an initial order granted by the Court of Queen's Bench of Alberta (the **Court**) on May 22, 2009 which order has been extended several times (the **Initial Order**). Alger & Associates Inc. were appointed as monitor under the CCAA. All proceedings against the Filer were stayed pursuant to the Initial Order, the purpose of which is to allow the Filer time to solicit and implement a Court approved Plan of Arrangement (the **Plan**) under the CCAA.

8. On July 2, 2009, the Filer's former common shares (**Common Shares**) were delisted from trading on the Toronto Stock Exchange (the **TSX**) for failure to meet minimum listing requirements and the Common Shares began trading on the NEX board of the TSX Venture Exchange under the symbol "CBM".

9. The Ontario CTO was issued due to the failure of the Filer to file its audited annual financial statements, related management's discussion and analysis and certifications for the year ended December 31, 2009 (the **Annual Filings**) and interim unaudited financial statements, management's discussion and analysis and certifications for the period ended March 31, 2010 (the **Interim Filings**).

10. The Filer is also subject to cease trade orders (the **Other Cease Trade Orders**) in Alberta, British Columbia, Manitoba and Québec for failure to file required filings under applicable securities laws. The Filer has applied for and expects to be granted concurrently with this revocation order, full revocations of the Other Cease Trade Orders (the **Other Full Revocation Orders**).

11. On August 13, 2010, the Filer received partial revocation orders (the **Partial Revocation Orders**) from each of the Jurisdictions that issued the Other Cease Trade Orders in respect of the following trades (the **Transactions**) pursuant to the Plan:

    (i) the conclusion of a formal investment agreement (the **Investment Agreement)** among the Filer, Alpine Capital Corp. (**Alpine**) and up to 10 investors identified by Alpine (the **New Investors**);

    (ii) under the Investment Agreement and the Plan, the subscription by Alpine and the New Investors for newly created Class A Shares of the Filer for cash consideration;

    (iii) the issuance to up to 30 unsecured creditors (the **Unsecured Creditors**) of the Filer of newly created Class B Shares of the Filer, as part of the settlement of their claims and under section 2.14 of National Instrument 45-106 *Prospectus and Registration Exemptions* (**NI 45-106**);

    (iv) the redemption and cancellation of all of the Filer's issued and outstanding Common Shares for nil consideration; and

    (v) the cancelation of all other securities of the Filer for no consideration.

12. The Filer has satisfied every condition of the Partial Revocation Orders.

13. Among other things, the Plan includes the proposal that the Filer apply for: (i) the relief requested in the Not a Reporting Issuer Decision; (ii) the relief requested in this Order; and (iii) the relief requested in the Other Full Revocation Orders.

14. On September 15, 2010, the Filer held a meeting (the **Creditors' Meeting**) of secured creditors and all other affected creditors of the Filer to consider and vote upon the Plan. At the Creditors Meeting, the Plan was approved unanimously by the affected creditors who voted at the Creditors Meeting which represented 68% in value and 41% in number of the affected creditors.

15. On September 16, 2010 and as extended on October 14, 2010, the Court made a sanction order (the **Sanction Order**) approving the Plan. Among other things, the Sanction Order provides

that the Transactions be completed as part of the Plan.

16. The Filer delisted the Common Shares from the NEX board of the TSX Venture Exchange on October 6, 2010. As a result, no securities of the Filer are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*.

17. The right of any other security holder of the Filer to challenge the Plan as set out in the Sanction Order expired on November 4, 2010.

18. On November 4, 2010, pursuant to the Plan and as permitted by the Partial Revocation Orders, the Filer completed the Transactions. Specifically, the Filer:

    (i) issued 2,525,000 Class A Shares to Alpine and the New Investors for cash consideration of $2,525,000;

    (ii) issued 2,525,000 Class B Shares to 30 unsecured creditors for settlement, in part, of their outstanding claims;

    (iii) redeemed and cancelled all of the Common Shares for nil consideration; and

    (iv) cancelled all other securities of the Filer (other than the Class A Shares and Class B Shares).

19. As a result of the completion of the Transactions, the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by fewer than 51 security holders in total in Canada and by fewer than 15 security holders in each Jurisdiction other than Alberta where 34 security holders will reside.

20. The issuance of the Class A Shares to Alpine and the New Investors as contemplated by the Investment Agreement and the Plan have closed and, pursuant to an escrow agreement among the Class A Shareholders, Mahalo and Burnet, Duckworth & Palmer LLP, the Class A Shares and the subscription proceeds for such shares have been placed in escrow with Burnet, Duckworth & Palmer LLP with an irrevocable direction that they be released upon receipt of: (i) the Not a Reporting Issuer Decision; (ii) this Order; and (iii) the Other Full Revocation Orders and, provided that, no order, ruling or determination having the effect of ceasing, suspending or restricting trading in any securities of the Filer shall otherwise be outstanding.

21. Once the Not a Reporting Issuer Decision, this Order, and the Other Full Revocation Orders have been issued, the escrow agreement provides that Burnet, Duckworth & Palmer LLP will release the share certificates to the holders of Class A Shares and disburse the subscription proceeds to the Filer. Upon satisfaction of the escrow release conditions, the Plan will be concluded and completed in all respects.

22. Each holder of Class A Shares has consented to the Filer making this application and each holder of Class B Shares has knowledge of this application by virtue of the fact that each of the creditors receiving Class B Shares has voted in favour of the Plan, which contains details pertaining to this order, and was given notice of creditor approval of the Plan pursuant to the Sanction Order.

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

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

IT IS ORDERED, pursuant to section 144 of the Act, that the Ontario CTO is fully revoked as of the date on which the Filer ceases to be a reporting issuer under the Act.

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

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

2.2.6 Growmark, Inc. – s. 74(1)

Headnote

Application for relief from the registration and prospectus requirements – Applicant operates as a federated agricultural co-operative, primarily in Illinois, Wisconsin, Iowa and Ontario – Applicant's business includes operations in agronomy, seed, energy, grain, retail supplies and facility planning and supply – Applicant proposes to make qualifying Farmcos and qualifying Farmers members of the Applicant in order to build stronger commercial relationships and related goodwill between the Applicant and the Farmers, and to make Farmers eligible for patronage distributions – In order to qualify as a member of the Applicant under its constating documents, eligible Farmcos and Farmers must be an agricultural producer, sign a membership agreement and hold a common share for a nominal amount upon entering into a membership agreement – The Applicant will also issue one or more shares of Class D Preferred Stock to eligible Farmcos and Farmers for purposes of the patronage provisions of the Income Tax Act – Farmcos and Farmers are not investors in a conventional sense and share issuance not a financing – Relief granted.

Applicable Legislative Provisions

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

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

AND

IN THE MATTER OF
GROWMARK, INC.
(the "Applicant")

ORDER
(Section 74(1))

WHEREAS the Applicant has filed an application (the "**Application**") with the Ontario Securities Commission (the "**Commission**") for an order pursuant to subsection 74(1) of the Act that the following transactions shall not be subject to the registration and prospectus requirements arising pursuant to sections 25 and 53 of the Act:

(a) the issuance by the Applicant to qualifying Farmcos (as defined below) resident in Ontario and qualifying Farmers (as defined below) of GROWMARK Membership Interests (as defined below) resident in Ontario and shares of Class D Stock; and

(b) subsequent patronage distributions by the Applicant to Farmcos and Farmers of shares of Class D Stock issued in satisfaction of patronage distributions made from time to time by the Applicant.

AND WHEREAS such order would replace the order issued by the Commission the Applicant on April 28, 2009 pursuant to subsection 74(1) of the Act (the "**2009 Order**").

AND WHEREAS the Commission may, pursuant to subsection 74(1) of the Act, the rule that any trade, intended trade, security, person or company is not subject to section 25 or 53 of the Act (the "**Registration and Prospectus Requirements**") where it is satisfied that to do so would not be prejudicial to the public interest;

AND WHEREAS in this decision:

"Farmco" means (i) a corporation, all of the shares of which are owned by a farmer and/or one or more members of the farmer's immediate family, (ii) a partnership, all of the units of which are owned by a farmer and/or one or more members of the farmer's immediate family, or (iii) a trust established for the benefit of a farmer and/or one or more members of the farmer's immediate family;

"Farmer" means an individual engaged, through a Farmco or otherwise, in the raising of field crops (including produce and grain) and/or livestock; and

"immediate family" means a Farmer's spouse, parent, child, sibling, mother or father-in-law, son or daughter-in-law, brother or sister-in-law, and anyone (other than an employee of either the Farmer or the Farmer's immediate family) who shares the Farmer's home.

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

AND UPON it being represented by the Applicant to the Commission that:

1. The Applicant was incorporated in 1962 under the laws of Delaware under the name "FS Services Inc.". In 1980, its name was changed to "GROWMARK, Inc.". The Applicant operates on a co-operative basis, carrying on business as a federated agricultural co-operative, primarily in Illinois, Wisconsin, Iowa and Ontario. The Applicant's business includes operations in agronomy, seed, energy, grain, retail supplies and facility planning and supply.

2. The Applicant is not a reporting issuer in the Province of Ontario or in any other province or territory of Canada, and has no present intention of becoming a reporting issuer in Ontario. The Applicant files federal and provincial tax returns in Canada and is subject to income tax under the *Income Tax Act* (Canada) (the "**ITA**") on its taxable income earned in Canada (and under the corresponding provisions of applicable provincial income tax statutes).

3. Currently, all of the Applicant's Ontario members are corporations governed by the *Co-operative Corporations Act* (Ontario) ("**Corporate Members**"). Such Corporate Members are eligible to receive annual distributions ("**Patronage Distributions**") on the basis of the business they conduct with the Applicant during the year (i.e., purchasing or selling products or services). The amount of any such Patronage Distributions is equal to the net earnings of the Applicant for the year, after setting aside sufficient funds to pay any preferred share dividends and such reasonable reserves and surplus funds as the board of directors of the Applicant determines to be necessary for its business. As described in further detail below, under the ITA, subject to certain limitations, the Applicant is entitled to deduct in computing its taxable income earned in Canada for a taxation year the total of all payments made by it pursuant to allocations in proportion to patronage to its customers for the year.

4. The Corporate Members also have members (holders of membership shares of the Corporate Members) who are also generally eligible to receive patronage distributions from the Corporate Members on the basis of the business they conduct with the Corporate Members (if and when declared by the board of directors of the Corporate Members).

5. During the period between January 1, 1995 and December 31, 2009, the Applicant made Patronage Distributions to the Corporate Members (including their respective predecessor corporations) totalling approximately US$35.4 million.

6. On May 27, 2008, Simcoe District Co-operative Services ("**Simcoe**"), then a Corporate Member of the Applicant, filed an assignment in bankruptcy under the *Bankruptcy and Insolvency Act* (Canada). Simcoe was subsequently liquidated and is no longer a Corporate Member or entitled to receive Patronage Distributions.

7. On January 23, 2009, RSM Richter Inc. was appointed interim receiver and receiver of the undertakings, properties and assets of Norfolk Co-operative Company, Limited ("**Norfolk**"). Norfolk is in the process of being liquidated and is no longer a Corporate Member or entitled to receive Patronage Distributions.

8. On March 26, 2009, the Applicant completed transactions with two other financial distressed Corporate Members, Inland Co-operative Inc. ("**Inland**") and Waterloo-Oxford Co-operative Inc. ("**Waterloo-Oxford**"), resulting in the sale by such corporations of substantially all of their respective assets to the Applicant for a purchase price that allows each of Inland and Waterloo-Oxford to repay all of their respective debt and distribute a certain amount of equity to their respective members. As of March 26, 2009, each of Inland and Waterloo-Oxford also ceased to be Corporate Members entitled to receive Patronage Distributions. Inland and Waterloo-Oxford is each in the process of being wound-down and dissolved.

9. During the period between January 1, 1995 and December 31, 2008, the Applicant made Patronage Distributions to Inland, Waterloo-Oxford, Simcoe and Norfolk (and their respective predecessor corporations) totalling approximately US$5.1 million.

10. As a result of transactions completed on May 1, 2009, the Applicant began as of such date to conduct the grain business in Ontario through a new general partnership (the "**GLG Partnership**") registered under the laws of Ontario. The Applicant and AGRIS Co-operative Inc. ("**AGRIS**") are the two general partners of the GLG Partnership.

11. In order to build stronger commercial relationships and related goodwill between the Applicant and the Farmcos, and to make Farmcos eligible for Patronage Distributions, it is proposed that the Applicant would make qualifying Farmcos (who conduct business with the Applicant) members of the Applicant. In order to qualify as a member of the Applicant under its constating documents, it would be necessary that the Farmco be an agricultural producer, sign a membership agreement and hold a share of, or a fractional interest in a share of, Common Stock of the Applicant. It is proposed that the Applicant would issue a 1/10,000 fractional interest in a share of Common Stock of the Applicant (a "**GROWMARK Membership Interest**") to a Farmco for a nominal amount at the time the Farmco signs a membership agreement. Agricultural producers resident in the United States have in the past qualified as members of the Applicant through the holding a 1/10,000 fractional interest in a share of Common Stock of the Applicant.

12. Holders of Common Stock of the Applicant, or of a fractional interest therein, have no rights to vote, no rights to dividends (other than Patronage Distributions) and no preferences on liquidation, dissolution or winding up, but would be eligible under the Applicant's constating documents to Patronage Distributions. Pursuant to the Applicant's constating documents, shares of Common Stock can only be transferred with the prior written consent of the Applicant. This restriction will also be contained in the membership agreement signed by a Farmco and will apply in respect of such Membership Interest.

13. Under the ITA, subject to certain limitations, the Applicant is entitled to deduct in computing its taxable income earned in Canada for a taxation year the total of all payments made by it pursuant to allocations in proportion to patronage to its customers for the year. In general terms, patronage payments made by the Applicant will be deductible if made at the same rate in relation to the amount of business conducted with the Applicant by each customer of the Applicant who is also a member of the Applicant or by each customer of the Applicant who is not a member of the Applicant. The policy of the Applicant in Canada is to pay patronage only to customers who are members of the Applicant. For purposes of the ITA, "member" means "a person who is entitled as a member or shareholder to full voting rights in the conduct or affairs of the taxpayer (being a corporation) …". The holding by a Farmco of a GROWMARK Membership Interest, although sufficient to qualify the Farmco as a member of the Applicant under its constating documents, would not qualify such Farmco as a member of the Applicant for purposes of the patronage provisions of the ITA (which latter qualification would be necessary to allow the Applicant to make Patronage Distributions to the Farmco that would be eligible for the deduction in computing the taxable income of the Applicant earned in Canada as described above). For this reason, it is proposed that the Applicant also issue one or more shares of Class D Preferred Stock of the Applicant ("**Class D Stock**") to the Farmco. Such Class D Stock would be issued to Farmco prior to the declaration by the board of directors of the Applicant of any Patronage Distributions (such issuance would occur at the time the Membership Interest is issued to the Farmco or later). The shares of Class D Stock have a par value of US$100 per share. Holders of Class D Stock are entitled to one vote per share at any meeting of the stockholders of the Applicant.

14. Holders of Class D Stock are also entitled to receive payment of the par value of such shares upon liquidation, dissolution or winding up of the Applicant, subject to the rights of holders of Class B Preferred Stock and Class C Preferred Stock of the Applicant. No dividends or distributions of earnings, including patronage distributions, are payable to holders of shares of Class D Stock (except that a holder of Class D Stock who is also a holder of a share of Common Stock, or a fractional interest therein, is entitled to patronage distributions if and when declared by the board of directors of the Applicant in respect of such share of Common Stock or fractional interest therein). Shares of Class D Stock held by a member located in Ontario can only be transferred with the prior written consent of the Applicant. This restriction will also be contained in the membership agreement signed by a Farmco and will apply in respect of such Class D Stock.

15. The holding by a Farmer of a GROWMARK Membership Interest and one or more shares of Class D Stock will qualify the Farmer as a member of the Applicant under its constating documents and a member of the Applicant for purposes of the patronage provisions of the ITA.

16. On July 28, 2000, the Commission issued an order, in favour of the Applicant, granting an exemption pursuant to subsection 74(1) of the Act from the Registration and Prospectus Requirements respecting:

    (a) the issuance to Corporate Members of one share of Common Stock and Class D Stock, Series A to such Corporate Members as part of a reorganization of the share capital of the Applicant; and

    (b) subsequent patronage distributions by the Applicant to such Corporate Members of shares of Class D Stock, Series A as part of any patronage distributions to such Corporate Members.

17. On April 29, 2009, the Commission issued the 2009 Order in favour of the Applicant, granting an exemption pursuant to subsection 74(1) of the Act from the Registration and Prospectus Requirements respecting:

    (a) the issuance by the Applicant to qualifying individual farmers resident in Ontario of GROWMARK Membership Interests and shares of Class D Stock; and

    (b) subsequent patronage distributions by the Applicant to farmers of shares of Class D Stock issued in satisfaction of patronage distributions which may be made from time to time by the Applicant.

18. The Applicant wishes to extend the 2009 Order to a Farmco, as many farmers in Ontario carry on business through a Farmco and should be given the same opportunity to benefit from a membership relationship with the Applicant as the individual farmers and the Corporate Members.

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

IT IS RULED pursuant to subsection 74(1) of the Act that the following transactions shall not be subject to section 25 and 53 of the Act:

    (a) the issuance by the Applicant to Farmcos resident in Ontario and Farmers resident in Ontario of GROWMARK Membership Interests and shares of Class D Stock; and

(b) subsequent patronage distributions by the Applicant to Farmcos and Farmers of shares of Class D Stock issued in satisfaction of patronage distributions which may be made from time to time by the Applicant.

provided that:

(a) before the issuance of a GROWMARK Membership Interest and shares of Class D Stock under paragraph (a), each Farmer or Farmco, as applicable, is provided with a copy of a written statement to the effect that certain protections, rights and remedies provided by the Act, including statutory rights of rescission and damages, will be unavailable to that Farmer or Farmco and that there are restrictions imposed on the disposition or transfer of the GROWMARK Membership Interests and shares of Class D Stock;

(b) the Applicant will provide to the Farmer or Farmco, as applicable, the following materials:

(i) this decision;

(ii) the articles and by-laws of the Applicant, and all amendments thereto; and

(iii) the most recent annual audited financial statements of the Applicant;

(c) the Applicant will prepare and make available to each Farmer or Farmco, as applicable, on its website a copy of its annual report containing audited financial statements and quarterly unaudited financial statements;

(d) the transfer restrictions applicable to the GROWMARK Membership Interests and shares of Class D Stock held by a Farmer or Farmco (i.e., that such shares may only be transferred with the prior written consent of the Applicant) will continue to apply – it being understood that the exemptions contained in any order issued by the Commission would cease to be effective if such transfer restrictions are amended in any material respect without written notice to, and the consent of, the Commission; and

(e) the first trade of a GROWMARK Membership Interest of shares of Class D Stock issued in reliance upon the order will be deemed to be a distribution of such securities within the meaning of the Act.

This decision will come into effect on the date hereof and will supersede and replace the 2009 Order in its entirety, effective that date.

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

“C. Wesley M. Scott”

“Mary G. Condon”

2.2.7 Coalcorp Mining Inc. – s. 144

Headnote

Section 144 – Revocation of cease trade order and management cease trade order – Issuer subject to cease trade order as a result of its failure to file annual financial statements and related documents – Former chief executive officer of issuer subject to management cease trade order as a result of issuer's failure to file other continuous disclosure documents – Issuer has brought its continuous disclosure filings up-to-date – Issuer is otherwise not in default of applicable securities legislation, except for the failure to file a material contract.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 127(1), 144.

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

AND

IN THE MATTER OF
COALCORP MINING INC.

ORDER
(Section 144)

WHEREAS the securities of Coalcorp Mining Inc. (the "**Applicant**") are subject to a cease order dated October 12, 2010 made under paragraph 2 of subsection 127(1) of the Act, ordering that all trading in the securities of the Applicant, whether direct or indirect, cease until the order is revoked by the Director under the Act (the "**Cease Trade Order**");

AND WHEREAS Joseph Belan ("**Belan**"), a former chief executive officer of the Applicant, is subject to a management cease trade order dated October 19, 2009 made under paragraph 2 and paragraph 2.1 of subsection 127(1) of the Act, ordering that all trading in securities of the Applicant, whether direct or indirect, by Belan cease until two full business days following receipt by the Ontario Securities Commission (the "**Commission**") of all filings the Applicant is required to make under Ontario securities law, or further order of the Director (the "**MCTO**");

AND WHEREAS the Applicant has applied to the Commission pursuant to section 144 of the Act for a revocation of the Cease Trade Order and the MCTO;

AND WHEREAS the Applicant has represented to the Commission that:

1. The Applicant was incorporated under the laws of the Province of British Columbia on June 1, 1995 as Madoc Mining Company Ltd. On January 28, 1999, the Applicant changed its name to Adobe Ventures Inc. and, subsequently, on October 27, 2005, to Coalcorp Mining Inc.

2. The Applicant's head office is located at 120 Adelaide Street West, Suite 2500, Toronto, Ontario.

3. The Applicant operates in the mining, metallurgical and mineral industries and has had operations in Colombia.

4. The Applicant's securities were delisted from the Toronto Stock Exchange effective from close of trade on August 16, 2010. The Applicant's common shares and three classes of warrants were listed on NEX effective from market open on August 17, 2010. In connection with the temporary cease trade order issued prior to the Cease Trade Order the Applicant's securities were suspended from NEX until revocation of the cease trade order and confirmation that the Applicant meets TSX Venture Exchange requirements.

5. The Applicant is a reporting issuer in each of Ontario, British Columbia, Manitoba and Alberta.

6. The Applicant acknowledges that even after the Cease Trade Order and the MCTO are revoked, it will still be noted in default of applicable securities legislation on the Commission's list of reporting issuers and will remain noted in default until such time as the Applicant:

   (a) files the minutes of settlement made as of January 31, 2010 by the Applicant, Xira Investment Inc., certain former directors and officers of the Applicant and other parties to various claims amongst them (the "**Minutes of Settlement**"), or

   (b) files the Minutes of Settlement and obtains exemptive relief under subsection 140(2) of the Act so that the Minutes of Settlement are not made public on SEDAR, or

   (c) obtains an exemption, pursuant to section 13.1 of National Instrument 51-102 *Continuous Disclosure Obligations* ("**NI 51-102**"), from the requirement in section 12.2 of NI 51-102 to file the Minutes of Settlement as a material contract.

7. The securities of the Applicant are subject to:

   (a) the Cease Trade Order and the MCTO,

   (b) a cease trade order issued by the Manitoba Securities Commission on October 15, 2010 (the "**Manitoba Cease Trade Order**") pursuant to section

147.1(1) of the *Securities Act* (Manitoba), and

(c) a cease trade order issued by the British Columbia Securities Commission on September 29, 2010 (the "**BC Cease Trade Order**") pursuant to section 164(1) of the *Securities Act* (British Columbia).

8. The Applicant has concurrently applied for the revocation of the Manitoba Cease Trade Order and the BC Cease Trade Order.

9. The Cease Trade Order, the Manitoba Cease Trade Order and the BC Cease Trade Order (collectively, the "**Cease Trade Orders**") were issued as a result of the failure of the Applicant to file its annual information form, audited annual financial statements and the related management's discussion and analysis ("**MD&A**"), each for the year ended June 30, 2010, and the certification of the foregoing filings as required by National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* ("**52-109 certificates**", and collectively, the "**2010 Annual Filings**"), by September 28, 2010. The Applicant filed the 2010 Annual Filings on SEDAR on October 29, 2010.

10. The MCTO was issued as a result of the failure of the Applicant to file its annual information form, audited annual financial statements and related MD&A, each for the year ended June 30, 2009 (collectively, the "**2009 Annual Filings**"), by September 28, 2009. Although the Applicant filed the 2009 Annual Filings on the dates noted in paragraph 13 below, the MCTO remained in effect after the last date of the 2009 Annual Filings because the Applicant had failed to file other documents required by applicable securities legislation, including the Minutes of Settlement.

11. The Applicant is not in default of any requirements of the Cease Trade Orders or applicable securities legislation in any jurisdiction, except for the failure to file the Minutes of Settlement.

12. The Applicant's SEDAR and SEDI profiles are up-to-date.

13. Before being in default of applicable securities legislation as a result of failing to file the 2010 Annual Filings and the Minutes of Settlement, the Applicant had also been in default during extended periods in 2009 and 2010 as a result of failing to file financial statements and other continuous disclosure documents on time. In particular, the Applicant failed to file:

(a) interim financial statements (and related MD&A and 52-109 certificates) for the interim period ended December 31, 2008 (which were due on February 16, 2009) until August 19, 2009;

(b) interim financial statements (and related MD&A and 52-109 certificates) for the interim period ended March 31, 2009 (which were due on May 15, 2009) until September 16, 2009;

(c) annual financial statements (and related MD&A and 52-109 certificates) for the year ended June 30, 2009 (which were due on September 28, 2009) until December 16, 2009;

(d) annual information form for the year ended June 30, 2009 (which was due on September 28, 2009) until April 30, 2010;

(e) interim financial statements (and related MD&A and 52-109 certificates) for the interim period ended September 30, 2009 (which were due on November 16, 2009) until February 5, 2010;

(f) interim financial statements (and related MD&A and 52-109 certificates) for the interim period ended December 31, 2009 (which were due on February 16, 2010) until March 29, 2010; and

(g) interim financial statements (and related MD&A and 52-109 certificates) for the interim period ended March 31, 2010 (which were due on May 17, 2010) until June 24, 2010.

14. As a result of the above defaults, officers of the Applicant have been subject to MCTOs during the periods of default.

15. On March 19, 2010, the Applicant completed the sale of substantially all of its assets, as a result of which the Applicant's operations are significantly reduced, which will, in turn, significantly simplify the Applicant's financial statements and related continuous disclosure reporting obligations. The Applicant is in the process of rationalizing its corporate organizational structure by winding up or dissolving certain of its subsidiaries that no longer hold assets or are no longer relevant to the Applicant's business.

16. The Applicant has also taken specific measures to ensure that no further defaults occur and that, on a going-forward basis, the Applicant will file its financial statements and other continuous disclosure documents on time. For example, the Applicant has retained the services of accounting services providers in Canada and Colombia in order to improve its books, records and financial reporting procedures. The Applicant's interim chief executive officer has reviewed the

Applicant's disclosure controls and procedures and internal control over financial reporting and is in the process of upgrading those controls and procedures.

17. In addition, on a going-forward basis, the Applicant will benefit from the lengthier time periods afforded to venture issuers and, accordingly, does not foresee any difficulty in meeting its continuous disclosure obligations.

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

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

IT IS ORDERED, pursuant to section 144 of the Act, that the Cease Trade Order and the MCTO be and are hereby revoked.

DATED this 15th day of November, 2010.

"Jo-Anne Matear"
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 BMO Nesbitt Burns Inc.

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

AND

IN THE MATTER OF
BMO NESBITT BURNS INC.

SETTLEMENT AGREEMENT

PART I – INTRODUCTION

1. The Ontario Securities Commission (the "Commission") will issue a Notice of Hearing to announce that it will hold a hearing to consider whether, pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), it is in the public interest for the Commission to make certain orders in respect of BMO Nesbitt Burns Inc. ("BMONB").

PART II – JOINT SETTLEMENT RECOMMENDATION

2. Staff of the Commission ("Staff") agree to recommend settlement of the proceeding commenced by Notice of Hearing dated November 8, 2010 (the "Proceeding") against BMONB according to the terms and conditions set out in Part VI of this Settlement Agreement. BMONB agrees to the making of an order in the form attached as Schedule "A", based on the facts set out below.

PART III – AGREED FACTS

3. BMONB agrees with the facts and conclusions set out in this agreement solely for the purpose of this proceeding. BMONB expressly denies that the terms of this agreement are intended to be an admission of liability, misconduct or wrongdoing by it in any other context to any person, company or other entity.

I. Background

4. FMF Capital Group Ltd. ("FMF") was a company incorporated under the laws of the Province of Ontario on October 20, 2004 with its head office in Toronto, Ontario. On or about March 24, 2005, FMF became a reporting issuer in Ontario and in other Canadian provinces and territories by way of an initial public offering (the "IPO") and a prospectus dated March 16, 2005 (the "FMF Prospectus").

5. FMF Capital LLC ("FMF Capital") is a limited liability company incorporated under the laws of the State of Delaware in the United States on November 4, 2004. FMF Capital was FMF's operating subsidiary and was the successor business to Michigan Fidelity Acceptance Corporation ("MFC"). At the time of the IPO, MFAC, and subsequently FMF Capital, carried on business as a wholesale subprime residential mortgage lender entirely in the United States. Their head office was situated in Southfield, Michigan.

6. BMONB is registered with the Commission as an Investment Dealer and is a member of the Investment Industry Regulatory Organization of Canada. BMONB carries on the business of investment and corporate banking, operating under the name BMO Capital Markets. BMONB was the lead underwriter for the IPO.

7. FMF Capital was a wholesale subprime lender which originated subprime mortgage loans using a network of independent mortgage brokers. Loans were funded by FMF Capital using two secured warehouse lines. FMF Capital then sold all of its mortgage loans to institutional loan purchasers within an average of 35 days of funding.

8. Subprime mortgage lending involves providing higher risk loans to borrowers with one or more of: (i) impaired or limited credit histories with Fair Isaac Corporation "FICO" scores below 660; (ii) higher levels of consumer debt; (iii) limited

employment histories; and/or (iv) higher debt-to-income ratios. In addition, subprime mortgage loans usually have a higher loan-to-value ratio than prime mortgage loans.

9. In 2005, the US subprime residential mortgage lending market was an established market in which more than 150 lenders participated, including some of the largest financial institutions in the United States. The subprime mortgage market had been the fastest growing segment of the US residential mortgage lending industry, increasing to USD$530 billion in subprime mortgage loan originations in 2004.

II. FMF's Offering

10. BMONB marketed the FMF IPO in March 2005 at a yield range of 10% to 11%.

11. Pursuant to the FMF Prospectus, FMF issued 19,750,000 income participating securities (IPS) units at a price of $10.00 per IPS for gross proceeds of $197.5 million. Each IPS unit represented one common share and $6.524 principal amount of 14.5% subordinated notes (the "Subordinated Notes") of FMF for a blended yield of 11%.

12. On or about March 16, 2005, BMONB signed a certificate stating that to the best of its knowledge the FMF Prospectus constituted full, true and plain disclosure of all material facts relating to FMF's IPS units.

13. Fees paid to the underwriters totalled approximately $11.3 million. Approximately $4.41 million was paid to BMONB and the remaining fees were split among the participating underwriters. A further $659,895.03 was paid to BMONB on the sale of the subordinated notes.

14. FMF's IPS units never traded at or above their IPO price of $10.00 per IPS and started a downward decline in unit price almost immediately after being listed on the Toronto Stock Exchange ("TSX").

III. Conduct Inconsistent With Reasonable Underwriting Practices

15. Staff and BMONB agree that underwriters should perform reasonable due diligence, the nature of which will differ depending on the circumstances. In particular, especially thorough due diligence is expected in circumstances in which: (i) the issuer is undertaking an initial public offering; (ii) the issuer has undergone recent significant growth or a significant change in business in the recent past (eg. 24 months); (iii) the issuer is a new client for the underwriter and no previous due diligence has been performed on the issuer; or (iv) the issuer has not previously raised capital in Canada.

16. In the course of its underwriting of FMF, BMONB at times conducted due diligence in a manner that did not comply with reasonable underwriting practices. Such lapses were inconsistent with the Act's goal of fostering confidence in the capital markets.

17. If BMONB had followed reasonable practices for underwriting due diligence in all respects, BMONB and its agents would have completed additional due diligence prior to BMONB signing a certificate stating that to the best of its knowledge the FMF Prospectus constituted full, true and plain disclosure of all material facts related to the IPS units. The details are described below. In summary, BMONB and its agents should have:

(a) followed up on the declining premiums and declining gain on sale margins experienced by FMF Capital and its competitors;

(b) conducted further testing of the distributable cash flow model prepared by FMF;

(c) discussed the results of the regulatory due diligence memorandum with the participating underwriters;

(d) ensured that the FMF Capital loan files reviewed by BMONB's agents were not selected solely by FMF Capital; and

(e) contacted institutional loan purchasers who purchased loans from FMF Capital.

(a) Declining Gain on Sale Margins

18. FMF Capital earned 80% to 90% of its income from the gain on sale premium earned from the sale of pools of loans to institutional investors. The net gain on sale represented the amount by which the premiums earned on sales exceeded the direct costs of originating the loans.

19. In the course of its due diligence, BMONB and FMF discussed that FMF Capital's margin on sales of loans was decreasing as FMF Capital's sub-prime mortgage originations grew.

20. BMONB requested: (i) detailed historical information on net income, EBITDA and total revenue margins; and (ii) historical premiums earned on a monthly, quarterly and yearly basis over the last 3 years. This information does not appear to have been received by BMONB prior to the FMF Prospectus being filed with the Commission on March 16, 2005.

21. In the course of its due diligence, BMONB should have: (i) obtained the requested historical financial information; and (ii) analyzed the declining gain on sale margins on a per loan basis experienced by FMF Capital and its competitors in the months leading up to the IPO in order to properly assess the materiality of this information.

(b) Distributable Cash Flow Model

22. FMF prepared a distributable cash flow model to assess whether FMF Capital's projected cash flows over a 12 year period were sufficient to pay distributions on the IPS units and interest on the Subordinated Notes and to repay the remaining debt at the end of the 12 year term of the Subordinated Notes.

23. In the course of its due diligence, BMONB should have obtained a final and complete version of the distributable cash flow model which included missing historical financial information that was requested and should have conducted further testing of the two versions of the model received from FMF.

(c) Due Diligence Memorandum

24. On or about November 23, 2004, BMONB retained Buckley Kolar LLP ("BK"), a Washington, D.C. law firm, as U.S. regulatory counsel to act as its agent in connection with the IPO. BMONB retained BK for its expertise and experience in conducting regulatory due diligence in the United States relating to loan files, compliance and other regulatory matters at FMF Capital.

25. On February 22, 2005, BK delivered its final due diligence memorandum dated February 15, 2005 (the "BK Memorandum") to BMONB and BMONB's Canadian counsel. The BK Memorandum concluded, in part, based on BK's regulatory due diligence that: (i) FMF Capital's compliance with federal and state law appears inconsistent; (ii) FMF Capital's compliance procedures and policies require significant development and standardization; and (iii) FMF Capital's compliance with state law appears to be slightly below average and state compliance controls are weak.

26. BK reviewed and revised portions of four drafts of the FMF Prospectus. Specifically, BK was asked to comment on the industry section of the FMF Prospectus and the disclosure of the risks associated with non-compliance with state and federal laws. FMF retained its own regulatory counsel.

27. Following the provision of BK's draft report, BK specifically advised BMONB that there was no reason not to file the preliminary prospectus. FMF represented to BMONB that improvements including automation of systems were planned and expected.

28. FMF Capital's compliance weaknesses referred to in the BK Memorandum were not specifically disclosed in the FMF Prospectus and BMONB did not raise the BK Memorandum with the participating underwriters for discussion. BMONB agrees that the BK Memorandum ought to have been discussed with the participating underwriters in order to fully assess the materiality of this information and to consider whether further steps were warranted.

(d) Review of Loan Files

29. As part of the BK review, FMF Capital's loan files were reviewed by BMONB's agents, BK and Clayton Services inc. ("Clayton"). However, BMONB's agents did not select the FMF Capital loan files to be reviewed and relied solely on FMF Capital to select the loan files to be reviewed.

30. In the particular circumstances of the BK review, the loan files to be reviewed by BK or Clayton should not have been selected solely by FMF Capital. BMONB accepts it had the ultimate responsibility for the manner in which its agents conducted the review.

(e) Institutional Loan Purchasers

31. FMF Capital sold approximately 90% of its loans to five institutional loan purchasers in 2004.

32. BMONB obtained names of contact persons at each of these institutional loan purchasers from FMF Capital and prepared a list of questions for the institutional loan purchasers. Ultimately, BMONB did not contact or make inquiries of any of the institutional loan purchasers prior to the IPO.

33. In the course of its due diligence, BMONB should have contacted and made inquiries of the institutional loan purchasers prior to the IPO.

PART IV – CONDUCT CONTRARY TO THE PUBLIC INTEREST

34. By engaging in the conduct described above, BMONB has acted in a manner contrary to the public interest.

PART V – BMONB's POSITION

35. BMONB proceeded with the FMF Offering in good faith but nonetheless accepts that some aspects of its conduct were not consistent with reasonable underwriting practices.

36. The FMF Prospectus however, was FMF's as issuer. FMF certified that the FMF Prospectus constituted full, true and plain disclosure of all material facts. BMONB relied on FMF in the course of its due diligence and preparation of the FMF Prospectus. FMF's ultimate decision to wind-up in March 2007 was the result of many factors including the decline of the subprime lending industry.

37. BMONB co-operated fully throughout Staff's investigation.

38. During the course of the Staff's investigation, BMONB waived privilege over its solicitors' files relating to FMF offering, including the BK file and co-operated with Staff with respect to obtaining information and documents from BK.

39. BMONB participated in the settlement of three class action lawsuits related to the FMF Offering. BMONB contributed $1.75 million to the settlement of these class actions.

40. BMONB, at its own initiative, carried out a review of its underwriting practices and procedures and implemented revised and updated policies and procedures. The procedures include internal reviews by senior members of BMONB not directly involved in the due diligence process and are conducted at certain key stages of the underwriting. In addition, BMONB conducted training for staff regarding due diligence requirements and procedures.

41. These revised policies and procedures have been in place at BMONB for over two years and resulted from a comprehensive review conducted with both internal and external resources. The review was designed to ensure that BMONB's underwriting practices and procedures reflect current industry practice. These practices and procedures are subject to periodic continuing review in order to maintain their currency.

PART VI – TERMS OF SETTLEMENT

42. BMONB agrees to the terms of settlement listed below.

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

    (a) the settlement agreement is approved;

    (b) BMONB be reprimanded;

    (c) BMONB make a payment of $3,000,000 to be allocated under s. 3.4(2)(b) of the Act to or for the benefit of third parties; and

    (d) BMONB pay $300,000 as a contribution towards the costs of Staff's investigation.

PART VII – STAFF COMMITMENT

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

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

PART VIII – PROCEDURE FOR APPROVAL OF SETTLEMENT

46. The parties will seek approval of this Settlement Agreement at a public hearing before the Commission scheduled for November 10, 2010, or on another date agreed to by Staff and BMONB, according to the procedures set out in this Settlement Agreement and the Commission's Rules of Practice.

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

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

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

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

PART IX – DISCLOSURE OF SETTLEMENT AGREEMENT

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

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

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

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

PART X – EXECUTION OF SETTLEMENT AGREEMENT

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

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

Dated this 8th day of November, 2010.

"Peter Meyers"
BMO NESBITT BURNS INC.

"Michael Petrocco"
Witness

"Tom Atkinson"
Director, Enforcement Branch

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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
Breaking Point Developments Inc.	05 Nov 10	17 Nov 10	17 Nov 10	
Eleven Evergreen Limited Partnership	11 Nov 10	23 Nov 10		
Mahalo Energy Ltd.	29 June 10	12 Jul 10	12 Jul 10	12 Nov 10
Coalcorp Mining Inc.	29 Sept 10	12 Oct 10	12 Oct 10	15 Nov 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

THERE ARE NO ITEMS FOR THIS WEEK.

4.2.2 Outstanding Management & Insider Cease Trading Orders

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

THERE ARE NO ITEMS FOR THIS WEEK.

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Chapter 6

Request for Comments

6.1.1 Notice and Request for Comment – Proposed Amendments to Form 51-102F6 *Statement of Executive Compensation* and Consequential Amendments

NOTICE AND REQUEST FOR COMMENT

PROPOSED AMENDMENTS TO FORM 51-102F6
STATEMENT OF EXECUTIVE COMPENSATION

AND

CONSEQUENTIAL AMENDMENTS

Introduction

We, the Canadian Securities Administrators (**CSA**), are seeking comments on proposals to improve the disclosure shareholders receive regarding executive compensation and corporate governance contained in Form 51-102F6 *Statement of Executive Compensation (in respect of financial years ending on or after December 31, 2008)* (**Form 51-102F6** or the **Amended Form**).

We are also publishing for comment related consequential amendments (the **Consequential Amendments**) to the following:

- National Instrument 51-102 *Continuous Disclosure Obligations* (**NI 51-102**),
- Form 58-101F1 *Corporate Governance Disclosure* (**Form 58-101F1**), and
- Form 58-101F2 *Corporate Governance Disclosure (Venture Issuers)* (**Form 58-101F2**) of National Instrument 58-101 *Disclosure of Corporate Governance Practices* (**NI 58-101**).

(together with Form 51-102F6, the **Proposed Amendments**).

The Proposed Amendments have been prepared on the assumption that amendments made recently to Form 51-102F6 relating to the upcoming changeover to International Financial Reporting Standards (**IFRS**) have the force of law in all provinces and territories of Canada. These IFRS amendments, which were published by the CSA on October 1, 2010, come into force on January 1, 2011 subject to ministerial approval requirements in British Columbia, Ontario, Quebec, New Brunswick and Nova Scotia.

In Alberta, the consequential amendments to NI 58-101 described in this CSA Notice are subject to the approval of the Minister of Finance and Enterprise. Provided the necessary approval is obtained, these amendments are expected to come into force on October 31, 2011.

We think the effect of the Proposed Amendments we are recommending, which range from drafting changes to clarify existing disclosure requirements to new substantive requirements, would enhance the quality of information provided to investors and assist companies in fulfilling their executive compensation disclosure obligations.

The Proposed Amendments are set out in the following appendices to this Notice:

- Appendix A Amendments to Form 51-102F6 and Consequential Amendments

  Schedule A-1 Amendment Instrument for Form 51-102F6
  Schedule A-2 Amendment Instrument for NI 51-102
  Schedule A-3 Amendment Instrument for Form 58-101F1
  Schedule A-4 Amendment Instrument for Form 58-101F2

- Appendix B Blackline of Form 51-102F6
- Appendix C Local amendments or local information

We invite comment on the Proposed Amendments generally. In addition, we have included specific questions for your consideration. The comment period will end on **February 17, 2011**.

Substance and Purpose of the Proposed Amendments

On September 18, 2008, we announced the adoption of Form 51-102F6, which became effective across all CSA jurisdiction on December 31, 2008. Form 51-102F6 replaced the previous version of Form 51-102F6 (in respect of financial years ending before December 31, 2008) (the **Old Form**). In adopting Form 51-102F6, the CSA's stated intention was to create a document that would continue to provide a suitable framework for disclosure as compensation practices change over time.

On November 20, 2009, CSA Staff Notice 51-331 *Report on Staff's Review of Executive Compensation Disclosure* (the **Staff Notice**) was issued and reported the findings of a targeted compliance review of executive compensation disclosure. 70 reporting issuers were selected for this review. Staff of the British Columbia Securities Commission, the Alberta Securities Commission, the Ontario Securities Commission and the Autorité des marchés financiers participated in the targeted compliance reviews.

The focus of the reviews was to:

(i) assess compliance with Form 51-102F6,

(ii) use the review results to educate companies about the new requirements, and

(iii) identify any requirements that need clarification or further explanation to assist companies in fulfilling their disclosure obligations.

We asked most of the companies reviewed to improve their disclosure in future filings in respect of the disclosure issues that were identified in the targeted reviews and discussed in the Staff Notice.

In addition, we have seen a number of recent international developments in the area of executive compensation. In particular, on December 16, 2009, the Securities and Exchange Commission (**SEC**) adopted rules amending compensation and corporate governance disclosure requirements for U.S. companies in the 2010 proxy season (the **2010 SEC Amendments**). Under the 2010 SEC Amendments, companies are required to provide additional compensation-related disclosures about conducting a risk analysis, grant date fair value of equity-based awards and services provided by compensation advisors.

More recently, on July 15, 2010, the United States Congress passed a final version of the *Dodd-Frank Wall Street Reform and Consumer Protection Act* (the **Dodd-Frank Act**). The Dodd-Frank Act was signed into law on July 21, 2010 and will affect the 2011 proxy disclosures. The Dodd-Frank Act includes a number of provisions aimed at greater shareholder and regulatory oversight of executive compensation and includes provisions that will affect corporate governance practices at many public companies. The impact of many of the changes to the rules and regulations applicable to U.S. public companies will not be known until the SEC adopts new regulations on the matters required by the Dodd-Frank Act.

We have reviewed the issues discussed in the Staff Notice and the amendments in the 2010 SEC Amendments and the Dodd-Frank Act that we think are also relevant to Canadian reporting issuers. As a result, we are recommending amendments to Form 51-102F6 to improve the information companies provide investors about key risks, governance and compensation matters. We think the Proposed Amendments will help investors make more informed voting and investment decisions.

Summary of Substantive Proposed Changes to Form 51-102F6

The Proposed Amendments include drafting changes to clarify certain existing disclosure requirements and new substantive requirements. This section describes only the substantive changes in the Proposed Amendments. It is not a complete list of all the changes.

A. ITEM 2 – Compensation Discussion and Analysis (CD&A)

1. Serious prejudice exemption in relation to the disclosure of performance goals or similar conditions

Subsection 2.1(4) provides an exemption from the requirement to disclose specific performance goals or similar conditions on the basis that disclosure would "seriously prejudice the interests of the company". Our reviews have shown that it is difficult to recognize in the CD&A when the company is relying on this exemption.

We propose to amend subsection 2.1(4) to require the company to explicitly state that it is relying on the exemption and explain why disclosing the relevant performance goals or similar conditions would seriously prejudice the company's interests.

2. Risk management in relation to the company's compensation policies and practices

The 2010 SEC Amendments require disclosures in proxy and information statements about the company's compensation policies and practices for all employees if the compensation policies and practices create risks that are reasonably likely to have a material adverse effect on the company. These amendments were made in response to concerns that, at some companies, compensation policies have become disconnected from long-term company performance and create incentives that influence behaviour inconsistent with the overall interests of the company. One of the many contributing factors cited as a basis for the recent problems in the financial markets is that, at a number of large financial institutions, the short-term incentives created by their compensation policies were misaligned with their long-term objectives.

We propose to amend the CD&A requirements to broaden their scope to include a new provision that will require companies to disclose whether the board of directors considered the implications of the risks associated with the company's compensation policies and practices.

If the company has completed a risk analysis, the proposed subsection 2.1(5) would require a company to discuss and analyze its broader compensation policies and overall actual compensation practices for executive officers and at a business unit of the company, if risks arising from those compensation policies or practices are reasonably likely to have a material effect on the company. More specifically, a company would be required to disclose: (i) the nature and extent of the board's role in the risk oversight of compensation policies and practices; (ii) any practices used to identify and mitigate compensation policies and practices that could potentially encourage a named executive officer (NEO) or individual at a principal business unit or division to take inappropriate or excessive risks; and (iii) the identified risks arising from the policies and practices that are reasonably likely to have a material adverse effect on the company.

The disclosure required under this amendment will vary depending on the company and its particular compensation policies and practices. We have added commentary to illustrate situations where an executive officer or a business unit of the company could potentially be encouraged to take inappropriate or excessive risks.

Question:

In addition to any general comments, please consider the following questions:

1. Would expanding the scope of the CD&A to require disclosure concerning a company's compensation policies and practices as it relates to risk provide meaningful disclosures to investors?

2. Is the commentary of the issues that a company may consider to discuss and analyze sufficient?

3. Are there certain risks that are more clearly aligned with compensation practices the disclosure of which would be material to investors?

4. Are there any other specific items we should list as possibly material information?

3. Disclosure Regarding Executive Officer and Director Hedging

We propose to broaden the CD&A requirements to include a provision (subsection 2.1(6)) requiring the company to disclose whether any named executive officer (NEO) or director is permitted to purchase financial instruments (such as prepaid variable forward contracts, equity swaps, collars, or units of exchange funds) that are designed to hedge or offset a decrease in the market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

Although investors can generate reports of securities transactions by reporting insiders, including NEOs and directors, from the System for Electronic Disclosure by Insiders (**SEDI**), we think investors will benefit from companies specifically disclosing their compensation policies and practices on this issue.

4. Disclosure of fees paid to compensation advisors

In response to the perception that there may be a conflict of interest when compensation consultants work on projects both for the company and its board of directors, the 2010 SEC Amendments introduced new rules requiring disclosure of the fees paid to compensation consultants and their affiliates in certain circumstances. This amendment was proposed in response to critics who contend that compensation advisors may be influenced in recommending executive compensation packages and policies in situations where the compensation advisor is providing additional services to the company, such as human resource, actuarial or benefit administration services.

We propose a similar amendment to expand our current requirements to disclose information about compensation advisors retained by the company, including a description of the advisor's mandate and any other work performed for the company, by including a requirement to provide a breakdown of all fees paid to compensation advisors for each service provided. The amendment proposed would be consistent with the disclosure currently required in National Instrument 52-110 *Audit Committees* for audit-related, tax and other fees.

Since the current disclosure requirements related to compensation advisors are found in National Instrument 58-101 *Corporate Governance Disclosure*, we also propose to include a new section 2.4 entitled "Compensation Governance", which would include these requirements and incorporate the other requirements found in NI 58-101 to describe the process by which the board of directors determines compensation for the company's directors and officers.

Question:

In addition to any general comments, please consider the following question:

5. The proposed disclosure requirement calls for disclosure of all fees paid to compensation advisors for each service provided. Should we impose a materiality threshold in disclosing the fees paid to compensation advisors based on a certain dollar amount?

B. ITEM 3 – Summary Compensation Table (SCT)

1. SCT Format

Subsection 1.3(2) permits companies to add tables, columns, and other information, if necessary, to satisfy the objective of executive compensation disclosure in section 1.1. Our reviews have shown that some companies relied on this subsection to present the SCT in a format different than that required by subsection 3.1(1).

We propose to amend subsection 1.3(2) to clarify that a company may not alter the presentation of the SCT by adding columns or other information. We have included a commentary to clarify that companies may choose to add another table and other information, so long as the additional information does not detract from the SCT prescribed in subsection 3.1(1).

2. Reconciliation to "accounting fair value"

For share-based and option-based awards reported in the SCT, subsection 3.1(5) requires companies to reconcile any difference between the grant date fair value reported in the SCT and the accounting fair value of share-based and option-based awards. Under this requirement, companies must both state and explain the difference and include a description of the methodology used to calculate the grant date fair value, a description of the key assumptions and estimates used for each calculation, and an explanation of why the company chose that methodology. Our reviews showed that companies did not always satisfy this requirement.

In addition, we received comments from investors in the course of our reviews that they currently refer to the company's financial statements to understand the key assumptions and estimates used to calculate the accounting fair value reported in the company's SCT and in its financial statements. We think it would be useful to also disclose this information in a footnote to the SCT.

We propose to amend subsection 3.1(5) to require all companies to disclose the methodology used to calculate grant date fair value of all equity-based awards, including key assumptions and estimates used for each calculation and why the company chose that methodology, regardless of whether there are any differences with the accounting fair value.

C. ITEM 5 – Pension Plan Benefits

1. Non-compensatory amount for defined contribution pension plans

*(i) Personal registered retirement savings plan (**RRSP**)*

Subsection 5.2(3) requires disclosure of non-compensatory amounts of all defined contribution pension plans, including employee contributions and regular investment earnings on employer and employee contributions. We have had several inquiries as to whether companies are required to disclose non-compensatory amounts in situations where an NEO is contributing to a personal RRSP.

We propose an amendment to clarify that any company contribution made on behalf of the NEO that is not reported in the defined contribution plan table under section 5.2 should be reported in column (h) (all other compensation) of the SCT, in accordance with paragraph 3.1(10)(i).

(ii) Tabular disclosure of non-compensatory amounts

When we first published for comment the proposed repeal and substitution of the Old Form on March 29, 2007 (the **2007 Proposal**), we received submissions questioning the different disclosure requirements for defined benefit plans (**DB Plans**) and defined contribution plans (**DC Plans**).

The 2007 Proposal did not require the tabular disclosure of DC Plans. Instead, we proposed that companies explain, in narrative form, the material terms of any DC Plans, which made it somewhat more difficult to compare pension offerings among companies. To answer these comments, we modified our proposal to require the tabular format for DC Plans, similar to that proposed for DB Plans. The change was intended to provide complete and consistent disclosure of pension obligations and provide a better basis to compare across issuers.

Since Form 51-102F6 came into force, we received several inquiries questioning the relevance of the requirement in subsection 5.2(3) requiring companies to disclose in the table the non-compensatory amount, including employee contributions and regular investment earnings on employer and employee contributions, for DC Plans.

In addition to the amendment proposed above, we are contemplating the relative benefit of retaining column (d) of the DC Plans table currently required by section 5.2. Accordingly, we are requesting comment from market participants on whether there is value in requiring disclosure of non-compensatory amounts for DC Plans. Depending on the comments received, the final amendments to Form 51-102F6 may include an amendment to the requirements in section 5.2 that would remove column (d) of the DC Plans table.

Questions:

In addition to any general comments, please consider the following questions:

6. Does the disclosure of the non-compensatory amounts for defined contribution plans that an NEO may elect to make with funds received from their salary (currently required by subsection 5.2(3)) provide appropriate and relevant information for an investor?

7. If we removed column (d) of section 5.2, which would limit the disclosure to the compensatory amounts such as employer contributions and above-market or preferential earnings credited on employer and employee contributions, would this provide adequate transparency of a company's pension obligations to its NEOs?

D. Consequential Amendments

We are making consequential amendments to Form 58-101F1 and Form 58-101F2 to clarify that companies may incorporate disclosure regarding compensation practices by reference to the information required to be included under proposed section 2.4 entitled "Compensation Governance" described above.

In addition, we are making consequential amendments to section 9.3.1 and section 11.6 of NI 51-102 to clarify the drafting amendments made to section 1.1 of the Amended Form.

E. Transition

We intend the Proposed Amendments to be in effect for the 2012 proxy season and will require companies to comply with the Proposed Amendments for financial years ending on or after October 31, 2011. Given the length of our comment process, we feel companies will have enough time to consider these changes and prepare for the additional disclosures that will result from the Proposed Amendments.

F. Other Issues

1. Amount realized upon exercise of equity awards

The Old Form included a requirement to disclose the aggregate dollar value realized upon the exercise of options or stock appreciation rights.

Under the new requirements of Form 51-102F6 adopted in 2008, companies are required to disclose specific information about equity-based and non-equity awards in two new tables. The table required under subsection 4.1(1) requires companies to disclose information about all outstanding share-based and option-based awards. The purpose of this table is to give readers information about the position of outstanding equity-based awards (both in and out-of-the-money). The table required under subsection 4.2(1) shows any amounts an NEO realized during the most recently completed financial year from the vesting of equity-based awards if the equity-based award had been exercised on the vesting date. We think this information provides readers with a clear picture of what has happened to an award after it was disclosed in the SCT.

Form 51-102F6 focuses on the fair value of equity-based awards at the time the board of directors decided to grant the award, rather than the value the executive officer realized when they exercised the option. We continue to think that the executive compensation disclosure rules are focused on the board's compensation-based decisions, rather than the executive officer's investment decisions. We also think that the information to calculate gains on the exercise or sale of equity-based awards is available on SEDI and can be calculated for individual NEOs. In light of this, we do not intend to reintroduce this requirement at this time.

Local Notices

Certain jurisdictions will publish other information required by local securities legislation in Appendix C to this Notice.

Request for Comments

We would like your input on the Proposed Amendments. We need to continue our open dialogue with all stakeholders if we are to achieve our regulatory objectives while balancing the interest of investors and market participants. To allow for sufficient review, we are providing you with 90 days to comment.

Please provide your comments by **February 17, 2011**.

All comments will be posted on the Ontario Securities Commission website at www.osc.gov.on.ca

Thank you in advance for your comments.

All comments will be made publicly available

Please note that we cannot keep submissions confidential because securities legislation in certain provinces requires that we publish a summary of the written comments received during the comment period. In this context, you should be aware that some information which is personal to you, such as your e-mail and residential or business address, may appear in the websites. It is important that you state on whose behalf you are making the submission.

How to Provide Your Comments

Please address your comments to all the CSA member commissions, as follows:

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Financial Services Commission – Securities Division
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
New Brunswick Securities Commission
Registrar of Securities, Prince Edward Island
Nova Scotia Securities Commission
Securities Commission of Newfoundland and Labrador
Registrar of Securities, Government of Yukon
Registrar of Securities, Department of Justice, Government of the Northwest Territories
Registrar of Securities, Legal Registries Division, Department of Justice, Government of Nunavut

You do not need to deliver your comments to all CSA members. Please deliver your comments **only** to the following addresses. Your comments will be forwarded to the remaining CSA member jurisdictions.

John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West
Suite 1900, Box 55
Toronto, Ontario M5H 3S8
Fax: (416) 593-2318
E-mail: jstevenson@osc.gov.on.ca

Anne-Marie Beaudoin, Corporate Secretary
Autorité des marchés financiers
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800, square Victoria
C.P. 246, 22e étage
Montréal, Québec, H4Z 1G3
Fax: (514) 864-6381
E-mail: consultation-en-cours@lautorite.qc.ca

If you are not sending your comments by e-mail, please send your comments in Word, Windows format.

Questions

Please refer your questions to any of,

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November 19, 2010

APPENDIX A

Proposed Amendments to
Form 51-102F6
Statement of Executive Compensation
(in respect of financial years ending on or after December 31, 2008)
and Consequential Amendments

Schedule A-1

Amendment Instrument for
Form 51-102F6 *Statement of Executive Compensation*
(in respect of financial years ending on or after December 31, 2008)

Although this amendment instrument amends section headers in Form 51-102F6, section headers do not form part of the instrument and are inserted for ease of reference only.

1. Form 51-102F6 Statement of Executive Compensation (in respect of financial years ending on or after December 31, 2008) is amended by this instrument.

2. Section 1.1 of Form 51-102F6 is amended by

(a) deleting **"**the board of directors intended**",**

(b) replacing **"**to pay, make payable, award, grant, give or otherwise provide**" *with* "**paid, made payable, awarded, granted, gave or otherwise provided**",**

(c) adding **"**and the decision-making process relating to compensation**" after "**financial year**", and**

(d) adding **"**and subsections 9.3.1(1) or 11.6(1) of the Instrument.**" *after* "**objective.**".**

3. Section 1.2 of Form 51-102F6 is amended by

(a) in the definition of **"**NEO or named executive officer**",**

(i) adding **"**of the company, including any of its subsidiaries**" *after* "**executive officers**", and**

(ii) adding **"**or its subsidiaries**" *after* "**company**".**

4. Section 1.3 of Form 51-102F6 is amended by

(a) in subsection (1), adding **"**and for services to be provided**" *after* "**services provided**",**

(b) in subsection (2),

(i) replacing paragraphs (a) and (b) with the following:

(a) Although the required disclosure must be made in accordance with this form, the disclosure may

(i) omit a table, column of a table, or other prescribed information, if it does not apply, and

(ii) add tables, columns, and other information, if necessary to satisfy the objective in section 1.1.

(ii) adding the following after paragraph (b):

(b) Despite subsection (a), a company must not add a column in the summary compensation table in section 3.1.

Commentary

A company may add another table and other information that is related to the Company's executive compensation disclosure if that table or other information does not, to a reasonable person, detract from the prescribed information in the summary compensation table in section 3.1.

(c) in subsection (4),

(i) in paragraph (c), deleting clause (c)(i), and

(ii) in paragraph (c), replacing paragraph (c) and clause (c)(ii) with the following:

(c) If an external management company provides the company's executive management services and also provides executive management services to another company, disclose the entire compensation the external management company paid to the individual acting as an NEO or director, or acting in a similar capacity, in connection with services the external management company provided to the company, or the parent or a subsidiary of the company. If the management company allocates the compensation paid to an NEO or director, disclose the basis or methodology used to allocate this compensation.

(d) in subsection (8), replacing **"**for any part of that**"** ***with*** **"**at any time during the most recently completed**",**

(e) after subsection (8), adding the following:

(9) Currencies

Companies must report amounts required by this form in Canadian dollars or in the same currency that the company uses for its financial statements. A company must use a single currency throughout the form.

If compensation awarded to, earned by, paid to, or payable to an NEO was in a currency other than Canadian dollars, or the currency that the company uses in its financial statements, state the currency in which compensation was awarded, earned, paid, or payable, disclose the currency exchange rate and describe the methodology used to translate the compensation into Canadian dollars or the currency that the company uses in its financial statements.

(10) Plain language

Information required to be disclosed under this form must be clear, concise, and presented in such a way that it provides a reasonable person, applying reasonable effort, an understanding of,

(a) how decisions about NEO and director compensation are made; and

(b) how specific NEO and director compensation relates to the overall stewardship and governance of the company.

Commentary

Refer to the plain language principles listed in section 1.5 of Companion Policy 51-102CP Continuous Disclosure Obligations for further guidance.

5. Section 2.1 of Form 51-102F6 is amended by

(a) in subsection (4), replacing **"**Companies do not qualify for this exemption if they have publicly disclosed the performance goals or similar conditions.**"** ***with*** **"**For the purposes of this exemption, a company's interest's are not considered to be seriously prejudiced solely by disclosing performance goals or similar conditions if those goals or conditions are based on broad corporate-level financial performance metrics such as earnings per share, revenue growth, and earnings before interest, taxes, depreciation and amortization (EBITDA).

Companies do not qualify for this exemption if they have publicly disclosed the performance goals or similar conditions. If the company is relying on this exemption, state this fact and explain why disclosing these performance goals or similar conditions would seriously prejudice the company's interests.**",**

(b) after subsection (4) adding the following:

(5) Disclose whether or not the board of directors considered the implications of the risks associated with the company's compensation policies and practices. If so, disclose:

(a) the extent and nature of the board of directors' role in the risk oversight of the company's compensation policies and practices;

(b) any practices the company uses to identify and mitigate compensation policies and practices that could potentially encourage an NEO or individual at a principal business unit or division to take inappropriate or excessive risks; and

(c) any identified risks arising from the company's compensation policies and practices that are reasonably likely to have a material adverse effect on the company.

(c) in Commentary 3, adding **"**whether the board of directors can exercise its discretion, either to award compensation absent attainment of the relevant performance goal or similar condition or to reduce or increase the size of any award or payout, including if they exercised discretion and whether it applied to one or more named executive officers**" and "**whether the company will be making any significant changes to its compensation policies and practices in the next financial year**" *before* "**the role of executive officers in determining executive compensation**",**

(d) after Commentary 3, adding the following:

4. The following are examples of situations that could potentially encourage executive officers to take inappropriate or excessive risks that could materially increase the risks to the company:

- *compensation policies and practices at a principal business unit of the company or a subsidiary of the company that are structured significantly differently than others within the company;*
- *compensation policies and practices for certain executive officers that are structured significantly differently than other executive officers within the company;*
- *compensation policies and practices that do not include effective risk management and regulatory compliance as part of the performance metrics used in determining compensation;*
- *compensation policies and practices where the compensation expense to executive officers is a significant percentage of the company's revenue;*
- *compensation policies and practices that vary significantly from the overall compensation structure of the company*
- *compensation policies and practices where incentive plan awards are awarded upon accomplishment of a task while the risk to the company from that task extends over a significantly longer period of time; and*
- *compensation policies and practices that contain performance goals or similar conditions that are heavily weighed to short-term rather than long-term objectives.*

(6) Disclose whether or not an NEO or director is permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that is designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

6. Section 2.3 of Form 51-102F6 is amended by

(a) replacing the section header with **"**Share-based and option-based awards**",**

(b) adding **"**share-based or**" *after*** **"**grant**",**

(c) ***replacing*** **"**an**"** ***with*** **"**a share-based or**"** ***after*** **"**under which***", and***

(d) ***deleting*** **"**of option-based awards**"** ***after*** **"**previous grants***".***

7. Form 51-102F6 is amended by adding the following after section 2.3:

2.4 Compensation governance

(1) Describe any policies and practices adopted by the board of directors to determine the compensation for the company's directors and executive officers.

(2) If the company has established a compensation committee:

(a) disclose the name of each committee member and state whether or not the committee is composed entirely of independent directors;

(b) disclose whether or not one or more of the committee members has any direct experience that is relevant to his or her responsibilities in executive compensation;

(c) describe the skills and experience that enable the committee to make decisions on the suitability of the company's compensation policies and practices that are consistent with a reasonable assessment of the company's risk profile; and

(d) describe the responsibilities, powers and operation of the committee.

(3) If a compensation consultant or advisor has, at any time since the company's most recently completed financial year, been retained to assist the board of directors or the compensation committee in determining compensation for any of the company's directors or executive officers:

(a) state the name of the consultant or advisor and a summary of the mandate the consultant or advisor has been given;

(b) disclose when the consultant or advisor was originally retained; and

(c) if the consultant or advisor, or any of its affiliates, has provided any other non-executive compensation services for the company,

(i) state this fact and briefly describe the nature of the work,

(ii) disclose whether the board of directors or compensation committee must pre-approve other services the consultant or advisor, or any of its affiliates, performs for the company at the request of management, and

(d) For each of the two most recently completed financial year, disclose.

(i) under the caption "Executive Compensation-Related Fees", the aggregate fees billed by the consultant or advisor, or any of its affiliates, for services related to determining compensation for any of the company's directors and executive officers, and

(ii) under the caption "All Other Fees", the aggregate fees billed for all other services provided by the consultant or advisor, or any of its affiliates, that are not reported under subparagraph (i). Include a description of the nature of the services comprising the fees disclosed under this category.

Commentary

For section 2.4, a director is independent if he or she would be independent within the meaning of section 1.4 of NI 52-110 Audit Committees.

8. Section 3.1 of Form 51-102F6 is amended by

(a) replacing subsection (5) with the following:

For an award disclosed in column (d) or (e), in a narrative after the table,

(a) describe the methodology used to calculate the fair value of the award on the grant date, disclose the key assumptions and estimates used for each calculation, and explain why the company chose that methodology, and

(b) if the fair value of the award on the grant date is different from the fair value determined in accordance with IFRS 2 *Share-based Payment* (accounting fair value), state the amount of the difference and explain the reasons for the difference.

(b) in Commentary 2,

(i) replacing **"**board of directors intended to pay, make payable, award, grant, give or otherwise provide**"** ***with*** **"**company paid, made payable, awarded, granted, gave or otherwise provided**"*.**

(c) in Commentary 3,

(i) replacing **"**it intends to award or pay**"** ***with*** **"**to be awarded or paid**"*, and***

(ii) replacing **"**it intends to transfer**"** ***with*** **"**to be transferred**"*.***

(d) in subsection (10), adding the following after paragraph (h):

(i) any company contribution to a personal registered retirement savings plan made on behalf of the NEO.

9. Section 3.3 of Form 51-102F6 is deleted.

10. Section 4.1 of Form 51-102F6 is amended by

(a) in subsection (1), adding column **"**(h)**"** ***entitled*** **"**Market or payout value of vested share-based awards not paid out or distributed ($)**"*, and***

(b) adding the following after subsection (7)

(8) In column (h), disclose the aggregate market value or payout value of vested share-based awards that have not yet been paid out or distributed.

11. Section 5.1 of Form 51-102F6 is amended by adding the following after paragraph (4):

Commentary

For purposes of quantifying the annual lifetime benefit payable at the end of the most recently completed financial year in column (c1), the company must assume at year end that the NEO is eligible to receive payments or benefits. In this case, the company must calculate the annual lifetime benefit payable as follows:

$$\textit{annual benefits payable at the presumed retirement age used to calculate the closing present value of the defined benefit obligation} \times \frac{\textit{years of credited service at year end}}{\textit{years of credited service at the presumed retirement age}}$$

12. Section 5.2 of Form 51-102F6 is amended by replacing the Commentary with the following:

1. For pension plans that provide the maximum of: (i) the value of a defined benefit pension; and (ii) the accumulated value of a defined contribution pension, companies should disclose the global value of the pension plan in the defined benefit plans table under section 5.1.

For pension plans that provide the sum of a defined benefit component and a defined contribution component, companies should disclose the respective components of the pension plan. The defined benefit component should be disclosed in the defined benefit plans table under section 5.1 and the defined contribution component should be disclosed in the defined contribution plans table under section 5.2.

2. *Any contributions made by the company or a subsidiary of the company to a personal registered retirement savings plan on behalf of the NEO that are not reported in the defined contribution plans table under section 5.2 must be disclosed in column (h) of the summary compensation table, as required by paragraph 3.1(10)(i).*

13. Section 6.1 of Form 51-102F6 is amended by adding the following after Commentary 3:

4. *A company may disclose estimated incremental payments, payables and benefits that are triggered by, or result from, a scenario described in subsection (1), in a tabular format.*

14. This instrument only applies to documents required to be prepared, filed, delivered or sent under National Instrument 51-102 Continuous Disclosure Obligations for periods relating to financial years ending on or after October 31, 2011.

15. This instrument comes into force on October 31, 2011.

Schedule A-2

Amendment Instrument for
National Instrument 51-102 *Continuous Disclosure Obligations*

1. National Instrument 51-102 Continuous Disclosure Obligations is amended by this instrument.

2. Section 9.3.1 is amended by:

(a) in clause (1)(b)(ii),

(i) deleting **"**the board of directors intended**",**

(ii) replacing **"**to pay, make payable, award, grant, give or otherwise provide**"** ***with*** **"**paid, made payable, awarded, granted or otherwise provided***", and***

(iii) adding **"**for the financial year**"** ***after*** **"**director**".**

3. Section 11.6 is amended by:

(a) in clause (1)(b)(ii),

(i) deleting **"**the board of directors intended**",**

(ii) replacing **"**to pay, make payable, award, grant, give or otherwise provide**"** ***with*** **"**paid, made payable, awarded, granted or otherwise provided***", and***

(iii) adding **"**for the financial year**"** ***after*** **"**director**".**

4. This instrument comes into force on October 31, 2011.

Schedule A-3

Amendment Instrument for
Form 58-101F1 *Corporate Governance Disclosure*

1. Form 58-101F1 Corporate Governance Disclosure is amended by this instrument.

2. Item 7 is amended by deleting paragraph (d).

3. The Instruction is amended by replacing paragraph (3) with the following:

(3) Issuers may incorporate disclosure regarding compensation made under Item 7 of this Form by reference to the information required to be included in Form 51-102F6 Statement of Executive Compensation. Clearly identify the referenced information that is incorporated into this Form.

(4) Disclosure regarding board committees made under Item 8 of this Form may include the existence and summary content of any committee charter.

4. This instrument comes into force on October 31, 2011.

Schedule A-4

Amendment Instrument for
Form 58-101F2 *Corporate Governance Disclosure (Venture Issuers)*

1. Form 58-101F2 Corporate Governance Disclosure (Venture Issuers) is amended by this instrument.

2. The Instruction is amended by replacing paragraph (3) with the following:

(3) Issuers may incorporate disclosure regarding compensation made under Item 6 of this Form by reference to the information required to be included in Form 51-102F6 Statement of Executive Compensation. Clearly identify the referenced information that is incorporated into this Form.

(4) Disclosure regarding board committees made under Item 7 of this Form may include the existence and summary content of any committee charter.

3. This instrument comes into force on October 31, 2011.

APPENDIX B

FORM 51-102F6
STATEMENT OF EXECUTIVE COMPENSATION
(in respect of financial years ending on or after December 31, 2008)

Table of Contents

FORM 51-102F6
STATEMENT OF EXECUTIVE COMPENSATION
(in respect of financial years ending on or after December 31, 2008)

ITEM 1 – GENERAL PROVISIONS

1.1 Objective

All direct and indirect compensation provided to certain executive officers and directors for, or in connection with, services they have provided to the company or a subsidiary of the company must be disclosed in this form.

The objective of this disclosure is to communicate the compensation the ~~board of directors intended the~~ company ~~to pay~~paid, ~~make~~made payable, ~~award, grant, give~~awarded, granted, gave or otherwise ~~provide~~provided to each NEO and director for the financial year, and the decision-making process relating to compensation. This disclosure will provide insight into executive compensation as a key aspect of the overall stewardship and governance of the company and will help investors understand how decisions about executive compensation are made.

A company's executive compensation disclosure under this form must satisfy this objective and subsections 9.3.1(1) or 11.6(1) of the Instrument.

1.2 Definitions

If a term is used in this form but is not defined in this section, refer to subsection 1.1(1) of the Instrument or to National Instrument 14-101 *Definitions*.

In this form,

"CEO" means an individual who acted as chief executive officer of the company, or acted in a similar capacity, for any part of the most recently completed financial year;

"CFO" means an individual who acted as chief financial officer of the company, or acted in a similar capacity, for any part of the most recently completed financial year;

"closing market price" means the price at which the company's security was last sold, on the applicable date,

(a) in the security's principal marketplace in Canada, or

(b) if the security is not listed or quoted on a marketplace in Canada, in the security's principal marketplace;

"company" includes other types of business organizations such as partnerships, trusts and other unincorporated business entities;

"equity incentive plan" means an incentive plan, or portion of an incentive plan, under which awards are granted and that falls within the scope of IFRS 2 *Share-based Payment*;

"external management company" includes a subsidiary, affiliate or associate of the external management company;

"grant date" means a date determined for financial statement reporting purposes under IFRS 2 *Share-based Payment*;

"incentive plan" means any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period;

"incentive plan award" means compensation awarded, earned, paid, or payable under an incentive plan;

"NEO" or **"named executive officer"** means each of the following individuals:

(a) a CEO;

(b) a CFO;

(c) each of the three most highly compensated executive officers of the company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO

and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than $150,000, as determined in accordance with subsection 1.3(6), for that financial year; and

(d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company or its subsidiaries, nor acting in a similar capacity, at the end of that financial year;

"non-equity incentive plan" means an incentive plan or portion of an incentive plan that is not an equity incentive plan;

"**option-based award**" means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights, and similar instruments that have option-like features;

"plan" includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, securities, similar instruments or any other property may be received, whether for one or more persons;

"replacement grant" means an option that a reasonable person would consider to be granted in relation to a prior or potential cancellation of an option;

"repricing" means, in relation to an option, adjusting or amending the exercise or base price of the option, but excludes any adjustment or amendment that equally affects all holders of the class of securities underlying the option and occurs through the operation of a formula or mechanism in, or applicable to, the option;

"share-based award" means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, and stock.

1.3 Preparing the form

(1) All compensation to be included

(a) When completing this form, the company must disclose all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the company, or a subsidiary of the company, to each NEO and director, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given, or otherwise provided to the NEO or director for services provided and for services to be provided, directly or indirectly, to the company or a subsidiary of the company.

(b) Despite paragraph (a), in respect of the Canada Pension Plan, similar government plans, and group life, health, hospitalization, medical reimbursement and relocation plans that do not discriminate in scope, terms or operation and are generally available to all salaried employees, the company is not required to disclose as compensation

(i) any contributions or premiums paid or payable by the company on behalf of an NEO, or of a director, under these plans, and

(ii) any cash, securities, similar instruments or any other property received by an NEO, or by a director, under these plans.

(c) For greater certainty, the plans described in paragraph (b) include plans that provide for such benefits after retirement.

(d) If an item of compensation is not specifically mentioned or described in this form, it is to be disclosed in column (h) ("All other compensation") of the summary compensation table in section 3.1.

(2) Departures from format

(a) Although the required disclosure must be made in accordance with this form, the disclosure may

(ai) omit a table, column of a table, or other prescribed information, if it does not apply, and

(bii) add tables, columns, and other information, if necessary to satisfy the objective in section 1.1.

(b) Despite subsection (a), a company must not add a column in the summary compensation table in section 3.1.

Commentary

A company may add another table or information that is related to the Company's executive compensation disclosure if that table or other information does not, to a reasonable person, detract from the prescribed information in the summary compensation table in section 3.1.

(3) Information for full financial year

If an NEO acted in that capacity for the company during part of the financial year for which disclosure is required in the summary compensation table, provide details of all of the compensation that the NEO received from the company for that financial year. This includes compensation the NEO earned in any other position with the company during the financial year.

Do not annualize compensation in a table for any part of a year when an NEO was not in the service of the company. Annualized compensation may be disclosed in a footnote.

(4) External management companies

(a) If one or more individuals acting as an NEO of the company are not employees of the company, disclose the names of those individuals.

(b) If an external management company employs or retains one or more individuals acting as NEOs or directors of the company and the company has entered into an understanding, arrangement or agreement with the external management company to provide executive management services to the company directly or indirectly, disclose any compensation that:

(i) the company paid directly to an individual employed, or retained by the external management company, who is acting as an NEO or director of the company; and

(ii) the external management company paid to the individual that is attributable to the services they provided to the company directly or indirectly.

(c) If an external management company provides the company's executive management services and also provides executive management services to another company, disclose:

~~(i) the portion of the compensation paid to the individual acting as an NEO or director that the external management company attributes to services the external management company provided to the company; or (ii)~~ the entire compensation the external management company paid to the individual acting as an NEO or director in connection with services the external management company provided to the company, the parent or a subsidiary of the company. If the management company allocates the compensation paid to an NEO or director, disclose the basis or methodology used to allocate this compensation.

Commentary

An NEO may be employed by an external management company and provide services to the company under an understanding, arrangement or agreement. In this case, references in this form to the CEO or CFO are references to the individuals who performed similar functions to that of the CEO or CFO. They are generally the same individuals who signed and filed annual and interim certificates to comply with National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings.

(5) Director and NEO compensation

Disclose any compensation awarded to, earned by, paid to, or payable to each director and NEO, in any capacity with respect to the company. Compensation to directors and NEOs must include all compensation from the company and its subsidiaries.

Disclose any compensation awarded to, earned by, paid to, or payable to, an NEO, or director, in any capacity with respect to the company, by another person or company.

(6) Determining if an individual is an NEO

For the purpose of calculating total compensation awarded to, earned by, paid to, or payable to an individual under paragraph (c) of the definition of NEO,

(a) use the total compensation that would be reported under column (i) of the summary compensation table required by section 3.1 for each executive officer, as if that executive officer were an NEO for the company's most recently completed financial year, and

(b) exclude from the calculation,

(i) any compensation that would be reported under column (g) of the summary compensation table required by section 3.1,

(ii) any incremental payments, payables, and benefits to an executive officer that are triggered by, or result from, a scenario listed in section 6.1 that occurred during the most recently completed financial year, and

(iii) any cash compensation that relates to foreign assignments that is specifically intended to offset the impact of a higher cost of living in the foreign location, and is not otherwise related to the duties the executive officer performs for the company.

Commentary

The $150,000 threshold in paragraph (c) of the definition of NEO only applies when determining who is an NEO in a company's most recently completed financial year. If an individual is an NEO in the most recently completed financial year, disclosure of compensation in prior years must be provided if otherwise required by this form even if total compensation in a prior year is less than $150,000 in that year.

(7) Compensation to associates

Disclose any awards, earnings, payments, or payables to an associate of an NEO, or of a director, as a result of compensation awarded to, earned by, paid to, or payable to the NEO or the director, in any capacity with respect to the company.

(8) New reporting issuers

(a) Subject to paragraph (b) and subsection 3.1(1), disclose information in the summary compensation table for the three most recently completed financial years since the company became a reporting issuer.

(b) Do not provide information for a completed financial year if the company was not a reporting issuer ~~for any part of that~~at any time during the most recently completed financial year, unless the company became a reporting issuer as a result of a restructuring transaction.

(c) If the company was not a reporting issuer at any time during the most recently completed financial year and the company is completing the form because it is preparing a prospectus, discuss all significant elements of the compensation to be awarded to, earned by, paid to, or payable to NEOs of the company once it becomes a reporting issuer, to the extent this compensation has been determined.

Commentary

1. Unless otherwise specified, information required to be disclosed under this form may be prepared in accordance with the accounting principles the company uses to prepare its financial statements, as permitted by National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards.

2. The definition of "director" under securities legislation includes an individual who acts in a capacity similar to that of a director.

(9) Currencies

A company must report amounts required by this form in Canadian dollars or in the same currency that the company uses for its financial statements. A company must use a single currency throughout the form.

If the compensation awarded to, earned by, paid to, or payable to an NEO was in a currency other than Canadian dollars, or the currency that the company uses in its financial statements, state the currency in which compensation was awarded, earned, paid, or payable, disclose the currency exchange rate and describe the methodology used to translate the compensation into Canadian dollars or the currency that the company uses in its financial statements.

(10) Plain language

Information required to be disclosed under this form must be clear, concise, and presented in such a way that it provides a reasonable person, applying reasonable effort, an understanding of,

(a) how decisions about NEO and director compensation are made; and

(b) how specific NEO and director compensation relates to the overall stewardship and governance of the company.

Commentary

Refer to the plain language principles listed in section 1.5 of Companion Policy 51-102CP Continuous Disclosure Obligations for further guidance.

ITEM 2 – COMPENSATION DISCUSSION AND ANALYSIS

2.1 Compensation discussion and analysis

(1) Describe and explain all significant elements of compensation awarded to, earned by, paid to, or payable to NEOs for the most recently completed financial year. Include the following:

(a) the objectives of any compensation program or strategy;

(b) what the compensation program is designed to reward;

(c) each element of compensation;

(d) why the company chooses to pay each element;

(e) how the company determines the amount (and, where applicable, the formula) for each element; and

(f) how each element of compensation and the company's decisions about that element fit into the company's overall compensation objectives and affect decisions about other elements.

(2) If applicable, describe any new actions, decisions or policies that were made after the end of the most recently completed financial year that could affect a reasonable person's understanding of an NEO's compensation for the most recently completed financial year.

(3) If applicable, clearly state the benchmark and explain its components, including the companies included in the benchmark group and the selection criteria.

(4) If applicable, disclose performance goals or similar conditions that are based on objective, identifiable measures, such as the company's share price or earnings per share. If performance goals or similar conditions are subjective, the company may describe the performance goal or similar condition without providing specific measures.

The company is not required to disclose performance goals or similar conditions in respect of specific quantitative or qualitative performance-related factors if a reasonable person would consider that disclosing them would seriously prejudice the company's interests. ~~Companies do not qualify for this exemption if they have publicly disclosed the performance goals or similar conditions.~~ For the purposes of this exemption, a company's interests are not considered to be seriously prejudiced solely by disclosing performance goals or similar conditions if those goals or conditions are based on broad corporate-level financial performance metrics such as earnings per share, revenue growth, and earnings before interest, taxes, depreciation and amortization (EBITDA).

Companies do not qualify for this exemption if they have publicly disclosed the performance goals or similar conditions. If the company is relying on this exemption, state this fact and explain why disclosing these performance goals or similar conditions would seriously prejudice the company's interests.

If the company does not disclose specific performance goals or similar conditions, state what percentage of the NEO's total compensation relates to this undisclosed information and how difficult it could be for the NEO, or how likely it will be for the company, to achieve the undisclosed performance goal or similar condition.

If the company discloses performance goals or similar conditions that are non-GAAP financial measures, explain how the company calculates these performance goals or similar conditions from its financial statements.

(5) Disclose whether or not the board of directors considered the implications of the risks associated with the company's compensation policies and practices. If so, disclose:

(a) the extent and nature of the board of directors' role in the risk oversight of the company's compensation policies and practices;

(b) any practices the company uses to identify and mitigate compensation policies and practices that could potentially encourage an NEO or individual at a principal business unit or division to take inappropriate or excessive risks; and

(c) any identified risks arising from the company's compensation policies and practices that are reasonably likely to have a material adverse effect on the company.

Commentary

1. *The information disclosed under section 2.1 will depend on the facts. Provide enough analysis to allow a reasonable person, applying reasonable effort, to understand the disclosure elsewhere in this form. Describe the significant principles underlying policies and explain the decisions relating to compensation provided to an NEO. Disclosure that merely describes the process for determining compensation or compensation already awarded, earned, paid, or payable is not adequate. The information contained in this section should give readers a sense of how compensation is tied to the NEO's performance. Avoid boilerplate language.*

2. *If the company's process for determining executive compensation is very simple, for example, the company relies solely on board discussion without any formal objectives, criteria and analysis, then make this clear in the discussion.*

3. *The following are examples of items that will usually be significant elements of disclosure concerning compensation:*

   - *contractual or non-contractual arrangements, plans, process changes or any other matters that might cause the amounts disclosed for the most recently completed financial year to be misleading if used as an indicator of expected compensation levels in future periods;*
   - *the process for determining perquisites and personal benefits;*
   - *policies and decisions about the adjustment or recovery of awards, earnings, payments, or payables if the performance goal or similar condition on which they are based are restated or adjusted to reduce the award, earning, payment, or payable;*
   - *the basis for selecting events that trigger payment for any arrangement that provides for payment at, following or in connection with any termination or change of control;*
   - *whether the company used any benchmarking in determining compensation or any element of compensation;*
   - *any waiver or change to any specified performance goal or similar condition to payout for any amount, including whether the waiver or change applied to one or more specified NEOs or to all compensation subject to the performance goal or similar condition;*
   - *whether the board of directors can exercise a discretion, either to award compensation absent attainment of the relevant performance goal or similar condition or to reduce or increase the size of any award or payout, including if they exercised discretion and whether it applied to one or more named executive officers;*
   - *whether the company will be making any significant changes to its compensation policies and practices in the next financial year;*

- *the role of executive officers in determining executive compensation; and*
- *performance goals or similar conditions in respect of specific quantitative or qualitative performance-related factors for NEOs.*

4. The following are examples of situations that could encourage executive officers to take inappropriate or excessive risks that could materially increase the risks to the company:

- *compensation policies and practices at a principal business unit of the company or a subsidiary of the company that are structured significantly differently than others within the company;*
- *compensation policies and practices for certain executive officers that are structured significantly differently than other executive officers within the company;*
- *compensation policies and practices that do not include effective risk management and regulatory compliance as part of the performance metrics used in determining compensation;*
- *compensation policies and practices where the compensation expense to executive officers is a significant percentage of the company's revenues;*
- *compensation policies and practices that vary significantly from the overall compensation structure of the company;*
- *compensation policies and practices where incentive plan awards are awarded upon accomplishment of a task while the risk to the company from that task extends over a significantly longer period of time; and*
- *compensation policies and practices that contain performance goals or similar conditions that are heavily weighed to short-term rather than long-term objectives.*

(6) Disclose whether or not an NEO or director is permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that is designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

2.2 Performance graph

(a) This section does not apply to

(i) venture issuers,

(ii) companies that have distributed only debt securities or non-convertible, non-participating preferred securities to the public, and

(iii) companies that were not reporting issuers in any jurisdiction in Canada for at least 12 calendar months before the end of their most recently completed financial year, other than companies that became new reporting issuers as a result of a restructuring transaction.

(b) Provide a line graph showing the company's cumulative total shareholder return over the five most recently completed financial years. Assume that $100 was invested on the first day of the five-year period. If the company has been a reporting issuer for less than five years, use the period that the company has been a reporting issuer.

Compare this to the cumulative total return of at least one broad equity market index that, to a reasonable person, would be an appropriate reference point for the company's return. If the company is included in the S&P/TSX Composite Total Return Index, use that index. In all cases, assume that dividends are reinvested.

Discuss how the trend shown by this graph compares to the trend in the company's compensation to executive officers reported under this form over the same period.

Commentary

For section 2.2, companies may also include other relevant performance goals or similar conditions.

2.3 ~~Option~~Share-based and option-based awards

Describe the process the company uses to grant share-based or option-based awards to executive officers. Include the role of the compensation committee and executive officers in setting or amending any equity incentive plan under which ~~an~~a share-based or option-based award is granted. State whether previous grants ~~of option-based awards~~ are taken into account when considering new grants.

2.4 Compensation governance

(1) Describe any policies and practices adopted by the board of directors to determine the compensation for the company's directors and executive officers.

(2) If the company has established a compensation committee:

(a) disclose the name of each committee member and state whether or not the committee is composed entirely of independent directors;

(b) disclose whether or not one or more of the committee members has any direct experience that is relevant to his or her responsibilities in executive compensation;

(c) describe the skills and experience that enable the committee to make decisions on the suitability of the company's compensation policies and practices that are consistent with a reasonable assessment of the company's risk profile; and

(d) describe the responsibilities, powers and operation of the committee.

(3) If a compensation consultant or advisor has, at any time since the company's most recently completed financial year, been retained to assist the board of directors or the compensation committee in determining compensation for any of the company's directors or executive officers:

(a) state the name of the consultant or advisor and a summary of the mandate the consultant or advisor has been given;

(b) disclose when the consultant or advisor was originally retained; and

(c) if the consultant or advisor, or any of its affiliates, has provided any other non-executive compensation services for the company,

(i) state this fact and briefly describe the nature of the work,

(ii) disclose whether the board of directors or compensation committee must pre-approve other services the consultant or advisor, or any of its affiliates, performs for the company at the request of management, and

(d) For each of the two most recently completed financial year, disclose.

(i) under the caption "Executive Compensation-Related Fees", the aggregate fees billed by the consultant or advisor, or any of its affiliates, for services related to determining compensation for any of the company's directors and executive officers, and

(ii) under the caption "All Other Fees", the aggregate fees billed for all other services provided by the consultant or advisor, or any of its affiliates, that are not reported under subparagraph (i). Include a description of the nature of the services comprising the fees disclosed under this category.

Commentary

For section 2.4, a director is independent if he or she would be independent within the meaning of section 1.4 of NI 52-110 Audit Committees.

ITEM 3 – SUMMARY COMPENSATION TABLE

3.1 Summary compensation table

(1) For each NEO in the most recently completed financial year, complete this table for each of the company's three most recently completed financial years that end on or after December 31, 2008.

Name and principal position	Year	Salary ($)	Share-based awards ($)	Option-based awards ($)	Non-equity incentive plan compensation ($)		Pension value ($)	All other compensation ($)	Total compensation ($)
(a)	(b)	(c)	(d)	(e)	(f)		(g)	(h)	(i)
					Annual incentive plans (f1)	Long-term incentive plans (f2)			
CEO									
CFO									
A									
B									
C									

Commentary

Under subsection (1), a company is not required to disclose comparative period disclosure in accordance with the requirements of either Form 51-102F6 Statement of Executive Compensation, which came into force on March 30, 2004, as amended, or this form, in respect of a financial year ending before December 31, 2008.

(2) In column (c), include the dollar value of cash and non-cash base salary an NEO earned during a financial year covered in the table (a covered financial year). If the company cannot calculate the amount of salary earned in a financial year, disclose this in a footnote, along with the reason why it cannot be determined. Restate the salary figure the next time the company prepares this form, and explain what portion of the restated figure represents an amount that the company could not previously calculate.

(3) In column (d), disclose the dollar amount based on the fair value of the award on the grant date for a covered financial year.

(4) In column (e), disclose the dollar amount based on the fair value of the award on the grant date for a covered financial year. Include option-based awards both with or without tandem share appreciation rights.

(5) For an award disclosed in column (d) or (e), in a ~~footnote to the table or in a~~ narrative after the table,

(a) describe the methodology used to calculate the fair value of the award on the grant date, disclose the key assumptions and estimates used for each calculation, and explain why the company chose that methodology, and

(b) if the fair value of the award on the grant date is different from the fair value determined in accordance with IFRS 2 *Share-based Payment* (accounting fair value), state the amount of the difference and explain the reasons for the difference~~, and(b) describe the methodology used to calculate the fair value of the award on the grant date, disclose the key assumptions and estimates used for each calculation, and explain why the company chose that methodology~~.

Commentary

1. This commentary applies to subsections (3), (4) and (5).

2. The value disclosed in columns (d) and (e) of the summary compensation table ~~should~~must reflect what the ~~board of directors intended to pay, make~~company paid, made payable, ~~award, grant, give~~awarded, granted, gave or otherwise ~~provide~~provided as compensation on the grant date (fair value of the award) as set out in comment 3, below. This value might differ from the value reported in the issuer's financial statements.

3. While compensation practices vary, there are generally two approaches that boards of directors use when setting compensation. A board of directors may decide the value in securities of the company ~~it intends to award~~be awarded or ~~pay~~paid as compensation. Alternatively, a board of directors may decide the portion of the potential ownership of the company ~~it intends to transfer~~to be transferred as compensation. A fair value ascribed to the award will normally result from these approaches.

A company may calculate this value either in accordance with a valuation methodology identified in IFRS 2 Share-based Payment or in accordance with another methodology set out in comment 5 below.

4. In some cases, the fair value of the award disclosed in columns (d) and (e) might differ from the accounting fair value. For financial statement purposes, the accounting fair value amount is amortized over the service period to obtain an accounting cost (accounting compensation expense), adjusted at year end as required.

5. While the most commonly used methodologies for calculating the value of most types of awards are the Black-Scholes-Merton model and the binomial lattice model, companies may choose to use another valuation methodology if it produces a more meaningful and reasonable estimate of fair value.

6. The summary compensation table requires disclosure of an amount even if the accounting compensation expense is zero. The amount disclosed in the table should reflect the fair value of the award following the principles described under comments 2 and 3, above.

7. Column (d) includes common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, stock, and similar instruments that do not have option-like features.

(6) In column (e), include the incremental fair value if, at any time during the covered financial year, the company has adjusted, amended, cancelled, replaced or significantly modified the exercise price of options previously awarded to, earned by, paid to, or payable to, an NEO. The repricing or modification date must be determined in accordance with IFRS 2 *Share-based Payment*. The methodology used to calculate the incremental fair value must be the same methodology used to calculate the initial grant.

This requirement does not apply to any repricing that equally affects all holders of the class of securities underlying the options and that occurs through a pre-existing formula or mechanism in the plan or award that results in the periodic adjustment of the option exercise or base price, an antidilution provision in a plan or award, or a recapitalization or similar transaction.

(7) Include a footnote to the table quantifying the incremental fair value of any adjusted, amended, cancelled, replaced or significantly modified options that are included in the table.

(8) In column (f), include the dollar value of all amounts earned for services performed during the covered financial year that are related to awards under non-equity incentive plans and all earnings on any such outstanding awards.

(a) If the relevant performance goal or similar condition was satisfied during a covered financial year (including for a single year in a plan with a multi-year performance goal or similar condition), report the amounts earned for that financial year, even if they are payable at a later date. The company is not required to report these amounts again in the summary compensation table when they are actually paid to an NEO.

(b) Include a footnote describing and quantifying all amounts earned on non-equity incentive plan compensation, whether they were paid during the financial year, were payable but deferred at the election of an NEO, or are payable by their terms at a later date.

(c) Include any discretionary cash awards, earnings, payments, or payables that were not based on pre-determined performance goals or similar conditions that were communicated to an NEO. Report any performance-based plan awards that include pre-determined performance goals or similar conditions in column (f).

(d) In column (f1), include annual non-equity incentive plan compensation, such as bonuses and discretionary amounts. For column (f1), annual non-equity incentive plan compensation relates only to a single financial year. In column (f2), include all non-equity incentive plan compensation related to a period longer than one year.

(9) In column (g), include all compensation relating to defined benefit or defined contribution plans. These include service costs and other compensatory items such as plan changes and earnings that are different from the estimated earnings for defined benefit plans and above-market earnings for defined contribution plans.

This disclosure relates to all plans that provide for the payment of pension plan benefits. Use the same amounts included in column (e) of the defined benefit plan table required by Item 5 for the covered financial year and the amounts included in column (c) of the defined contribution plan table as required by Item 5 for the covered financial year.

(10) In column (h), include all other compensation not reported in any other column of this table. Column (h) must include, but is not limited to:

(a) perquisites, including property or other personal benefits provided to an NEO that are not generally available to all employees, and that in aggregate are worth $50,000 or more, or are worth 10% or more of an NEO's total salary for the financial year. Value these items on the basis of the aggregate incremental cost to the company and its subsidiaries. Describe in a footnote the methodology used for computing the aggregate incremental cost to the company.

State the type and amount of each perquisite the value of which exceeds 25% of the total value of perquisites reported for an NEO in a footnote to the table. Provide the footnote information for the most recently completed financial year only;

(b) other post-retirement benefits such as health insurance or life insurance after retirement;

(c) all "gross-ups" or other amounts reimbursed during the covered financial year for the payment of taxes;

(d) the incremental payments, payables, and benefits to an NEO that are triggered by, or result from, a scenario listed in section 6.1 that occurred before the end of the covered financial year;

(e) the dollar value of any insurance premiums paid or payable by, or on behalf of, the company during the covered financial year for personal insurance for an NEO if the estate of the NEO is the beneficiary;

(f) the dollar value of any dividends or other earnings paid or payable on share-based or option-based awards that were not factored into the fair value of the award on the grant date required to be reported in columns (d) and (e);

(g) any compensation cost for any security that the NEO bought from the company or its subsidiaries at a discount from the market price of the security (through deferral of salary, bonus or otherwise). Calculate this cost at the date of purchase and in accordance with IFRS 2 *Share-based Payment*; ~~and~~

(h) above-market or preferential earnings on compensation that is deferred on a basis that is not tax exempt other than for defined contribution plans covered in the defined contribution plan table in Item 5. Above-market or preferential applies to non-registered plans and means a rate greater than the rate ordinarily paid by the

company or its subsidiary on securities or other obligations having the same or similar features issued to third parties; and

(i) any company contribution to a personal registered retirement savings plan made on behalf of the NEO.

Commentary

1. Generally, there will be no incremental payments, payables, and benefits that are triggered by, or result from, a scenario described in section 6.1 that occurred before the end of a covered financial year for compensation that has been reported in the summary compensation table for the most recently completed financial year or for a financial year before the most recently completed financial year.

If the vesting or payout of the previously reported compensation is accelerated, or a performance goal or similar condition in respect of the previously reported compensation is waived, as a result of a scenario described in section 6.1, the incremental payments, payables, and benefits should include the value of the accelerated benefit or of the waiver of the performance goal or similar condition.

2. Generally, an item is not a perquisite if it is integrally and directly related to the performance of an executive officer's duties. If something is necessary for a person to do his or her job, it is integrally and directly related to the job and is not a perquisite, even if it also provides some amount of personal benefit.

If the company concludes that an item is not integrally and directly related to performing the job, it may still be a perquisite if the item provides an NEO with any direct or indirect personal benefit. If it does provide a personal benefit, the item is a perquisite, whether or not it is provided for a business reason or for the company's convenience, unless it is generally available on a non-discriminatory basis to all employees.

Companies must conduct their own analysis of whether a particular item is a perquisite. The following are examples of things that are often considered perquisites or personal benefits. This list is not exhaustive:

- *Cars, car lease and car allowance;*
- *Corporate aircraft or personal travel financed by the company;*
- *Jewellery;*
- *Clothing;*
- *Artwork;*
- *Housekeeping services;*
- *Club membership;*
- *Theatre tickets;*
- *Financial assistance to provide education to children of executive officers;*
- *Parking;*
- *Personal financial or tax advice;*
- *Security at personal residence or during personal travel; and*
- *Reimbursements of taxes owed with respect to perquisites or other personal benefit.*

(11) In column (i), include the dollar value of total compensation for the covered financial year. For each NEO, this is the sum of the amounts reported in columns (c) through (h).

(12) Any deferred amounts must be included in the appropriate column for the covered financial year in which they are earned.

(13) If an NEO elected to exchange any compensation awarded to, earned by, paid to, or payable to the NEO in a covered financial year under a program that allows the NEO to receive awards, earnings, payments, or payables in another

form, the compensation the NEO elected to exchange must be reported as compensation in the column appropriate for the form of compensation exchanged: Do not report it in the form in which it was or will be received by the NEO. State in a footnote the form of awards, earnings, payments, or payables substituted for the compensation the NEO elected to exchange.

3.2 Narrative discussion

Describe and explain any significant factors necessary to understand the information disclosed in the summary compensation table required by section 3.1.

Commentary

The significant factors described in section 3.2 will vary depending on the circumstances of each award but may include:

- *the significant terms of each NEO's employment agreement or arrangement;*
- *any repricing or other significant changes to the terms of any share-based or option-based award program during the most recently completed financial year; and*
- *the significant terms of any award reported in the summary compensation table, including a general description of the formula or criterion to be applied in determining the amounts payable and the vesting schedule. For example, if dividends will be paid on shares, state this, the applicable dividend rate and whether that rate is preferential.*

3.3 ~~Currencies~~

~~Report amounts in this form using the same currency that the company uses in its financial statements. If compensation awarded to, earned by, paid to, or payable to an NEO was in a currency other than the presentation currency, state in a footnote the currency in which compensation was awarded, earned, paid, or payable, disclose the translation rate and describe the methodology used to translate the compensation into the presentation currency.~~**3.4** "deleted"

3.4 Officers who also act as directors

If an NEO is also a director who receives compensation for services as a director, include that compensation in the summary compensation table and include a footnote explaining which amounts relate to the director role. Do not provide disclosure for that NEO under Item 7.

ITEM 4 – INCENTIVE PLAN AWARDS

4.1 Outstanding share-based awards and option-based awards

(1) Complete this table for each NEO for all awards outstanding at the end of the most recently completed financial year. This includes awards granted before the most recently completed financial year. For all awards in this table, disclose the awards that have been transferred at other than fair market value.

	Option-based Awards				Share-based Awards		
Name	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options ($)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ($)	Market or payout value of vested share-based awards not paid out or distributed ($)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
CEO							
CFO							
A							
B							
C							

(2) In column (b), for each award, disclose the number of securities underlying unexercised options.

(3) In column (c), disclose the exercise or base price for each option under each award reported in column (b).

(4) In column (d), disclose the expiration date for each option under each award reported in column (b).

(5) In column (e), disclose the aggregate dollar amount of in-the-money unexercised options held at the end of the year. Calculate this amount based on the difference between the market value of the securities underlying the instruments at the end of the year, and the exercise or base price of the option.

(6) In column (f), disclose the total number of shares or units that have not vested.

(7) In column (g), disclose the aggregate market value or payout value of share-based awards that have not vested.

If the share-based award provides only for a single payout on vesting, calculate this value based on that payout.

If the share-based award provides for different payouts depending on the achievement of different performance goals or similar conditions, calculate this value based on the minimum payout. However, if the NEO achieved a performance goal or similar condition in a financial year covered by the share-based award that on vesting could provide for a payout greater than the minimum payout, calculate this value based on the payout expected as a result of the NEO achieving this performance goal or similar condition.

(8) In column (h), disclose the aggregate market value or payout value of vested share-based awards that have not yet been paid out or distributed.

4.2 Incentive plan awards – value vested or earned during the year

(1) Complete this table for each NEO for the most recently completed financial year.

Name	Option-based awards – Value vested during the year ($)	Share-based awards – Value vested during the year ($)	Non-equity incentive plan compensation – Value earned during the year ($)
(a)	(b)	(c)	(d)
CEO			
CFO			
A			
B			
C			

(2) In column (b), disclose the aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date. Compute the dollar value that would have been realized by determining the difference between the market price of the underlying securities at exercise and the exercise or base price of the options under the option-based award on the vesting date. Do not include the value of any related payment or other consideration provided (or to be provided) by the company to or on behalf of an NEO.

(3) In column (c), disclose the aggregate dollar value realized upon vesting of share-based awards. Compute the dollar value realized by multiplying the number of shares or units by the market value of the underlying shares on the vesting date. For any amount realized upon vesting for which receipt has been deferred, include a footnote that states the amount and the terms of the deferral.

4.3 Narrative discussion

Describe and explain the significant terms of all plan-based awards, including non-equity incentive plan awards, issued or vested, or under which options have been exercised, during the year, or outstanding at the year end, to the extent not already discussed under sections 2.1, 2.3 and 3.2. The company may aggregate information for different awards, if separate disclosure of each award is not necessary to communicate their significant terms.

Commentary

The items included in the narrative required by section 4.3 will vary depending on the terms of each plan, but may include:

- *the number of securities underlying each award or received on vesting or exercise;*
- *general descriptions of formulae or criteria that are used to determine amounts payable;*
- *exercise prices and expiry dates;*
- *dividend rates on share-based awards;*
- *whether awards are vested or unvested;*
- *performance goals or similar conditions, or other significant conditions;*
- *information on estimated future payouts for non-equity incentive plan awards (performance goals or similar conditions and maximum amounts); and*
- *the closing market price on the grant date, if the exercise or base price is less than the closing market price of the underlying security on the grant date.*

ITEM 5 – PENSION PLAN BENEFITS

5.1 Defined benefit plans table

(1) Complete this table for all pension plans that provide for payments or benefits at, following, or in connection with retirement, excluding defined contribution plans. For all disclosure in this table, use the same assumptions and methods used for financial statement reporting purposes under the accounting principles used to prepare the company's financial statements, as permitted by National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*.

Name (a)	Number of years credited service (#) (b)	Annual benefits payable ($) (c)		Opening present value of defined benefit obligation ($) (d)	Compensatory change ($) (e)	Non-compensatory change ($) (f)	Closing present value of defined benefit obligation ($) (g)
		At year end (c1)	At age 65 (c2)				
CEO							
CFO							
A							
B							
C							

(2) In columns (b) and (c), the disclosure must be as of the end of the company's most recently completed financial year. In columns (d) through (g), the disclosure must be as of the reporting date used in the company's audited annual financial statements for the most recently completed financial year.

(3) In column (b), disclose the number of years of service credited to an NEO under the plan. If the number of years of credited service in any plan is different from the NEO's number of actual years of service with the company, include a footnote that states the amount of the difference and any resulting benefit augmentation, such as the number of additional years the NEO received.

(4) In column (c), disclose

(a) the annual lifetime benefit payable at the end of the most recently completed financial year in column (c1) based on years of credited service reported in column (b) and actual pensionable earnings as at the end of the most recently completed financial year, and

(b) the annual lifetime benefit payable at age 65 in column (c2) based on years of credited service as of age 65 and actual pensionable earnings through the end of the most recently completed financial year, as per column (c1).

Commentary

For the purpose of quantifying the annual lifetime benefit payable at the end of the most recently completed financial year in column (c1), the company must assume at year end that the NEO is eligible to receive payments or benefits. In this case, the company must calculate the annual lifetime benefit payable as follows:

$$\text{annual benefits payable at the presumed retirement age used to calculate the closing present value of the defined benefit obligation} \times \frac{\text{years of credited service at year end}}{\text{years of credited service at the presumed retirement age}}$$

(5) In column (d), disclose the present value of the defined benefit obligation at the start of the most recently completed financial year.

(6) In column (e), disclose the compensatory change in the present value of the defined benefit obligation for the most recently completed financial year. This includes service cost net of employee contributions plus plan changes and differences between actual and estimated earnings, and any additional changes that have retroactive impact, including, for greater certainty, a change in valuation assumptions as a consequence of an amendment to benefit terms.

Disclose the valuation method and all significant assumptions the company applied in quantifying the closing present value of the defined benefit obligation. The company may satisfy all or part of this disclosure by referring to the disclosure of assumptions in its financial statements, footnotes to the financial statements or discussion in its management's discussion and analysis.

(7) In column (f), disclose the non-compensatory changes in the present value of the defined benefit obligation for the company's most recently completed financial year. Include all items that are not compensatory, such as changes in assumptions other than those already included in column (e) because they were made as a consequence of an amendment to benefit terms, employee contributions and interest on the present value of the defined benefit obligation at the start of the most recently completed financial year.

(8) In column (g), disclose the present value of the defined benefit obligation at the end of the most recently completed financial year.

5.2 Defined contribution plans table

(1) Complete this table for all pension plans that provide for payments or benefits at, following or in connection with retirement, excluding defined benefit plans. For all disclosure in this table, use the same assumptions and methods used for financial statement reporting purposes under the accounting principles used to prepare the company's financial statements, as permitted by National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*.

Name **(a)**	**Accumulated value at start of year ($)** **(b)**	**Compensatory ($)** **(c)**	**Non-compensatory ($)** **(d)**	**Accumulated value at year end ($)** **(e)**
CEO				
CFO				
A				
B				
C				

(2) In column (c), disclose the employer contribution and above-market or preferential earnings credited on employer and employee contributions. Above-market or preferential earnings applies to non-registered plans and means a rate greater than the rate ordinarily paid by the company or its subsidiary on securities or other obligations having the same or similar features issued to third parties.

(3) In column (d), disclose the non-compensatory amount, including employee contributions and regular investment earnings on employer and employee contributions. Regular investment earnings means all investment earnings in registered defined contribution plans and earnings that are not above market or preferential in other defined contribution plans.

(4) In column (e), disclose the accumulated value at the end of the most recently completed financial year.

Commentary

1. For pension plans that provide the maximum of: (i) the value of a defined benefit pension; and (ii) the accumulated value of a defined contribution pension, companies should disclose the global value of the pension plan in the defined benefit plans table under section 5.1.

For pension plans that provide the sum of a defined benefit component and a defined contribution component, companies should disclose the respective components of the pension plan. The defined benefit component should be disclosed in the defined benefit plans table under section 5.1 and the defined contribution component should be disclosed in the defined contribution plans table under section 5.2.

2. Any contributions made by the Company or a subsidiary of the company to a personal registered retirement savings plan on behalf of the NEO that are not reported in the defined contribution plans table under section 5.2 must be disclosed in column (h) of the summary compensation table, as required by paragraph 3.1(10)(i).

5.3 Narrative discussion

Describe and explain for each retirement plan in which an NEO participates, any significant factors necessary to understand the information disclosed in the defined benefit plan table in section 5.1 and the defined contribution plan table in section 5.2.

Commentary

Significant factors described in the narrative required by section 5.3 will vary, but may include:

- *the significant terms and conditions of payments and benefits available under the plan, including the plan's normal and early retirement payment, benefit formula, contribution formula, calculation of interest credited under the defined contribution plan and eligibility standards;*
- *provisions for early retirement, if applicable, including the name of the NEO and the plan, the early retirement payment and benefit formula and eligibility standards. Early retirement means retirement before the normal retirement age as defined in the plan or otherwise available under the plan;*
- *the specific elements of compensation (e.g., salary, bonus) included in applying the payment and benefit formula. If a company provides this information, identify each element separately; and*
- *company policies on topics such as granting extra years of credited service, including an explanation of who these arrangements relate to and why they are considered appropriate.*

5.4 Deferred compensation plans

Describe the significant terms of any deferred compensation plan relating to each NEO, including:

(a) the types of compensation that can be deferred and any limitations on the extent to which deferral is permitted (by percentage of compensation or otherwise);

(b) significant terms of payouts, withdrawals and other distributions; and

(c) measures for calculating interest or other earnings, how and when these measures may be changed, and whether an NEO or the company chose these measures. Quantify these measures wherever possible.

ITEM 6 – TERMINATION AND CHANGE OF CONTROL BENEFITS

6.1 Termination and change of control benefits

(1) For each contract, agreement, plan or arrangement that provides for payments to an NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the company or a change in an NEO's responsibilities, describe, explain, and where appropriate, quantify the following items:

(a) the circumstances that trigger payments or the provision of other benefits, including perquisites and pension plan benefits;

(b) the estimated incremental payments, payables, and benefits that are triggered by, or result from, each circumstance, including timing, duration and who provides the payments and benefits;

(c) how the payment and benefit levels are determined under the various circumstances that trigger payments or provision of benefits;

(d) any significant conditions or obligations that apply to receiving payments or benefits. This includes but is not limited to, non-compete, non-solicitation, non-disparagement or confidentiality agreements. Include the term of these agreements and provisions for waiver or breach; and

(e) any other significant factors for each written contract, agreement, plan or arrangement.

(2) Disclose the estimated incremental payments, payables, and benefits even if it is uncertain what amounts might be paid in given circumstances under the various plans and arrangements, assuming that the triggering event took place

on the last business day of the company's most recently completed financial year. For valuing share-based awards or option-based awards, use the closing market price of the company's securities on that date.

If the company is unsure about the provision or amount of payments or benefits, make a reasonable estimate (or a reasonable estimate of the range of amounts) and disclose the significant assumptions underlying these estimates.

(3) Despite subsection (1), the company is not required to disclose the following:

(a) Perquisites and other personal benefits if the aggregate of this compensation is less than $50,000. State the individual perquisites and personal benefits as required by paragraph 3.1(10)(a).

(b) Information about possible termination scenarios for an NEO whose employment terminated in the past year. The company must only disclose the consequences of the actual termination.

(c) Information in respect of a scenario described in subsection (1) if there will be no incremental payments, payables, and benefits that are triggered by, or result from, that scenario.

Commentary

1. Subsection (1) does not require the company to disclose notice of termination without cause, or compensation in lieu thereof, which are implied as a term of an employment contract under common law or civil law.

2. Item 6 applies to changes of control regardless of whether the change of control results in termination of employment.

3. Generally, there will be no incremental payments, payables, and benefits that are triggered by, or result from, a scenario described in subsection (1) for compensation that has been reported in the summary compensation table for the most recently completed financial year or for a financial year before the most recently completed financial year.

If the vesting or payout of the previously reported compensation is accelerated, or a performance goal or similar condition in respect of the previously reported compensation is waived, as a result of a scenario described in subsection (1), the incremental payments, payables, and benefits should include the value of the accelerated benefit or of the waiver of the performance goal or similar condition.

4. A company may disclose estimated incremental payments, payables and benefits that are triggered by, or result from, a scenario described in subsection (1), in a tabular format.

ITEM 7 – DIRECTOR COMPENSATION

7.1 Director compensation table

(1) Complete this table for all amounts of compensation provided to the directors for the company's most recently completed financial year.

Name (a)	Fees earned ($) (b)	Share-based awards ($) (c)	Option-based awards ($) (d)	Non-equity incentive plan compensation ($) (e)	Pension value ($) (f)	All other compensation ($) (g)	Total ($) (h)
A							
B							
C							
D							
E							

(2) All forms of compensation must be included in this table.

(3) Complete each column in the manner required for the corresponding column in the summary compensation table in section 3.1, in accordance with the requirements of Item 3, as supplemented by the commentary to Item 3, except as follows:

(a) In column (a), do not include a director who is also an NEO if his or her compensation for service as a director is fully reflected in the summary compensation table and elsewhere in this form. If an NEO is also a director who receives compensation for his or her services as a director, reflect the director compensation in the summary compensation table required by section 3.1 and provide a footnote to this table indicating that the relevant disclosure has been provided under section 3.4.

(b) In column (b), include all fees awarded, earned, paid, or payable in cash for services as a director, including annual retainer fees, committee, chair, and meeting fees.

(c) In column (g), include all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the company, or a subsidiary of the company, to a director in any capacity, under any other arrangement. This includes, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given, or otherwise provided to the director for services provided, directly or indirectly, to the company or a subsidiary of the company. In a footnote to the table, disclose these amounts and describe the nature of the services provided by the director that are associated with these amounts.

(d) In column (g), include programs where the company agrees to make donations to one or more charitable institutions in a director's name, payable currently or upon a designated event such as the retirement or death of the director. Include a footnote to the table disclosing the total dollar amount payable under the program.

7.2 Narrative discussion

Describe and explain any factors necessary to understand the director compensation disclosed in section 7.1.

Commentary

Significant factors described in the narrative required by section 7.2 will vary, but may include:

- *disclosure for each director who served in that capacity for any part of the most recently completed financial year;*
- *standard compensation arrangements, such as fees for retainer, committee service, service as chair of the board or a committee, and meeting attendance;*
- *any compensation arrangements for a director that are different from the standard arrangements, including the name of the director and a description of the terms of the arrangement; and*
- *any matters discussed in the compensation discussion and analysis that do not apply to directors in the same way that they apply to NEOs such as practices for granting option-based awards.*

7.3 Share-based awards, option-based awards and non-equity incentive plan compensation

Provide the same disclosure for directors that is required under Item 4 for NEOs.

ITEM 8 – COMPANIES REPORTING IN THE UNITED STATES

8.1 Companies reporting in the United States

(1) Except as provided in subsection (2), SEC issuers may satisfy the requirements of this form by providing the information required by Item 402 "Executive compensation" of Regulation S-K under the 1934 Act.

(2) Subsection (1) does not apply to a company that, as a foreign private issuer, satisfies Item 402 of Regulation S-K by providing the information required by Items 6.B "Compensation" and 6.E.2 "Share Ownership" of Form 20-F under the 1934 Act.

ITEM 9 – EFFECTIVE DATE AND TRANSITION

9.1 Effective date

(1) This form comes into force on December 31, 2008.

(2) This form applies to a company in respect of a financial year ending on or after December 31, 2008.

9.2 Transition

(1) The form entitled Form 51-102F6 *Statement of Executive Compensation*, which came into force on March 30, 2004, as amended,

(a) does not apply to a company in respect of a financial year ending on or after December 31, 2008, and

(b) for greater certainty, applies to a company that is required to prepare and file executive compensation disclosure because

(i) the company is sending an information circular to a securityholder under paragraph 9.1(2)(a) of National Instrument 51-102 *Continuous Disclosure Obligations*, the information circular includes the disclosure required by Item 8 of Form 51-102F5, and the information circular is in respect of a financial year ending before December 31, 2008, or

(ii) the company is filing an AIF that includes the disclosure required by Item 8 of Form 51-102F5, in accordance with Item 18 of Form 51-102F2, and the AIF is in respect of a financial year ending before December 31, 2008.

(2) A company that is required to prepare and file executive compensation disclosure for a reason set out in paragraph (1)(b) may satisfy that requirement by preparing and filing the disclosure required by this form.

APPENDIX C

Ontario Securities Commission Notice and Request for Comment

Proposed Amendments to Form 51-102F6
Statement of Executive Compensation and Consequential Amendments

Anticipated Costs and Benefits

The Proposed Amendments are intended to improve the information companies provide investors about key risks, governance and compensation matters. We think the Proposed Amendments will enhance the transparency of the company's compensation policies and practices and will provide readers with clearer and more meaningful executive compensation disclosure. Improved disclosure will provide investors insight into executive compensation as a key aspect of the overall stewardship and governance of the company and allow investors to understand how boards of directors make decisions about executive compensation. Without proper compensation disclosure, shareholder cannot determine if management's incentives are aligned with shareholder interests and whether the level of compensation reflects the executive's performance.

Some of the Proposed Amendments clarify current requirements or improve drafting in Form 51-102F6. These changes will not impose any additional costs to companies. Some of the more substantive disclosure requirements will enable investors to better compare the compensation polices and practices across companies. Some of the Proposed Amendments follow current disclosure requirements in the United States. Having similar Canadian executive compensation disclosure requirements with those in the United States fosters confidence in the integrity of our capital markets.

In addition, we have identified the following specific changes for which we considered the anticipated costs and benefits to various stakeholders.

- *Risk management in relation to the company's compensation policies and practices (subsection 2.1(5) of the Amended Form)*

We believe that the additional CD&A disclosure requirements will impose some increased costs to companies as the Proposed Amendments would impose additional information gathering and drafting requirements. There may be costs associated in assessing whether risk arising from compensation policies and practices may have a material effect on the company and costs in drafting the additional disclosure. This could include the cost of hiring advisors to assist in the analysis of risks related to the company's compensation program. These additional costs should not be material, as the company will be providing information about its current compensation policies and practices.

Expanding the CD&A to include a discussion of the company's overall compensation program and how it relates to the company's approach to risk management may benefit investors in several ways. Investors would benefit from an enhanced ability to identify compensation policies and practices that may have a material adverse effect on the company. This disclosure may also encourage the board and executive officers to review and improve incentive structures for management and employees of the company. These benefits should also lead to increased value to investors as the additional disclosure will help them evaluate how incentives to executive officers and directors are aligned with the company's long-term objectives.

- *Disclosure of fees paid to compensation advisors (section 2.2 of the Amended Form)*

Companies may face some additional costs related to new disclosure about other services provided by compensation consultants and aggregate fees. For instance, costs may increase if companies decide to contract with multiple different compensation consultants for services that had previously been provided by only one compensation consultant.

Compensation consultants may earn fees from other services to the company, including benefits administration, human resources consulting, and actuarial services. The proposed disclosure requirement regarding fees paid to compensation consultants will benefit investors by allowing them to evaluate whether there are any concerns, such as a potential conflict of interest, related to the compensation consultants' financial interest and objectivity in recommending executive compensation packages.

The disclosure requirement to provide a breakdown of all fees paid to compensation advisors for each service provided will not impose any material costs, since companies will already have this information. In addition, the requirement will be consistent with the disclosure currently required for auditors in National Instrument 52-110 *Audit Committees*, in connection with audit-related, tax and other fees.

Alternatives Considered

We considered maintaining the status quo. However, a number of issues were identified in the targeted reviews and discussed in the Staff Notice. As a result, and given the 2010 SEC Amendments, we felt it was appropriate to propose amendments to Form 51-102F6 to incorporate the latest developments and improve requirements that need clarification. The Proposed Amendments are intended to assist companies in fulfilling their disclosure obligations as executive compensation practices change over time.

We considered no other alternatives.

Unpublished Materials

In developing the Proposed Amendments, we have not relied on any significant unpublished study, report, or other written materials.

Authority

The following provisions of the *Securities Act* (Ontario) (the **Act**) provide the Ontario Securities Commission (the **OSC**) with authority to adopt the Proposed Amendments and the Consequential Amendments, as described in the CSA Notice and Request for Comment.

- Paragraph 143(1)22 authorizes the OSC to make rules prescribing requirements in respect of the preparation and dissemination by reporting issuers of documents providing for continuous disclosure that are in addition to the requirements under the Act, including requirements in respect of an annual report, an annual information form and supplemental analysis of financial statements.

- Paragraph 143(1)23 authorizes the OSC to exempt reporting issuers from any requirement of Part XVII (Continuous Disclosure) of the Act.

- Paragraph 143(1)24 authorizes the OSC to require issuers to comply with Part XVIII of the Act relating to continuous disclosure or to rules made under Paragraph 143(1)22.

- Paragraph 143(1)39 authorizes the OSC to make rules requiring or respecting the media, format, preparation, form, content, execution, certification, dissemination and other use, filing and review of all documents required under or governed by the Act, the regulations or the rules and all documents determined by the regulations or the rules to be ancillary to the documents, including proxies and information circulars.

November 19, 2010

6.1.2 Joint CSA/IIROC – Position Paper 23-405 – Dark Liquidity in the Canadian Market

JOINT CANADIAN SECURITIES ADMINISTRATORS/INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA

POSITION PAPER 23-405
DARK LIQUIDITY IN THE CANADIAN MARKET

I. INTRODUCTION

Developments in the Canadian capital markets have been both significant and rapid in recent years. Technological advancements have increased the speed and complexity of trading, innovation has introduced choice as to how and where to trade, and regulatory requirements have necessitated a greater awareness of execution opportunities and the prices at which they are available.

As marketplaces look to expand the order types and features that they offer, and as market participants seek guidance on market structure policies, staff of the Canadian Securities Administrators (CSA staff) and staff of the Investment Industry Regulatory Organization of Canada (IIROC staff and, together with CSA staff, we) have undertaken a review of many of the issues which we believe need to be addressed immediately. These include issues relating to dark pools, electronic trading, and the regulation of marketplaces. Once our review is completed, we will seek feedback from the industry by publishing a number of different regulatory proposals or changes over subsequent months.

This position paper (Position Paper) specifically deals with issues associated with Dark Pools and Dark Orders.[1] The views expressed take into account the consultations conducted by the CSA and IIROC since the end of 2009.[2]

For the purposes of this Position Paper, a Dark Order is defined as any order on any marketplace that is entered with no pre-trade transparency and not required to be reported to an information processor[3] or data vendor under the applicable rules. In this Position Paper, Dark Orders do not include reserve or iceberg orders, as a portion of these orders is always displayed, and contributes to the pre-trade price discovery process. Dark Orders can be entered on either a transparent marketplace or in a Dark Pool. A Dark Pool is a specific marketplace that offers no pre-trade transparency on any orders, and may be structured in a variety of ways including as a call market, continuous auction market, a hybrid of both continuous and call matching, or a negotiation system. Current practices allow Dark Orders to be entered with a price:

- determined by the marketplace participant[4] entering the order;
- that could trigger a negotiation process; or
- that will be determined by reference to another publicly available price and not directly determined by the counterparties to the trade. The reference price could be a price linked to another non-discretionary price such as the national best bid or best offer (NBBO)[5] or the volume weighted average price (VWAP).

(a) Background and Objectives of this Position Paper

The publication of this Position Paper is the next step in a process that we began in late 2009. In Joint CSA/IIROC Consultation Paper 23-404 *Dark Pools, Dark Orders, and Other Developments in Market Structure in Canada*[6] (Consultation Paper), we identified and sought comment on a number of issues, particularly the general impact of Dark Pools, the introduction of Dark Order types, and the introduction of smart order routers. The Consultation Paper discussed these issues and their potential impact on the Canadian markets, including their impact on market liquidity, transparency, price discovery, fairness and integrity.[7] These factors, when taken together, are used to assess the quality of the market.

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1 Note that for purposes of this paper, our definition of Dark Order is different than was used in previous publications. See glossary for all definitions.
2 For more details regarding the consultations, see the discussion in the next section regarding the Consultation Paper and the Forum.
3 Currently, the information processor for exchange-traded securities other than options is operated by the Toronto Stock Exchange. The information processor collects order and trade information from all marketplaces and disseminates consolidated information.
4 Section 1.1 of National Instrument 21-101 *Marketplace Operation* (NI 21-101) defines "marketplace participant" as: "a member of an exchange, a user of a quotation and trade reporting system, or a subscriber of an ATS."
5 For the purposes of this paper, "national best bid or offer" and "NBBO" will refer to the "best bid price" and "best ask price" as defined in UMIR.
6 Published at (2009) 32 OSCB, beginning at page 7877.
7 See the Consultation Paper at page 7880.

We received 23 response letters to the Consultation Paper from a range of respondents including marketplaces, buy-side and sell-side representatives, and industry associations. On March 23, 2010, the CSA and IIROC hosted a forum (the Forum) to discuss the issues raised in the Consultation Paper and in the response letters. The themes discussed at the Forum included:

- whether Dark Pools should be required to provide price improvement and if so, what is meaningful price improvement;
- the use of market pegged orders and whether those orders "free-ride" off the visible market;
- the use of sub-penny pricing;
- broker preferencing at the marketplace level and dealer internalization of order flow;
- the use of Indications of Interest (IOIs) by Dark Pools to attract order flow; and
- the fairness of a marketplace offering smart order router services that use marketplace data that is not available to other marketplace participants.

More details regarding the Forum were included in Joint CSA/IIROC Staff Notice 23-308 *Update on Forum to Discuss CSA/IIROC Joint Consultation Paper 23-404 "Dark Pools, Dark Orders and Other Developments in Market Structure in Canada" and Next Steps* published on May 28, 2010. This notice included a discussion of ongoing initiatives, proposed next steps to address some of the issues, and a summary of the comments received in response to the Consultation Paper.

After considering the response letters and discussions that occurred over the past few months, we are now publishing this Position Paper on the structure of Dark Pools and the use of Dark Orders, and are seeking additional feedback. This paper sets out our position in respect of the following questions:

- Under what circumstances should Dark Pools or marketplaces that offer Dark Orders be exempted from the requirements of pre-trade transparency under NI 21-101?
- Should Dark Orders be required to provide meaningful price improvement over the NBBO, and under what circumstances?
- Should visible (lit) orders have priority over Dark Orders at the same price on the same marketplace?
- What is a "meaningful" level of price improvement?

A number of the issues raised at the Forum are not being addressed in the Position Paper. Specifically, the use of IOIs by Dark Pools to attract order flow and the fairness of a marketplace offering smart order router services that use marketplace data that is not available to other marketplace participants will be addressed in a separate CSA project that will update the requirements applicable to alternative trading systems (ATSs) and exchanges (the ATS-Exchange Project).[8]

In addition, the Position Paper does not include a position on the practice of broker preferencing. Broker preferencing is a marketplace feature that allows orders from the same participant or subscriber to execute ahead of other orders posted at the same price in the limit order book. In responses to the Consultation Paper and at the Forum, some argued that broker preferencing is inherently unfair while others argued that it has been a part of the Canadian market for years and has had no negative impact on the market.

It is the opinion of staff that, at this point, we do not have sufficient data with respect to broker preferencing to properly formulate a position with respect to its impact on the Canadian market. We will in the near future publish a request for information in order to better evaluate broker preferencing and its impact.

(b) Summary of Our Position

We are of the view that, in order to facilitate the price discovery process, orders entered on a marketplace should generally be transparent to the public and subject to the pre-trade information transparency requirements as detailed in NI 21-101, section 7.1. However, we recognize that there are benefits to using Dark Orders, whether on a transparent marketplace or a Dark Pool. In our view:

[8] The proposed revisions, which we expect to publish early 2011, would provide clarity on when an IOI would be considered an order and thus be subject to the transparency requirements of NI 21-101, and will clarify the expectation that marketplaces consider fair access requirements when sending marketplace data to a smart order router but not to other marketplace participants.

- An exemption to the pre-trade transparency requirements should only be available when an order meets or exceeds a minimum size (in the Position Paper, we will refer to this as the "minimum size exemption" or "minimum size threshold"). This minimum size threshold for posting passive Dark Orders would apply to all marketplaces (whether transparent or a Dark Pool) regardless of the method of trade matching (including continuous auction, call or negotiation systems), and for all orders whether client, non-client or principal.

- Dark Orders should only be required to provide meaningful price improvement over the NBBO when executing with an active order which does not meet the minimum size exemption. There should be no price improvement requirement on two Dark Orders meeting or exceeding the minimum size exemption.

- Visible orders should execute before Dark Orders at the same price, on the same marketplace, except where two Dark Orders meeting the minimum size exemption can be executed at that price.

- Meaningful price improvement should be one trading increment as defined in IIROC's Universal Market Integrity Rules (UMIR).[9] However, for securities with a difference between the best bid price and best ask price of one trading increment, one-half increment will be considered to be meaningful price improvement.

Our analysis of each of these points is included in Section II of this Position Paper.

By expressing our views on Dark Orders, we are providing more clarity around how Dark Orders should be treated in the Canadian market and are facilitating investor understanding and choice regarding the execution of their orders. We recognize that our position will impact existing business models and lead to systems changes. However, in examining the issues and the risks of the expansion of the use of Dark Orders, we are of the view that the need for providing some limits on their use is critical in maintaining the quality of the price discovery mechanism and addressing concerns regarding the impact of Dark Orders on the quality of the Canadian capital market. In addition, some investors will be impacted by the positions taken in this paper. Our intention is to maintain the ability to execute large orders while managing market impact costs, and for smaller orders to continue to interact in Dark Pools with liquidity that may not have otherwise been available, subject to the requirement for meaningful price improvement.

We are seeking comments on our position and, at the end of this Position Paper, we provide details on how comments can be provided.

(c) International Developments Relating to Dark Liquidity

Many jurisdictions are currently examining issues related to dark liquidity and its impact on markets. For example, in the United States, the SEC published, in 2009, a consultation paper that discusses regulatory issues surrounding dark pools.[10] In 2010, the SEC published a concept paper that covers a number of market structure issues, including issues related to dark liquidity.[11]

In Europe, Directive 2004/39/EC, promulgated under the Markets in Financial Instruments Directive (MiFID), is currently being reviewed by the European Commission and the Committee of European Securities Regulators (CESR). As part of its own review, CESR recently published a consultation paper[12] on equity markets which includes, among other things, the examination of existing pre-trade transparency waivers provided under MiFID and policy options regarding crossing systems and processes operated by investment firms. In July 2010, CESR published a report[13] in which it recommends, among others, that the existing exceptions to pre-trade transparency should continue to be allowed under certain circumstances, and that the European Commission undertake or commission further analytical work regarding the existing thresholds.

In Australia, the Australian Securities & Investments Commission (ASIC) released, on November 4, 2010, a consultation package on enhancing the regulation of Australia's equity markets, including rule proposals aimed at developing the regulatory framework to support competition in the Australian market. This consultation package comprises Consultation Paper 145 *Australian equity market structure* (CP 145) and ASIC's Report on the *Australian equity market structure*[14] and includes, among others, regulatory proposals for minimum disclosure requirements of order and trade information. Relevant to this Position Paper

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9 UMIR Rule 1.1 defines a "trading increment". UMIR Rule 6.1 (1) states: "No order to purchase or sell a security shall be entered to trade on a marketplace at a price that includes a fraction or a part of a cent other than an increment of one-half of one cent in respect of an order with a price of less than $0.50."

10 SEC Release no. 34-60997, *Regulation of Non-Public Trading Interest*, November 2009, available at http://www.sec.gov/rules/proposed/proposedarchive/proposed2009.shtml.

11 SEC Release no. 34-613358, *Equity Market Structure*, January 2010, available at http://www.sec.gov/rules/concept.shtml.

12 CESR consultation paper ref: CESR/10-394, *CESR Technical Advice to the Commission in the Context of the MiFID Review – Secondary Markets*, April 2010, available at http://www.cesr-eu.org/index.php?page=consultation_details&id=161.

13 CESR *Technical Advice to the European Commission in the Context of the MiFID Review – Equity Markets*, July 2010, available at http://www.cesr-eu.org/index.php?page=document?details&from_title=Documents&id=7003.

14 Published at: http://www.asic.gov.au/asic/asic.nsf/byHeadline/10-227MR%20ASIC%20consults%20on%20equity%20market%20structure%20regulatory%20framework?opendocument.

are rule proposals that would require that market participants display orders on pre-trade transparent markets, subject to certain exceptions generally relating to large-sized orders.

On October 27, 2010, the Technical Committee of the International Organization of Securities Commission (IOSCO) issued a consultation report (IOSCO report) that requests comment on a number of proposed principles relating to dark liquidity.[15] The principles relate to:

- pre-trade transparency;
- post-trade transparency;
- the priority of transparent orders;
- reporting to regulators;
- information available to market participants regarding dark pools and dark orders; and
- the regulation of the development of dark pools and dark orders.

Generally, the current regulatory structure in Canada and the views taken in this Position Paper are consistent with the principles proposed by the Technical Committee. For example, the current regulatory structure requires immediate post-trade reporting of executions in dark pools and of dark orders. In addition, we have a number of incentives with respect to fostering trading in transparent orders, including the Order Protection Rule and the Order Exposure Rule. Both the CSA and IIROC have the ability to access order and trade information in dark pools and marketplaces file quarterly information regarding volumes with the CSA.

We currently require priority of visible orders over dark orders on the same marketplace at the same price, which is also consistent with one of the proposed principles. However, we are proposing to allow two large orders that are "marked dark" to execute prior to visible orders on the same marketplace at the same price. While this is different from the IOSCO report, we think it is important to explore and obtain feedback on this exception.

II. ANALYSIS

(a) Regulatory Structure Relating to Dark Pools and Dark Orders

We think that it is helpful to briefly summarize the regulatory structure and current rules on Dark Pools and Dark Orders on transparent marketplaces.

Dark Pools are generally regulated as alternative trading systems (ATS) under NI 21-101, and are registered as investment dealers. They may, however, be operated and regulated as a facility of a recognized exchange. In either case, Dark Pools are subject to the provisions of NI 21-101 and National Instrument 23-101 *Trading Rules* (NI 23-101). Requirements applicable to Dark Pools include fair access requirements, post-trade transparency requirements, systems requirements, and the requirement to retain a regulation services provider to conduct market regulation if regulated as an ATS. In addition, Dark Pools are required to file Form 21-101F2, if operated as an ATS. If operated as a facility of an exchange, the exchange must file Form 21-101F1. These forms require information with respect to the operation of the Dark Pool and a description of its order types. Trading on a Dark Pool is also subject to UMIR requirements regarding trading on marketplaces, best execution, best price and the exposure of orders.

When reviewing a marketplace's rules proposal, an exchange's Form 21-101F1 filings or an ATS's Form 21-101F2 filings, we review the proposed market structure and order types to determine if they pose market integrity concerns, support a fair and efficient market, and foster investor confidence.

Under NI 21-101, marketplaces that display orders are subject to pre-trade transparency requirements.[16] Orders are not considered to be "displayed" if they are shown only to employees of the marketplace or persons or companies retained to assist in the operation of the marketplace.[17] It is under these provisions that Dark Pools are permitted to operate and Dark Order information is not required to be provided to the information processor for dissemination. However, post-trade information is reported to the information processor in real-time once the orders are executed.

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15 Available at: http://www.iosco.org/library/pubdocs/pdf/IOSCOPD336.pdf.
16 Subsection 7.1(1) of NI 21-101.
17 ubsection 7.1(2) of NI 21-101.

Rule 6.3 of UMIR (the Order Exposure Rule) states that "A participant shall immediately enter on a marketplace that displays orders … a client order to purchase or sell 50 standard trading units or less of a security ….".[18] Aside from the specific exemptions under the Order Exposure Rule, it is currently required that client orders with a quantity equal to or less than 50 standard trading units will be directed to a transparent marketplace in order to be displayed. The Order Exposure Rule encourages transparency and supports the price discovery process, while still providing an opportunity for dealers to minimize large, passive order information leakage. Price discovery is enhanced by requiring smaller passive orders to be posted in a visible marketplace and rewarding those orders with increased execution opportunities. Additionally, IIROC has provided guidance in Market Integrity Notice 2007-019 with respect to the entry of client orders on non-transparent markets or facilities.[19]

(b) General Considerations

In reviewing issues related to Dark Pools and Dark Orders, we identified a number of key questions which shaped our discussions and formed the basis for our position and recommendations. They are:

- What is the rationale for permitting Dark Pools and Dark Orders in general?
- What benefits do Dark Pools and Dark Orders provide to capital market participants?
- What are the risks to the Canadian capital market?
- Should incentives exist that favour transparency and the price discovery process?

We discuss each below.

(i) Rationale and Benefits of Dark Pools and Dark Orders

Initially, Dark Pools were introduced to enable investors to place large orders anonymously without displaying them to the public in order to minimize the market impact costs associated with placing such large orders in a visible book.[20] This could be achieved through institutions trading large volumes among each other anonymously, or through large orders that may have otherwise traded only in the upstairs market, being entered on a marketplace where they can interact with orders from other investors without being displayed. It has been suggested that by allowing large orders to interact within Dark Pools, there would be an increase in the overall liquidity in the market, as these large orders would have otherwise traded in the upstairs market. This increased liquidity could benefit all investors, including retail investors, who would not otherwise have had access to this liquidity. Similarly, the introduction of Dark Order types on transparent marketplaces ensures that the existence of the order remains confidential, which decreases the order's market impact costs.

However, the rationale for using Dark Orders has evolved. There has been an expansion of their use to include orders of all sizes, small or large. Dark Pools or Dark Orders are also used to protect proprietary trading information, avoid algorithms that are used to identify order parameters and trading strategies, take advantage of possible price improvement, and potentially incur lower trading fees. In some jurisdictions, Dark Pools have also evolved to enable dealers to internalize order flow.

Additionally, Dark Orders are often given the opportunity to execute with contra-side order flow which is either routed to a transparent market, or routed to pass through a Dark Pool (Liquidity-Seeking Orders). This opportunity provides the Liquidity-Seeking Orders, which are generally smaller-sized orders, a chance to receive price improvement over the NBBO.

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[18] UMIR Rule 6.3 *Exposure of Client Orders* requires that "an order for 50 trading units or less must be immediately entered on a transparent marketplace unless otherwise exempted. Permitted exemptions include:
a) if the client has specified different instructions;
b) if the order is executed immediately at a better price;
c) if the order is returned for the terms of the order to be confirmed;
d) if the order is withheld pending confirmation that the order complies with applicable securities requirements;
e) if entering the order based on market conditions would not be in the interests of the client;
f) if the order has a value greater than $100,000;
g) if the order is part of a trade to be made in accordance with Rule 6.4 by means other than entry on a marketplace; or
h) if the client has directed or consented that the order be entered on a marketplace as a Call Market Order, an Opening Order, a Special Terms Order, a Volume-Weighted Average Price Order, a Market-on-Close Order, a Basis Order, or a Closing Price Order."

[19] Market Integrity Notice 2007-019, issued September 21 2007 by (then) Market Regulation Services Inc. (RS) states in part "In the view of RS, client orders which are routed to a non-transparent marketplace or facility to determine if liquidity is available on that marketplace or facility at prices that are the same or better than displayed in a consolidated market display would comply with the requirements of Rule 6.3 provided any unexecuted portion of the client order was then immediately entered on a marketplace that did provide order transparency."

[20] See Consultation Paper at page 7877.

(ii) Risks of Dark Pools and Dark Orders

Widespread use of Dark Orders has the potential to reduce available liquidity in transparent order books. While there may be benefits to investors, including the potential to receive price improvement, if orders that would traditionally be sent to visible marketplaces are increasingly diverted to Dark Pools or entered as Dark Orders there could be a negative impact on the price discovery process and the liquidity available to those participants that are required to, or have elected to, display their orders on a visible market.

(iii) Incentives to Contribute to Price Discovery

The price discovery process is a fundamental building block of a fair and efficient market.[21] Accordingly, there are a number of incentives that exist in the Canadian market that promote the posting of limit orders in a visible book. They include:

- best price and order protection obligations[22] that ensure only visible orders are protected. Better-priced, non-visible orders may be traded through as inferior-priced visible orders are executed first;
- the priority of visible orders over Dark Orders at the same price, on the same marketplace; and
- the Order Exposure Rule which requires that participants immediately enter on a marketplace that displays orders, all client orders for 50 standard trading units or less, subject to a number of exceptions. This is a benefit gained by passive, displayed orders in a transparent order book, in that active orders not meeting the size conditions of the rule are obligated to be routed to a transparent market, thus increasing the chances of execution for the displayed order.

The posting of limit orders in a visible book is important to maintain the quality of price discovery. To achieve this, limit orders should ideally be directed to, and displayed in visible marketplaces in order to facilitate the price discovery process.

(c) Recommendations

In light of the questions discussed above, the following section outlines our position on how we believe Dark Pools and Dark Orders should be treated within the framework of the Canadian market.

(i) Minimum Size Exemption

One of the issues raised in the Consultation Paper as well as at the Forum was whether orders in Dark Pools and Dark Orders on transparent markets should be required to be of a minimum size and whether smaller orders should be able to rest in Dark Pools or as Dark Orders on transparent marketplaces.

As stated earlier, an important part of the initial rationale behind the existence of orders with no pre-trade transparency was to allow larger orders to be executed with decreased market impact costs. However, as the “market impact cost” rationale described above may be less relevant to small Dark Orders, a possible rationale for allowing smaller orders to be posted as Dark Orders and be exempted from pre-trade transparency requirements is that they offer price improvement over the NBBO.

While small orders may provide some price improvement when posted as a Dark Order, the limited quantity diminishes the value of price improvement to all market participants when compared to the value, or net benefit, of having larger Dark Orders offering the same price improvement, as well as providing much greater amounts of liquidity to the market as a whole. Currently in Canada, there are Dark Pools or Dark Order types that offer as little as 10% price improvement over the NBBO. In the situation where the NBBO spread for a particular security is very small (for example, one penny), we question whether the price improvement provided by small non-transparent orders is sufficiently meaningful for contra-side participants. If not, should these small orders be displayed on visible marketplaces? Does the benefit of receiving price improvement outweigh the potential impact on price discovery of those smaller orders not being displayed on a transparent marketplace?

In addition, in our view, two objectives need to be considered in examining whether small orders should be able to be posted as Dark Orders without detriment to market quality. They are (i) to encourage the posting of visible orders, and (ii) to expose as much liquidity as possible to the widest variety of contra-side participants, including those using Dark Pools.

Staff’s View

The only exemption to pre-trade transparency should be for orders that meet a minimum size threshold.

[21] See discussion in Consultation Paper at page 7881.

[22] The Order Protection Rule is effective on February 1, 2011 (see NI 23-101, Part 6). Best Price obligations are detailed in UMIR 5.2.

It is our view that the potential negative impact on price discovery of a greater number of small orders being entered without pre-trade transparency and the potential drain on visible liquidity outweighs the benefits of the possible price improvement that they may offer. While post-trade information contributes to the price discovery mechanism, pre-trade transparency is an important element. The risk of a significant erosion of the quality of that mechanism exists if a substantial number of small orders are posted in the dark. As regulators, part of our mandate is to foster fair and efficient capital markets. The requirements to post small orders to a visible market and facilitating price discovery are key components of fair and efficient capital markets.

Consequently, we are of the view that an exemption from the pre-trade transparency requirements should only be available for orders meeting the minimum size threshold. At this stage, we have yet to establish this minimum size; however, as an example, we would consider a minimum size comparable to that referenced in the Order Exposure Rule (50 standard trading units). We are requesting specific feedback with respect to the appropriate order size required to meet the exemption.

Furthermore, marketplace participants should not aggregate orders to meet the minimum size threshold and, once posted, orders should not be changed to a quantity less than the minimum size. However, if a Dark Order meeting the minimum size threshold receives a partial fill which results in the remaining balance being less than the size threshold, that order should be able to continue to remain dark until cancelled or fully executed.

Our view is consistent with the initial rationale for the introduction of Dark Pools and Dark Order types in general, which was to facilitate the execution of large orders and to enable more participants to interact with previously unavailable liquidity. By restricting pre-trade transparency exemptions to Dark Orders meeting a minimum size, we will allow larger sized orders that might be traditionally held back from the markets to take advantage of the benefits of being fully dark. However, small liquidity providing orders will be directed to the visible order books, and are still given the added incentive of protection from trade-through by existing rules and the pending Order Protection Rule.

To implement this position, we will include a proposed exemption from section 7.1 of NI 21-101 as an amendment to NI 21-101 that we will publish as part of the ATS -Exchange Project and which CSA staff expect to publish in early 2011.

(ii) Dark Orders and Price Improvement

Another issue raised in the Consultation Paper is whether Dark Orders should be required to offer price improvement over the NBBO and in which circumstances. In examining the issues surrounding Dark Orders executing at the NBBO, we need to consider the same two objectives as mentioned above. We want to encourage posting of visible orders and encourage the exposure of orders to as much liquidity as possible, including Dark Orders. Visible orders posted on a transparent marketplace are an integral part of the price discovery mechanism and setting the NBBO. It is also important to create a structure where large orders are able to interact with smaller orders. However, the analysis in this case would be incomplete without considering the value or benefit of two large orders executing against each other and contributing to the price discovery process through immediate post-trade transparency.

Staff's View

Two Dark Orders meeting the minimum size exemption should be able to execute at the NBBO. Meaningful price improvement should be required in all other circumstances, including all executions with orders not specifically marked in a manner indicating they are utilizing the minimum size exemption.

The execution of Dark Orders meeting the pre-trade minimum size exemption still contributes to the price discovery process through immediate post-trade transparency. Additionally, the size of the transaction may provide sufficient information to participants to stimulate further trading that might not otherwise have occurred in the absence of such a large-sized execution. In our view, the contribution of this post-trade information as well as the need to protect against market impact costs both justify allowing the execution of Dark Orders without price improvement in certain circumstances.

Therefore, it is our view that two Dark Orders should be allowed to trade at the NBBO provided that both sides of the trade meet the minimum size threshold, and that meaningful price improvement should be provided by Dark Orders in all other circumstances. We note that both orders trading at the NBBO must be specifically marked in a manner which indicates the intention to utilize the pre-trade transparency exemption (i.e. both orders must be marked as "dark").

We believe this satisfies the objectives of exposing liquidity to the widest variety of contra-side participants and encouraging the posting of visible orders. We want to create an incentive to display orders, but we recognize that Dark Orders can play an important role for both price and size discovery, and that it is important to give market participants a method to trade in large size without penalizing them by requiring price improvement in all cases. It offers the ability to execute large-sized orders at the NBBO; however, it protects the quality of our visible order books by encouraging smaller market or marketable limit orders to execute with visible liquidity at the NBBO, and to seek price improvement offered by Dark Orders posted inside the spread.

In its *Concept Release on Equity Market Structure* (January 13, 2010)[23], the Securities and Exchange Commission in the United States discussed and requested comment on extending visible order priority across all marketplaces through the introduction of a "trade-at" rule. This rule would require all visible orders at the same price across marketplaces to be executed prior to the execution of dark orders, unless certain conditions were met. We are not proposing a "trade-at" rule to apply across marketplaces in this Position Paper. We will continue to monitor the progress of the discussions in the United States on this and other issues.

(iii) Execution Priority at the NBBO

In the Consultation Paper, we asked if marketplaces should be required to provide execution priority to visible orders over Dark Orders at the same price. The vast majority of respondents and Forum participants thought that visible orders should be given priority over Dark Orders at the same price for a number of reasons including:

- market participants taking the risk to display their order should be rewarded by being given priority; and
- the promotion of pre-trade price discovery and visible liquidity.

Staff's View

Visible orders on a marketplace should execute before Dark Orders at the same price on the same marketplace. However, an exception could be made where two Dark Orders meeting the minimum size threshold can be executed at that price.

It is our view, as it has been historically, that visible orders on a particular marketplace should be given priority over Dark Orders at the same price. We believe this is fundamental to the protection of the price discovery process, and of the visible liquidity displayed in marketplaces' limit order books. However, it is also our opinion that two Dark Orders meeting the minimum size exemption and transacting at the NBBO make a significant contribution to price discovery and provide a benefit to marketplace participants through immediate post-trade transparency. Therefore, we would allow an exception to the priority of visible orders executing before Dark Orders at the same price on the same marketplace where two Dark Orders meeting the minimum size and appropriately marked as exempt from pre-trade transparency requirements can be executed at that price.

We recognize that investors with small orders in the visible book may be concerned about losing execution priority to large Dark Orders. However, it is our intent to not only protect the quality of our visible order books, but to facilitate greater liquidity interacting with more contra-side participants. This provides investors with a greater ability to get their orders executed. We believe that our current multiple marketplace structure provides a sufficiently robust environment for trading smaller-sized orders by enabling them to interact with a substantial number of liquidity-providing participants. Therefore, we feel that the price discovery benefits provided by the execution of two appropriately marked, large Dark Orders is significant enough to justify an exception to the traditional priority rules.

(iv) Meaningful Price Improvement

In the Consultation Paper, we discussed price improvement and asked whether transparent marketplaces should be allowed to have fully-hidden orders posted at prices inside the prevailing spread. There was no consensus on the issue in the response letters. Some commenters believed that fully-hidden orders should be allowed to post inside the prevailing displayed spread to (i) offer price improvement, and (ii) promote innovation by marketplaces. Others, however, thought transparent marketplaces should only allow execution of orders at the best bid or at the best offer. Some are of the view that, in order for orders to be executed inside the NBBO spread, they should provide meaningful price improvement.

The question then arose as to what is considered to be "meaningful". At what point does the individual benefit to an order receiving price improvement become less than the cost to the market as a whole when increasing numbers of orders are removed from visible marketplaces? Is price improvement amounting to fractions of a penny meaningful enough to justify a Dark Order trading in front of visible orders?

Staff's View

Meaningful price improvement means that the price is improved over the NBBO by a minimum of one trading increment as defined in UMIR, except where the NBBO spread is already at the minimum tick. In this case, meaningful price improvement would be at the mid-point of the spread.

It is our view that the ability to obtain price improvement at a fraction of a penny for a small number of shares does not outweigh the need to protect and foster the visible market and the price discovery process. The costs to all participants in the market,

[23] Published at: http://www.sec.gov/rules/concept/2010/34-61358.pdf

including investors, and regulators if sub-penny pricing were permitted outweigh the benefits of such small price improvement. The potential costs include the opportunity cost of missing the execution of an order due to sub-penny quote jumping, and increasing technology costs associated with execution, data, compliance and regulation that would affect marketplaces, marketplace participants, investors and regulators.

Consequently, we are of the view that meaningful price improvement should require that the price be improved over the NBBO by a minimum of one trading increment (tick) as defined in UMIR.

The price improvement requirement provides a benefit to both the order receiving price improvement and the passive orders in the visible books in the form of greater protection against sub-penny quote jumping. These orders are often those of the retail investor.

However, many securities are often already quoted at the narrowest spread allowable under UMIR. In a situation where the spread is already at the minimum tick, meaningful price improvement should be at the mid-point of the spread. In these cases, the Dark Order will have to be entered with reference to the NBBO in order to accommodate a mid-point execution. This is because, under UMIR, orders are not permitted to be entered in sub-penny prices except for securities trading at less than $0.50, for which orders in half-cent increments are currently permitted.

We believe a balance is needed between fostering competition for execution and keeping spreads narrow, and avoiding encouraging increasingly smaller amounts of price improvement used solely to achieve execution in front of visible orders. In keeping with the initial reasoning for the existence of Dark Pools (and more recently Dark Orders in general), we need to differentiate between two very different interests: (i) a genuine desire for large order execution, that can be reflected by a willingness to provide price improvement over the NBBO and the acceptance of this as a cost associated with the benefits of keeping an order dark; and (ii) the desire to step in front of a displayed quote for as tiny an amount as is permitted, merely to capture incoming order flow. For orders in securities trading at the minimum spread, a mid-point match allows the price improvement to be shared equally by both sides of the trade. We believe that this is a reasonable outcome that benefits both the Dark Order and the incoming order looking for price improvement.

III. COMMENT PROCESS AND NEXT STEPS

The issues addressed in this Position Paper are important ones which affect all participants in the Canadian capital market. Our recommendations reflect our views and are based on feedback from consultation with marketplace participants received not only through the comment process of the Consultation Paper and the Forum, but also from ongoing discussion with various stakeholders. Due to the broad impact of these proposed changes, we invite all interested parties to make written submissions. We ask that, to the extent possible, such written submissions be accompanied by supporting information and data.

Once we have considered feedback received, we will propose the appropriate rule changes that will be needed. Such rules may be at the CSA level, for example through amendments to NI 21-101, or at the IIROC level, for example through amendments to UMIR. Any rule proposal will be published for comment in accordance with the regular process.

Submissions to the CSA should be addressed on or before January 10, 2011 in care of the OSC, in duplicate, as indicated below:

Alberta Securities Commission
British Columbia Securities Commission
Manitoba Securities Commission
Autorité des marchés financiers
New Brunswick Securities Commission
Superintendent of Securities, Government Services of Newfoundland and Labrador
Superintendent of Securities, Department of Justice Government of Northwest Territories
Nova Scotia Securities Commission
Superintendent of Securities, Nunavut
Ontario Securities Commission
Superintendent of Securities, Consumer, Corporate and Insurance Services, Office of the Attorney General, Prince Edward Island
Saskatchewan Financial Services Commission
Superintendent of Securities, Yukon

c/o John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West
Suite 1900, Box 55
Toronto, Ontario M5H 3S8
E-mail: jstevenson@osc.gov.on.ca

and

M[e] Anne-Marie Beaudoin
Corporate Secretary
Autorité des marchés financiers
800, square Victoria, 22[e] étage
C.P. 246, tour de la Bourse
Montréal (Québec) H4Z 1G3
e-mail:consultation-en-cours@lautorite.qc.ca

Submissions to the Investment Industry Regulatory Organization of Canada to:

James Twiss – Vice President, Market Regulation Policy
Kevin McCoy – Senior Policy Analyst, Market Regulation Policy
Investment Industry Regulatory Organization of Canada
Suite 1600
121 King Street West
Toronto, Ontario
M5H 3T9
Email: jtwiss@iiroc.ca/kmccoy@iiroc.ca

We cannot keep submissions confidential because securities legislation in certain provinces requires that a summary of the written comments received during the comment period be published.

Questions may be referred to any of:

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Glossary

Broker Preferencing:	A marketplace feature that allows orders from the same participant or subscriber to execute ahead of other orders posted at the same price in a central limit order book.
Call Market:	A market in which each transaction takes place at pre-determined time intervals and where all of the bid and ask orders are aggregated and transacted at once. The marketplace determines the market clearing price based on the number of bid and ask orders. The market clearing price is the price at which the most number of orders will trade.
Dark Pool:	A marketplace that offers no pre-trade transparency on any orders.
Dark Order:	An order on any marketplace which is entered with no pre-trade transparency.
Indications of Interest (IOI):	IOIs include messages sent from a marketplace that contain certain information about resting orders on that marketplace. Information contained in an IOI may include information on one or more of, but not all of; symbol, side, size or price.
Liquidity Seeking Orders:	"Active" orders passing through a Dark Pool on the way to another marketplace, or interacting with liquidity on a transparent marketplace.
Market Impact Costs:	The costs that are incurred when the execution of an order moves the price of that security above the target price for a buy order, or below the target price for a sell order.
Marketplace Participant:	A member of an exchange, a user of a quotation and trade reporting system, or a subscriber of an ATS (as defined in section 1.1 of NI 21-101).
Market Pegged Order:	An order that is priced and re-priced as necessary to equal, or to be higher or lower than a reference bid, offer, or mid-point between a bid and an offer.
Mid-Point Match:	an execution mechanism that derives the price from the mid-point of the NBBO.
National Best Bid and Offer or NBBO:	In respect of a particular security, the best bid and offer of a standard trading unit across all transparent marketplaces not inclusive of Special Terms Orders
Post-trade Transparency:	Refers to the ability of the public to see information about the price and volume of a trade after it has been executed. Information includes the volume, symbol, price, and time of the order.
Pre-trade Transparency:	Refers to the ability of the public to see information about orders posted on a marketplace. Information includes the volume, symbol, price and time of the order.
Price Discovery:	The process of determination of market prices through the interactions of buyers and sellers.
Reserve Order (Iceberg Order):	An order that displays only a portion of its total volume at a price at which the participant is willing to trade. When the visible portion of the order is executed, an additional visible order is automatically generated by the trading system of the marketplace drawing from the total size and decreasing the amount of the reserve.
Smart Order Router:	A technological tool that scans multiple marketplaces for the best-displayed price and then routes orders to that marketplace for execution.
Special Terms Order:	An order that is less than a standard trading unit, or is subject to a condition other than price or being settled on the third business day following the trade unless specified by the marketplace.
Upstairs Market:	Where large blocks of shares are either worked by dealers who try to cross them with other client orders on an agency basis, or with inventory orders using their liability capital on a proprietary basis. These orders are usually entirely or partially withheld from the public marketplaces while being worked.

Chapter 7

Insider Reporting

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

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

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

Chapter 8

Notice of Exempt Financings

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

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
10/01/2010	1	2217049 Ontario Incorporated - Loans	1,100,000.00	1,100,000.00
10/01/2010	2	2256227 Ontario Inc. and St Jacobs Country Inn Inc. - Loans	15,000,000.00	15,000,000.00
09/23/2010	89	49 North Resources Inc. - Debentures	2,360,800.00	N/A
09/30/2010	41	ACM Commercial Mortgage Fund - Units	4,372,487.88	39,324.40
09/27/2010	43	Alhambra Resources Ltd. - Units	3,365,726.54	7,827,270.00
09/22/2010	37	Armtec Holdings Limited - Notes	150,000,000.00	N/A
10/29/2010	1	BAC Canada Finance Company (Formerly Merrill Lynch Canada Finance Company) - Notes	5,250,000.00	N/A
04/06/2010 to 05/06/2010	2	Baillie Gifford Emerging Markets Fund - Units	59,000,000.00	16,640,926.28
06/16/2010	1	Baillie Gifford Global Alpha Fund - Units	62,000,000.00	5,590,269.33
10/14/2010	100	Batero Gold Corp. - Units	16,200,000.00	9,843,750.00
11/01/2010	4	Bayfield Ventures Corp. - Common Shares	29,400.00	60,000.00
11/02/2010	9	Biotonix (2010) Inc - Units	295,999.20	493,332.00
09/16/2010	1	Birch Hill Equity Partners IV, L.P. - Limited Partnership Interest	20,000,000.00	N/A
09/16/2010	2	Birch Hill Equity Partners (Entrepreneurs) IV, L.P. - Limited Partnership Interest	1,000,000.00	N/A
10/26/2010	3	Bison Gold Resources Inc. - Common Shares	85,000.00	340,000.00
04/29/2010	1	Bison Income Trust II - Trust Units	600,000.00	60,000.00
08/13/2010 to 08/19/2010	3	Bison Income Trust II - Trust Units	1,440,000.00	144,000.00
08/16/2010 to 08/24/2010	3	Bison Prime Mortgage Fund - Trust Units	236,040.00	23,604.00
10/25/2010	1	Bradon Technologies Ltd. - Common Shares	1,000,002.00	333,334.00
10/08/2010	14	Brant County Riverbend Development IC - Common Shares	274,000.00	27,400.00
10/21/2010	1	Canadian Horizons First Mortgage Investment Corporation - Preferred Shares	20,000.00	20,000.00
10/08/2010	3	Canadian Horizons First Mortgage Investment Corporation - Preferred Shares	170,775.00	170,775.00

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
09/24/2010	29	Canasil Resources Inc. - Units	573,000.00	3,820,000.00
10/08/2010	3	CareVest Blended Mortgage Investment Corporation - Preferred Shares	60,000.00	60,000.00
10/21/2010	10	CareVest Capital Blended Mortgage Investment Corp. - Preferred Shares	2,561,181.00	2,561,181.00
10/06/2010	1	Care.com, Inc. - Preferred Shares	12,929.87	2,129.00
09/24/2010	61	Cayden Resources Inc. - Common Shares	4,313,900.40	3,739,917.00
09/30/2010	38	Centurion Apartment Real Estate Investment Trust - Units	1,649,900.00	164,990.00
11/01/2010	1	Claren Road Credit Fund, Ltd. - Common Shares	76,020,000.00	75,000.00
03/22/2010	1	Commonwealth Bank of Australia - Notes	49,491,500.00	500,000.00
09/16/2010	107	Continental Gold Limited - Units	68,400,000.00	12,000,000.00
08/17/2010	83	Cott Beverages Inc. - Notes	416,347,000.00	N/A
10/08/2010	6	Dynamic Systems Holdings Inc. - Common Shares	1,066,665.00	1,066,665.00
04/16/2010	2	Dynamic Systems Holdings Inc. - Notes	100,000.00	2.00
07/16/2010 to 07/24/2010	3	Dynamic Systems Holdings Inc. - Notes	75,000.00	3.00
08/17/2010 to 08/26/2010	2	Dynamic Systems Holdings Inc. - Notes	91,667.00	2.00
08/30/2010	1	Evolving Gold Corp. - Common Shares	30,800.00	250,000.00
11/02/2010	1	ExamWorks Group, Inc. - Common Shares	404,000.00	25,000.00
09/30/2010	4	Excalibur Limited Partnership - Limited Partnership Interest	749,191.00	3.06
09/29/2010	25	Exploration Puma Inc. - Units	557,500.00	4,910,000.00
10/26/2010	2	First Leaside Morgtage Fund - Trust Units	30,000.00	30,000.00
10/20/2010	1	First Leaside Wealth Management Inc. - Preferred Shares	59,000.00	59,000.00
11/05/2010	1	Foundation Group Capital Trust - Trust Units	18,000.00	1,500.00
10/01/2009 to 09/30/2010	1	Franklin Templeton 2020 Conservative Portfolio - Trust Units	145,048.70	15,142.33
10/01/2009 to 09/30/2010	1	Franklin Templeton 2020 Growth Portfolio - Trust Units	449,364.27	53,089.00
10/01/2009 to 09/30/2010	1	Franklin Templeton 2020 Moderate Portfolio - Trust Units	620,091.07	68,060.16
10/01/2009 to 09/30/2010	1	Franklin Templeton 2030 Conservative Portfolio - Trust Units	69,885.73	7,479.54
10/01/2009 to 09/30/2010	1	Franklin Templeton 2030 Growth Portfolio - Trust Units	355,465.58	42,645.25

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
10/01/2009 to 09/30/2010	1	Franklin Templeton 2030 Moderate Portfolio - Trust Units	650,435.16	74,329.22
10/01/2009 to 09/30/2010	1	Franklin Templeton 2040 Conservative Portfolio - Trust Units	29,930.69	3,315.50
10/01/2009 to 09/30/2010	1	Franklin Templeton 2040 Growth Portfolio - Trust Units	346,590.88	42,917.62
10/01/2009 to 09/30/2010	1	Franklin Templeton 2040 Moderate Portfolio - Trust Units	984,742.38	116,342.38
10/01/2009 to 09/30/2010	1	Franklin Templeton Retirement Portfolio - Trust Units	109,232.65	11,102.24
09/21/2010	84	Golden Alliance Resources Corp. - Units	4,542,750.00	9,085,500.00
09/30/2010 to 10/08/2010	38	Golden Share Mining Corporation - Common Shares	560,040.00	4,995,334.00
09/30/2010	39	Golden Share Mining Corporation - Common Shares	937,800.00	14,894,997.00
10/29/2010	2	Greencore Composites Inc. - Common Share Purchase Warrant	170,000.00	124,000.00
10/29/2010	2	Greencore Composites Inc. - Debentures	900,000.00	2.00
10/31/2010	1	Gulf & Pacific Equities Corp. - Debentures	1,115,000.00	N/A
08/27/2010	1	HSBC Bank USA National Association - Notes	1,545,945.00	15,000.00
10/05/2010 to 10/07/2010	4	IGW Real Estate Investment Trust - Units	143,553.96	N/A
10/21/2010	1	IRC Limited - Common Shares	6,136,310.16	25,866,000.00
09/30/2010	2	King Castle Limited Partnership - Limited Partnership Units	375,000.00	75.00
09/30/2010	7	Kingwest Avenue Portfolio - Units	43,340.11	1,507.70
10/31/2010	2	Kingwest Avenue Portfolio - Units	450,000.00	15,289.27
09/30/2010	2	Kingwest Canadian Equity Portfolio - Units	263,775.63	23,100.73
10/15/2010	1	Kingwest Canadian Equity Portfolio - Units	13,775.63	1,194.12
10/31/2010	1	Kingwest Canadian Equity Portfolio - Units	100,000.00	8,596.24
09/30/2010	1	Kingwest High Income Fund - Units	250,000.00	44,985.87
10/15/2010	1	Kingwest High Income Fund - Units	244,456.19	43,759.95
10/31/2010	3	Kingwest High Income Fund - Units	600,000.00	106,543.55
09/30/2010	2	Kingwest U.S. Equity Portfolio - Units	11,159.54	831.46
10/15/2010	1	Kingwest U.S. Equity Portfolio - Units	9,047.20	665.92
10/19/2010	101	Laricina Energy Ltd. - Flow-Through Shares	15,661,485.00	455,000.00
10/29/2010	33	Magellan Minerals Ltd. - Special Warrants	23,040,000.00	19,200,000.00

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
10/01/2010	2	Marquee Hotels, Brampton Inc. - Loans	7,960,000.00	7,960,000.00
10/06/2010	51	Molsen Coors International LP - Notes	498,425,000.00	500,000,000.00
09/24/2010	33	Morrison Laurier Mortgage Corporation - Preferred Shares	2,163,700.00	216,370.00
10/27/2010	21	Mountain Lake Resources Inc. - Flow-Through Shares	5,163,123.00	4,917,260.00
09/24/2010	47	Network Exploration Ltd. - Units	562,000.00	5,620,000.00
09/24/2010	101	Nevada Geothermal Power Inc. - Units	10,350,000.00	20,700,000.00
09/11/2010 to 09/24/2010	44	Newport Canadian Equity Fund - Trust Units	738,305.00	5,920.97
09/11/2010 to 09/24/2010	1	Newport Canadian Hedge Fund - Trust Units	33,401.00	334.01
09/11/2010 to 09/24/2010	1	Newport Diversified Hedge Fund - Trust Units	62,235.21	1,031.26
09/11/2010 to 09/24/2010	11	Newport Fixed Income Fund - Trust Units	1,161,805.94	10,768.38
09/11/2010 to 09/24/2010	4	Newport Global Equity Fund - Trust Units	113,667.97	1,943.54
09/11/2010 to 09/24/2010	1	Newport Strategic Yield Fund Limited Partnership - Trust Units	35,604.90	3,000.00
09/11/2010 to 09/24/2010	45	Newport Yield Fund - Trust Units	1,560,979.12	13,537.49
10/01/2010	16	NMC Mining Corp. - Common Shares	1,570,202.90	4,486,294.00
10/08/2010	52	Pacific Rim Mining Corp. - Common Shares	3,332,000.00	19,600,000.00
10/29/2010	40	Panoro Minerals Ltd. - Options	3,586,771.00	14,347,084.00
10/13/2010	8	Peat Resources Limited - Units	300,000.00	N/A
10/04/2010	3	Plazacorp Properties Holdings Inc. - Loans	10,892,000.00	10,892,000.00
10/12/2010 to 10/18/2010	28	Queensland Minerals Ltd. - Units	4,052,258.10	13,333,360.00
10/28/2010	36	Rockridge Capital Corp - Units	6,500,000.00	16,895,312.00
08/31/2010	233	Rogers Oil & Gas Inc. - Flow-Through Shares	617,935.00	135,687.00
10/19/2010 to 10/28/2010	57	Romex Mining Corporation - Units	2,347,000.00	23,470,000.00
10/29/2010	9	RS Technologies Inc. - Units	6,000,000.00	124.00
10/20/2010	1	Scorpio Gold Corporation - Units	8,196,000.00	8,000.00
09/28/2010	169	Skope Energy Inc. (the "Corporation") - Special Warrants	75,507,440.00	7,550,744.00
10/01/2010	3	Stacey Muirhead Limited Partnership - Limited Partnership Units	66,000.00	1,707.52

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
10/01/2010	1	Stacey Muirhead RSP Fund - Trust Units	500.00	49.18
09/27/2010	18	Stoneset One Mortgage Corporation - Bonds	693,000.00	255.00
10/30/2009 to 08/31/2010	16	Stylus Growth Fund of the Stylus Pooled Funds - Units	2,348,204.73	182,401.19
10/30/2009 to 09/30/2010	81	Stylus Momentum Fund of the Stylus Pooled Funds - Units	11,806,634.78	705,428.09
11/30/2009 to 07/30/2010	11	Stylus Value with Income Fund of the Stylus Pooled Funds - Units	1,705,705.55	132,600.58
10/27/2010	1	St. Eugene Mining Corporation Limited - Common Shares	650,000.00	6,500,000.00
10/21/2010	25	Tamarack Valley Energy Ltd. - Common Shares	4,500,000.15	14,449,858.00
09/14/2010 to 09/22/2010	59	Thunder Mountain Gold Inc. - Units	1,242,566.00	6,212,830.00
08/12/2010	153	Tourmaline Oil Corp. - Common Shares	25,209,800.00	1,145,900.00
10/13/2010	183	Triple 8 Energy Ltd. - Receipts	31,750,125.00	383,334,000.00
10/26/2010	44	Uranerz Energy Corporation - Units	28,193,463.98	8,111,313.00
10/31/2010	1	Value Partners Investments Inc. - Common Shares	48,650.00	5,000.00
09/30/2010	63	Vertex Fund - Trust Units	7,830,748.55	237,411.71
09/30/2010	6	Vertex Managed Value Portfolio - Trust Units	1,237,591.89	100,387.16
10/08/2010	24	Walton AZ Vista Bonita Limited Partnership - Limited Partnership Units	1,738,729.44	171,540.00
10/08/2010	12	Walton GA Woodbury Park IC - Common Shares	259,290.00	25,929.00
10/08/2010	26	Walton GA Woodbury Park LP - Units	1,139,000.00	113,900.00
10/08/2010	4	Walton GA Woodbury Park LP - Units	324,627.75	32,063.00
10/08/2010	27	Walton Southern U.S. Land 2 Investment Corporation - Common Shares	669,320.00	66,932.00
10/08/2010	6	Walton Southern U.S. land LP 2 - Units	927,500.63	91,605.00
08/26/2010	83	Western Pacific Resources Corp. - Common Shares	2,261,375.20	N/A
10/20/2010 to 10/26/2010	5	Wimberly Fund - Trust Units	403,413.00	403,413.00
10/29/2010 to 11/02/2010	13	Wimberly Fund - Trust Units	667,176.00	667,176.00
10/25/2010	7	Yangarra Resources Ltd. - Common Shares	4,901,000.00	7,540,000.00

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
Altus Group Income Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated November 16, 2010
NP 11-202 Receipt dated November 16, 2010
Offering Price and Description:
$50,000,000 - 5.75% Convertible Unsecured Subordinated Debentures Due December 31, 2017
Price: $1,000 per Debenture
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
CIBC World Markets Inc.
Canaccord Genuity Corp.
Cormark Securities Inc.
Scotia Capital Inc.
Promoter(s):
-
Project #1660763

Issuer Name:
ATB Money Market Fund
Compass Balanced Growth Portfolio
Compass Balanced Portfolio
Compass Conservative Balanced Portfolio
Compass Conservative Portfolio
Compass Growth Portfolio
Compass Maximum Growth Portfolio
Principal Regulator - Alberta
Type and Date:
Preliminary Simplified Prospectuses dated November 15, 2010
NP 11-202 Receipt dated November 16, 2010
Offering Price and Description:
Series A, F and I units
Underwriter(s) or Distributor(s):
ATB Investment Management Inc.
Promoter(s):
ATB Investment Management Inc.
Project #1660229

Issuer Name:
AURYX GOLD CORP.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated November 10, 2010
NP 11-202 Receipt dated November 10, 2010
Offering Price and Description:

$30,000,000 - 30,000,000 Common Shares
Price: $1.00 per Common Share
Underwriter(s) or Distributor(s):
Macquarie Capital Markets Canada Ltd.
Jennings Capital Inc.
Canaccord Genuity Corp.
Wellington West Capital Markets Inc.
Cormark Securities Inc.
GMP Securities L.P.
TD Securities Inc.
Promoter(s):
-
Project #1657186

Issuer Name:
Canada Pacific Capital Corp.
Principal Regulator - Ontario
Type and Date:
Preliminary CPC Prospectus dated November 11, 2010
NP 11-202 Receipt dated November 11, 2010
Offering Price and Description:
Minimum Offering: $400,000.00 or 4,000,000 Common Shares; Maximum Offering: $800,000.00 or 8,000,000 Common Shares Price: $0.10 per Common Share
Underwriter(s) or Distributor(s):
PI Financial Corp
Promoter(s):
-
Project #1658126

Issuer Name:
Canoe 'GO CANADA' Income Fund
Principal Regulator - Alberta
Type and Date:
Preliminary Long Form Prospectus dated November 15, 2010
NP 11-202 Receipt dated November 16, 2010
Offering Price and Description:
$* - *Combined Unit
Price: $12.00 per Combined Unit Minimum Purchase: 100 Combined Units
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
Canaccord Genuity Corp.
GMP Securities L.P.
HSBC Securities (Canada) Inc.
Dundee Securities Corporation
Macquarie Private Wealth Inc.
Raymond James Ltd.
Wellington West Capital Markets Inc.
Desjardins Securities Inc.
Mackie Research Capital Corporation
Manulife Securities Incorporated
Rothenberg Capital Management
Promoter(s):
Canoe Financial Corp.
Project #1660908

Issuer Name:
Chieftain Metals Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated November 15, 2010
NP 11-202 Receipt dated November 16, 2010
Offering Price and Description:
$* - * Common Shares at $ * Per Common Share
$* - * Flow-Through Shares at $ * Per Flow-Through Share
Price: $* per Offered Share and $* per Flow-Through Share
Underwriter(s) or Distributor(s):
Wellington West Capital Markets Inc.
Raymond James Ltd.
Haywood Securities Inc.
Promoter(s):
-
Project #1660663

Issuer Name:
Consolidated Thompson Iron Mines Limited (formerly Consolidated Thompson-Lundmark Gold Mines Limited)
Principal Regulator - Quebec
Type and Date:
Preliminary Short Form Prospectus dated November 12, 2010
NP 11-202 Receipt dated November 12, 2010
Offering Price and Description:
US$200,000,000 - 5.0% Convertible Unsecured Subordinated Debentures
Price: $1,000.00 per Debenture
Underwriter(s) or Distributor(s):
GMP Securities L.P.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
Macquarie Capital Markets Canada Ltd.
Desjardins Securities Inc.
Promoter(s):
-
Project #1658856

Issuer Name:
CU Inc.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated November 16, 2010
NP 11-202 Receipt dated November 16, 2010
Offering Price and Description:
$75,000,000
(3,000,000 shares)
Cumulative Redeemable Preferred Shares Series 4
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
TD Securities Inc.
Promoter(s):
-
Project #1660964

Issuer Name:
Endeavour Silver Corp.
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated November 16, 2010
NP 11-202 Receipt dated November 16, 2010
Offering Price and Description:
$50,122,500 - 8,150,000 Common Shares
Price: $6.15 per Offered Share
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
Salman Partners Inc.
Haywood Securities Inc.
RBC Dominion Securities Inc.
Promoter(s):
-
Project #1660844

Issuer Name:
Glacier Credit Card Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Shelf Prospectus dated November 12, 2010
NP 11-202 Receipt dated November 12, 2010
Offering Price and Description:
Up to $1,500,000,000 Credit Card Asset-Backed Notes
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
HSBC Securities (Canada) Inc.
Merrill Lynch Canada Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
TD Securities Inc.
Promoter(s):
Canadian Tire Bank
Project #1658574

Issuer Name:
HSBC U.S. DOLLAR MONTHLY INCOME FUND
HSBC WORLD SELECTION DIVERSIFIED CONSERVATIVE FUND
HSBC WORLD SELECTION DIVERSIFIED MODERATE CONSERVATIVE FUND
HSBC WORLD SELECTION DIVERSIFIED BALANCED FUND
HSBC WORLD SELECTION DIVERSIFIED GROWTH FUND
HSBC WORLD SELECTION DIVERSIFIED AGGRESSIVE GROWTH FUND
Principal Regulator - British Columbia
Type and Date:
Combined Preliminary Simplified Prospectuses dated November 15, 2010
NP 11-202 Receipt dated November 16, 2010
Offering Price and Description:
Investor, Advisor, Premium, Manager and Institutional Series units
Underwriter(s) or Distributor(s):
HSBC Investment Funds (Canada) Inc.
Promoter(s):
HSBC Investment Funds (Canada) Inc.
Project #1660516

Issuer Name:
HSBC Emerging Markets Debt Pooled Fund
Principal Regulator - British Columbia
Type and Date:
Combined Preliminary Simplified Prospectus dated November 10, 2010
NP 11-202 Receipt dated November 12, 2010
Offering Price and Description:
Mutual Fund Securities Net Asst Value

Promoter(s):
HSBC Global Asset Management (Canada) Limited
Project #1657752

Issuer Name:
Killam Properties Inc.
Principal Regulator - Nova Scotia
Type and Date:
Preliminary Short Form Prospectus dated November 12, 2010
NP 11-202 Receipt dated November 12, 2010
Offering Price and Description:
$50,000,000.00 - 5.65% Convertible Unsecured Subordinated Debentures due November 30, 2017 Price: $1,000 per Debenture
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
TD Securities Inc.
Canaccord Genuity Corp.
National Bank Financial Inc.
Beacon Securities Limited
Desjardins Securities Inc.
Dundee Securities Corporation
Macquaire Capital Markets Canada Ltd.
Brookfield Financial Corp.
M Partners Inc.
Raymond James Ltd.
Promoter(s):
-
Project #1658680

Issuer Name:
Omega Advisors U.S. Capital Appreciation Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated November 12, 2010
NP 11-202 Receipt dated November 15, 2010
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
Canaccord Genuity Corp.
Dundee Securities Corporation
GMP Securities L.P.
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Manulife Securities Incorporated
Union Securities Ltd.
Promoter(s):
Artemis Investment Management Limited
Project #1659171

Issuer Name:
PC Gold Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectusdated
NP 11-202 Receipt dated November 17, 2010
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1661222

Issuer Name:
PEYTO Energy Trust
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated November 16, 2010
NP 11-202 Receipt dated November 16, 2010
Offering Price and Description:
$125,079,000 - 7,230,000 Trust Units
Price: $17.30 per Trust Unit
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Peters & Co. Limited
RBC Dominion Securities Inc.
FirstEnergy Capital Corp.
Stifel Nicolaus Canada Inc.
Canaccord Genuity Corp.
Haywood Securities Inc.
Scotia Capital Inc.
Promoter(s):
-
Project #1660856

Issuer Name:
Phillips, Hager & North Canadian Equity Underlying Fund
Phillips, Hager & North Canadian Precious Metals Underlying Fund
Phillips, Hager & North LifeTime 2015 Fund
Phillips, Hager & North LifeTime 2020 Fund
Phillips, Hager & North LifeTime 2025 Fund
Phillips, Hager & North LifeTime 2030 Fund
Phillips, Hager & North LifeTime 2035 Fund
Phillips, Hager & North LifeTime 2040 Fund
Phillips, Hager & North LifeTime 2045 Fund
Phillips, Hager & North Long Inflation-linked Bond Fund
Phillips, Hager & North Short Inflation-linked Bond Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectuses dated November 15, 2010
NP 11-202 Receipt dated November 15, 2010
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
RBC Global Asset Management Inc.
Promoter(s):
RBC Global Asset Management Inc.
Project #1659914

Issuer Name:
PIMCO Canadian Long Term Bond Fund
PIMCO Canadian Real Return Bond Fund
PIMCO Canadian Short Term Bond Fund
PIMCO Canadian Total Return Bond Fund
PIMCO Global Advantage Strategy Bond Fund
PIMCO Global Balanced Fund
PIMCO Monthly Income Fund
PIMCO Pathfinder Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectuses dated November 16, 2010
NP 11-202 Receipt dated November 16, 2010
Offering Price and Description:
Class A, Class F, Class I and Class O units
Underwriter(s) or Distributor(s):
-
Promoter(s):
PIMCO Canada Corp.
Project #1660628

Issuer Name:
Power Corporation of Canada
Principal Regulator - Quebec
Type and Date:
Preliminary Shelf Prospectus dated November 16, 2010
NP 11-202 Receipt dated November 16, 2010
Offering Price and Description:
$1,000,000,000
Debt Securities (unsecured)
Subordinate Voting Shares
First Preferred Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1660689

Issuer Name:
Power Financial Corporation
Principal Regulator - Quebec
Type and Date:
Preliminary Shelf Prospectus dated November 16, 2010
NP 11-202 Receipt dated November 16, 2010
Offering Price and Description:
$1,500,000,000
Debt Securities (unsecured)
Common Shares
First Preferred Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1660684

Issuer Name:
Precious Metals and Mining Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated November 15, 2010
NP 11-202 Receipt dated November 16, 2010
Offering Price and Description:
$ * - * Units
Price $ * per Unit
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
Canaccord Genuity Corp.
National Bank Financial Inc.
Scotia Capital Inc.
Dundee Securities Corporation
GMP Securities L.P.
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Desjardins Securities Inc.
Industrial Alliance Securities Inc.
Mackie Research Capital Corporation
Macquarie Private Wealth Inc.
Manulife Securities Incorporated
Wellington West Capital Markets Inc.
Promoter(s):
Sentry Select Capital Inc.
Project #1660396

Issuer Name:
Royal Nickel Corporation
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated November 12, 2010
NP 11-202 Receipt dated November 17, 2010
Offering Price and Description:
$ * - * Units and *Flow-Through Units
Price: $* per Unit
Price: $ * per Flow-Through Unit
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
UBS Securities Canada Inc.
Scotia Capital Inc.
Desjardins Securities Inc.
Haywood Securities Inc.
Raymond James Ltd.
Promoter(s):
-
Project #1661095

Issuer Name:
Skope Energy Inc.
Principal Regulator - Alberta
Type and Date:
Preliminary Long Form Prospectus dated November 15, 2010
NP 11-202 Receipt dated November 16, 2010
Offering Price and Description:
$• - •Common Shares - and - Distribution of 5,050,744 Common Shares and 2,500,000 Non-Voting Shares issuable upon the exchange of previously issued Special Warrants
Price: $• per Common Share
Price: $10.00 per Special Warrant
Underwriter(s) or Distributor(s):
GMP Securities L.P.
CIBC World Markets Inc.
Wellington West Capital Markets Inc.
Promoter(s):
Henry Cohen
Viren Wong
Project #1660500

Issuer Name:
Stem Cell Therapeutics Corp.
Principal Regulator - Alberta
Type and Date:
Preliminary Shelf Prospectus dated November 10, 2010
NP 11-202 Receipt dated November 10, 2010
Offering Price and Description:
$15,000,000
Common Shares
Warrants
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1657410

Issuer Name:
Surge Energy Inc.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated November 15, 2010
NP 11-202 Receipt dated November 15, 2010
Offering Price and Description:
$42,005,250 - 8,001,000 Common Shares issuable upon the exercise of 8,001,000 outstanding Subscription Receipts
Price: $5.25 per Subscription Receipt
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
FirstEnergy Capital Corp.
GMP Securities L.P.
Macquarie Capital Markets Canada Ltd.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
CIBC World Markets Inc.
Peters & Co. Limited
Promoter(s):
-
Project #1660125

Issuer Name:
Torquay Oil Corp.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated November 15, 2010
NP 11-202 Receipt dated November 15, 2010
Offering Price and Description:
$15,000,700 - 11,539,000 Class A Shares
Price: $1.30 per Class A Share
Underwriter(s) or Distributor(s):
GMP Securities L.P.
Canaccord Genuity Corp.
Acumen Capital Finance Partners Limited
Promoter(s):
J. Brent McKercher
Terry R. McCallum
Darwin K. Little
Project #1659926

Issuer Name:
TriOil Resources Ltd. (formerly, One Exploration Inc.)
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated November 15, 2010
NP 11-202 Receipt dated November 15, 2010
Offering Price and Description:
$35,105,000 - 5,950,000 Class A Shares
Price: $5.90 per Class A Share
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
Canaccord Genuity Corp.
Clarus Securities Inc.
GMP Securities L.P.
Wellington West Capital Markets Inc.
Promoter(s):
-
Project #1660051

Issuer Name:
TRIPLE 8 ENERGY LTD.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated November 15, 2010
NP 11-202 Receipt dated November 15, 2010
Offering Price and Description:
$28,750,050 - 383,334,000 Common Shares and 191,667,000 Warrants issuable on exercise of 383,334,000 outstanding Subscription Receipts
Price: $0.075 per Subscription Receipt
Underwriter(s) or Distributor(s):
GMP Securities L.P.
Canaccord Genuity Corp.
Wellington West Capital Markets Inc.
Desjardins Securities Inc.
Mackie Research Capital Corporation
Raymond James Ltd.
Promoter(s):
-
Project #1660233

Issuer Name:
TWIN GLACIER RESOURCES LTD.
Principal Regulator - British Columbia
Type and Date:
Preliminary Long Form Prospectus dated November 12, 2010
NP 11-202 Receipt dated
Offering Price and Description:
3,950,000 UNITS (EACH UNIT CONSISTING OF ONE COMMON SHARE AND ONE COMMON SHARE PURCHASE WARRANT), AND 500,000 COMMON SHARES, ALL ISSUABLE UPON THE EXERCISE OF SPECIAL WARRANTS

Underwriter(s) or Distributor(s):
-
Promoter(s):
Judson Culter
Project #1661214

Issuer Name:
Veraz Petroleum Ltd.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated November 12, 2010
NP 11-202 Receipt dated November 12, 2010
Offering Price and Description:
$15,330,000 - 21,000,000 Units
Price: $0.73 per Unit
Underwriter(s) or Distributor(s):
FirstEnergy Capital Corp.
Haywood Securities Inc.
GMP Securities L.P.
Promoter(s):
-
Project #1659001

Issuer Name:
Ark Aston Hill Energy Class
Ark Aston Hill Monthly Income Class
Ark Catapult Energy Class Fund
Redwood Global High Dividend Fund (formerly Ark NorthRoad Global Fund)
Redwood Emerging Markets Dividend Income Fund
Trapeze Value Class (formerly Ark Aston Hill Opportunities Class)
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated November 5, 2010
NP 11-202 Receipt dated November 10, 2010
Offering Price and Description:
Series A and F Securities @ Net Asset Value
Underwriter(s) or Distributor(s):
Redwood Asset Management Inc.
Promoter(s):
REDWOOD ASSET MANAGEMENT INC.
Project #1643986

Issuer Name:
BTB Real Estate Investment Trust
Principal Regulator - Quebec
Type and Date:
Final Short Form Prospectus dated November 12, 2010
NP 11-202 Receipt dated November 12, 2010
Offering Price and Description:
$10,552,500.00 -15,750,000 Units
Price: $0.67 per Unit
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
Dundee Securities Corporation
Canaccord Genuity Corp.
HSBC Securities (Canada) Inc.
Promoter(s):
-
Project #1654831

Issuer Name:
Cabre Capital Corp
Principal Regulator - British Columbia
Type and Date:
Final CPC Prospectus dated November 10, 2010
NP 11-202 Receipt dated November 10, 2010
Offering Price and Description:
$200,000 .00 - 2,000,000 Common Shares Price: $0.10 per Common Share
Underwriter(s) or Distributor(s):
PI Financial Corp.
Promoter(s):
John Versfelt
Project #1649242

Issuer Name:
CanAsia Financial Inc.
Principal Regulator - Alberta
Type and Date:
Final Long Form Prospectus dated November 10, 2010
NP 11-202 Receipt dated November 15, 2010
Offering Price and Description:
36 million Common Shares
29 million Preferred Shares
NO SECURITIES ARE BEING OFFERED FOR SALE TO THE PUBLIC PURSUANT TO THIS PROSPECTUS
Underwriter(s) or Distributor(s):
Leede Financial Markets Inc.
Promoter(s):
Jay Leung
Project #1606446

Issuer Name:
Eagle Energy Trust
Principal Regulator - Alberta
Type and Date:
Final Long Form Prospectus dated November 16, 2010
NP 11-202 Receipt dated November 16, 2010
Offering Price and Description:
$150,000,000 - 15,000,000 Units'
Price: $10.00 per Unit
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
TD Securities Inc.
National Bank Financial Inc.
Dundee Securities Corporation
Canaccord Genuity Corp.
FirstEnergy Capital Corp.
GMP Securities L.P.
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Promoter(s):
Richard W. Clark
Project #1644910

Issuer Name:
ENBRIDGE GAS DISTRIBUTION INC.
Principal Regulator - Ontario
Type and Date:
Final Shelf Prospectus dated November 16, 2010
NP 11-202 Receipt dated November 16, 2010
Offering Price and Description:
$800,000,000
MEDIUM TERM NOTES (UNSECURED)
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Desjardins Securities Inc.
HSBC Securities (Canada) Inc.
Merrill Lynch Canada Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
Promoter(s):
-
Project #1657663

Issuer Name:
Fidelity American Disciplined Equity Currency Neutral Fund
Fidelity American Disciplined Equity Fund
Fidelity American High Yield Currency Neutral Fund
Fidelity American High Yield Fund
Fidelity American Opportunities Fund
Fidelity American Value Fund
Fidelity AsiaStar Fund
Fidelity Balanced Portfolio
Fidelity Canadian Asset Allocation Fund
Fidelity Canadian Balanced Fund
Fidelity Canadian Bond Fund
Fidelity Canadian Disciplined Equity Fund
Fidelity Canadian Growth Company Fund
Fidelity Canadian Large Cap Fund
Fidelity Canadian Money Market Fund
Fidelity Canadian Opportunities Fund
Fidelity Canadian Short Term Bond Fund
Fidelity China Fund
Fidelity ClearPath 2005 Portfolio
Fidelity ClearPath 2010 Portfolio
Fidelity ClearPath 2015 Portfolio
Fidelity ClearPath 2020 Portfolio
Fidelity ClearPath 2025 Portfolio
Fidelity ClearPath 2030 Portfolio
Fidelity ClearPath 2035 Portfolio
Fidelity ClearPath 2040 Portfolio
Fidelity ClearPath 2045 Portfolio
Fidelity ClearPath Income Portfolio
Fidelity Corporate Bond Fund
Fidelity Dividend Fund
Fidelity Dividend Plus Fund (formerly Fidelity Income Trust Fund)
Fidelity Emerging Markets Fund
Fidelity Europe Fund
Fidelity Far East Fund
Fidelity Global Asset Allocation Fund
Fidelity Global Balanced Portfolio
Fidelity Global Bond Currency Neutral Fund
Fidelity Global Bond Fund
Fidelity Global Consumer Industries Fund
Fidelity Global Disciplined Equity Currency Neutral Fund
Fidelity Global Disciplined Equity Fund
Fidelity Global Dividend Fund
Fidelity Global Financial Services Fund
Fidelity Global Fund
Fidelity Global Growth Portfolio
Fidelity Global Health Care Fund
Fidelity Global Income Portfolio
Fidelity Global Monthly Income Fund
Fidelity Global Natural Resources Fund
Fidelity Global Opportunities Fund
Fidelity Global Real Estate Fund
Fidelity Global Technology Fund
Fidelity Global Telecommunications Fund
Fidelity Greater Canada Fund
Fidelity Growth America Fund
Fidelity Growth Portfolio
Fidelity Income Allocation Fund (formerly Fidelity Monthly High Income Fund)
Fidelity Income Portfolio
Fidelity Income Replacement 2017 Portfolio
Fidelity Income Replacement 2019 Portfolio

Fidelity Income Replacement 2021 Portfolio
Fidelity Income Replacement 2023 Portfolio
Fidelity Income Replacement 2025 Portfolio
Fidelity Income Replacement 2027 Portfolio
Fidelity Income Replacement 2029 Portfolio
Fidelity Income Replacement 2031 Portfolio
Fidelity Income Replacement 2033 Portfolio
Fidelity Income Replacement 2035 Portfolio
Fidelity Income Replacement 2037 Portfolio
Fidelity International Disciplined Equity Currency Neutral Fund
Fidelity International Disciplined Equity Fund
Fidelity International Value Fund
Fidelity Japan Fund
Fidelity Latin America Fund
Fidelity Monthly Income Fund
Fidelity NorthStar Fund
Fidelity Overseas Fund
Fidelity Small Cap America Fund
Fidelity Special Situations Fund
Fidelity True North Fund
Fidelity U.S. Money Market Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated November 8, 2010
NP 11-202 Receipt dated November 12, 2010
Offering Price and Description:
Series A, B, C, D, F, O, T5, T8, S5, S8, F5 and F8 Units @ Net Asset Value
Underwriter(s) or Distributor(s):
Fidelity Investments Canada ULC
Fidelity Investments Canadaz ULC
Fidelity Investments Canada Limited
Fidelity Investments Canada ULC
Promoter(s):
-
Project #1640917

Issuer Name:
Galileo High Income Plus Fund
Galileo Global Opportunities Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated November 10, 2010
NP 11-202 Receipt dated November 15, 2010
Offering Price and Description:
Class A and F Units @ Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
Galileo Funds Inc.
Project #1644096

Issuer Name:
General Motors Company
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated November 17, 2010
NP 11-202 Receipt dated November 17, 2010
Offering Price and Description:
US$ 478,000,000 - * SHARES OF COMMON STOCK
Price: US$* PER SHARE OF COMMON STOCK
Underwriter(s) or Distributor(s):
Morgan Stanley Canada Limited
J.P. Morgan Securities Canada Inc.
Merrill Lynch Canada Inc.
Citigroup Global Markets Canada Inc.
Barclays Capital Canada Inc.
Credit Suisse Securities (Canada), Inc.
Deutche Bank Securities Limited
Glodman Sachs Canada Inc.
RBC Dominion Securities Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
Promoter(s):
-
Project #1621247

Issuer Name:
General Motors Company
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated November 17, 2010
NP 11-202 Receipt dated November 17, 2010
Offering Price and Description:
US$80,000,000 SHARES OF * % SERIES B MANDATORY CONVERTIBLE JUNIOR PREFERRED STOCK Price: US$* PER * % SERIES B MANDATORY CONVERTIBLE JUNIOR PREFERRED STOCK
Underwriter(s) or Distributor(s):
Morgan Stanley Canada Limited
J.P. Morgan Securities Canada Inc.
Glodman Sachs Canada Inc.
Merrill Lynch Canada Inc.
Barclays Capital Canada Inc.
Citigroup Global Markets Canada Inc.
Credit Suisse Securities (Canada), Inc.
Deutche Bank Securities Limited
RBC Dominion Securities Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
Promoter(s):
-
Project #1621248

Issuer Name:
GrowthWorks Commercialization Fund Ltd.
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated November 10, 2010
NP 11-202 Receipt dated November 11, 2010
Offering Price and Description:
Class A Shares, 11 Series @ $10 per share until March 1, 2011 and thereafter Net Asset Value per Share
and Class A Shares, 12 Series @ $10 per share from initial offering date (on or about September 1, 2011) until March 1, 2012 and thereafter Net Asset Value per Share
Underwriter(s) or Distributor(s):
GrowthWorks Capital Ltd.
Promoter(s):
-
Project #1643365

Issuer Name:
Innovente Inc.
Principal Regulator - Quebec
Type and Date:
Amendment dated October 27, 2010 to Final Long Form Prospectus dated July 30, 2010
NP 11-202 Receipt dated November 11, 2010
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Industrial Alliance Securities Inc.
M Partners Inc.
Promoter(s):
Richard Painchaud
Project #1594572

Issuer Name:
iShares Alternatives Completion Portfolio Builder Fund
iShares Conservative Core Portfolio Builder Fund
iShares Global Completion Portfolio Builder Fund
iShares Growth Core Portfolio Builder Fund
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated November 12, 2010
NP 11-202 Receipt dated November 12, 2010
Offering Price and Description:
Units @ Net Asset Value
Underwriter(s) or Distributor(s):
Blackrock Asset Management Canada Limited
Promoter(s):
-
Project #1643989

Issuer Name:
Kallisto Energy Corp.
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated November 16, 2010
NP 11-202 Receipt dated November 16, 2010
Offering Price and Description:
$6,000,001.02 - 7,594,938 Units
Price: $0.79 per Unit
Underwriter(s) or Distributor(s):
Acumen Capital Finance Partners Limited
Canaccord Genuity Corp.
Clarus Securities Inc.
Promoter(s):
-
Project #1654926

Issuer Name:
Man Canada AHL DP Investment Fund
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated November 9, 2010
NP 11-202 Receipt dated November 10, 2010
Offering Price and Description:
Class A Units, Class B Units, Class C Units, Class D Units, Class F Units, Class G Units, Class I Units,
Class O Units, Class P Units, Class Q Units, Class R Units, Class S Units and Class T Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
Man Investments Canada Corp.
Project #1644658

Issuer Name:
Manulife Advantage Fund
Manulife Advantage Fund II
Manulife Advantage II Class
Manulife American Advantage Fund
Manulife U.S. Opportunities Class
Manulife U.S. Opportunities Fund
Manulife Bond Fund
Manulife Monthly High Income Class
Manulife Canadian Focused Class
Manulife Canadian Focused Fund
Manulife Diversified Canada Class
Manulife Diversified Canada Fund
Manulife Global Advantage Fund
Manulife Global Focused Class
Manulife Global Focused Fund
Manulife Global Dividend Income Fund
Manulife Global Real Estate Class
Manulife Global Real Estate Fund
Manulife Preferred Income Fund
Manulife Total Yield Class
Manulife Value Fund
Manulife Global Infrastructure Class
Manulife Global Infrastructure Fund
Manulife International Dividend Income Fund
Manulife Canadian Balanced Fund
Manulife Canadian Balanced Growth Fund
Manulife Canadian Bond Plus Fund
Manulife Canadian Core Class
Manulife Canadian Core Fund
Manulife Canadian Equity Class
Manulife Canadian Equity Fund
Manulife Canadian Equity Index Fund
Manulife Canadian Equity Value Fund
Manulife Canadian Fixed Income Fund
Manulife Canadian Growth Fund
Manulife Canadian Large Cap Growth Fund
Manulife Canadian Large Cap Value Class
Manulife Canadian Opportunities Class
Manulife Canadian Opportunities Fund
Manulife Canadian Universe Bond Fund
Manulife Canadian Value Class
Manulife Canadian Value Fund
Manulife China Class
Manulife Core Balanced Fund
Manulife Corporate Bond Fund
Manulife Dividend Fund
Manulife Dollar-Cost Averaging Fund
Manulife Emerging Markets Fund
Manulife European Opportunities Fund
Manulife Floating Rate Income Fund
Manulife Global Core Class
Manulife Global Dividend Fund
Manulife Global Leaders Class
Manulife Global Monthly Income Fund
Manulife Global Natural Resources Fund
Manulife Global Opportunities Balanced Fund
Manulife Global Opportunities Class
Manulife Growth & Income Fund
Manulife Growth Opportunities Class
Manulife Growth Opportunities Fund
Manulife International Equity Index Fund
Manulife International Value Class
Manulife Investment Savings Fund
Manulife Japan Class
Manulife Leaders Balanced Growth Portfolio
Manulife Leaders Balanced Income Portfolio
Manulife Leaders Opportunities Portfolio
Manulife Canadian Bond Fund
Manulife Canadian Investment Class
Manulife Diversified Investment Fund
Manulife Global Equity Class
Manulife Global Small Cap Fund
Manulife Tax-Managed Growth Fund
Manulife U.S. Equity Fund
Manulife World Investment Class
Manulife Money Fund
Manulife Monthly High Income Fund
Manulife Total Global Equity Class
Manulife Sector Rotation Fund
Manulife Short Term Bond Fund
Manulife Short Term Yield Class
Manulife Simplicity Aggressive Portfolio
Manulife Simplicity Balanced Portfolio
Manulife Simplicity Conservative Portfolio
Manulife Simplicity Global Balanced Portfolio
Manulife Simplicity Growth Portfolio
Manulife Simplicity Income Portfolio
Manulife Simplicity Moderate Portfolio
Manulife Small Cap Value Fund
Manulife Strategic Income Class
Manulife Strategic Income Fund
Manulife Structured Bond Class
Manulife U.S. Diversified Growth Fund
Manulife U.S. Equity Index Fund
Manulife U.S. Large Cap Value Class
Manulife U.S. Mid-Cap Fund
Manulife U.S. Mid-Cap Value Class
Manulife U.S. Value Fund
Manulife Yield Opportunities Class
Manulife Yield Opportunities Fund
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated November 5, 2010 to Final Simplified Prospectuses and Annual Information Forms dated August 19, 2010
NP 11-202 Receipt dated November 11, 2010
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Elliott & Page Limited
Manulife Asset Management Limited
Elliott & Page Limited
Promoter(s):
Elliott & Page Limited
Project #1607486

Issuer Name:
MD American Growth Fund
MD American Value Fund
MD Balanced Fund
MD Balanced Growth Portfolio
MD Bond and Mortgage Fund
MD Bond Fund
MD Conservative Portfolio
MD Dividend Fund
MD Equity Fund
MD Growth Investments Limited
MD Income & Growth Fund
MD International Growth Fund
MD International Value Fund
MD Maximum Growth Portfolio
MD Moderate Balanced Portfolio
MD Money Fund
MD Select Fund
MDPIM Canadian Equity Pool
MDPIM US Equity Pool
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated November 4, 2010 to Final Simplified Prospectuses and Annual Information Forms dated June 11, 2010
NP 11-202 Receipt dated November 10, 2010
Offering Price and Description:
Series A, Series I and Series T Units @ Net Asset Value
Underwriter(s) or Distributor(s):
MD Management Limited
Promoter(s):
-
Project #1576010

Issuer Name:
MDPIM Canadian Bond Pool
MDPIM Canadian Equity Pool
MDPIM Canadian Long Term Bond Pool
MDPIM Dividend Pool
MDPIM International Equity Pool
MDPIM US Equity Pool
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated November 4, 2010 to Final Simplified Prospectuses and Annual Information Form dated June 11, 2010
NP 11-202 Receipt dated November 10, 2010
Offering Price and Description:
Series A Units, Series T Units and Private Trust Series Units @ Net Asset Value
Underwriter(s) or Distributor(s):
MD Management Limited
MD Management Ltd.
Promoter(s):
-
Project #1576040

Issuer Name:
NORTHERN PRECIOUS METALS 2010 LIMITED PARTNERSHIP
Principal Regulator - Quebec
Type and Date:
Amendment #1 dated November 4, 2010 to Final Long Form Prospectus dated October 25, 2010
NP 11-202 Receipt dated November 10, 2010
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Secutor Capital Management Corporation
Promoter(s):
Northern Precious Metals Management Inc.
Project #1621643

Issuer Name:
NuLegacy Gold Corporation
Principal Regulator - British Columbia
Type and Date:
Final Long Form Prospectus dated November 10, 2010
NP 11-202 Receipt dated November 12, 2010
Offering Price and Description:
$1,000,000.00 - 4,000,000 Units
Price: $0.25 per Unit Each Unit consisting of one Unit Share and one Warrant - and – Distribution of 5,573,750 SW Shares and 5,573,750 SW Warrants issuable upon the deemed exercise of 5,573,750 previously issued Special Warrants
Underwriter(s) or Distributor(s):
Bolder Investment Partners, Ltd.
Promoter(s):
Albert J. Matter
Project #1618651

Issuer Name:
OceanaGold Corporation
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectusdated November 10, 2010
NP 11-202 Receipt dated November 11, 2010
Offering Price and Description:
$42,081,760.00 - 12,023,360 Common Shares to be issued upon exercise of 12,023,360 previously issued Special Warrants Price: $3.50 per Special Warrant
Underwriter(s) or Distributor(s):
Macquarie Capital Markets Canada Ltd.
Citigroup Global Markets Canada Inc.
GMP Securities L.P.
Cormark Securities Inc.
BMO Nesbitt Burns Inc.
Raymond James Ltd.
NCP Northland Capital Partners Inc.
Promoter(s):
-
Project #1653676

Issuer Name:
Pathway Mining 2010-II Flow-Through Limited Partnership
Principal Regulator - Ontario
Type and Date:
Amended and Restated Long Form Prospectus dated November 4, 2010 amending and restating Final Long Form Prospectus dated September 16, 2010
NP 11-202 Receipt dated November 11, 2010
Offering Price and Description:
$30,000,000 (Maximum Offering)
$5,000,000 (Minimum Offering)
A Maximum of 3,000,000 and a Minimum of 500,000 Limited Partnership Units
Price: $10.00 per Unit
Underwriter(s) or Distributor(s):
Wellington West Capital Inc.
HSBC Securities (Canada) Inc.
BMO Nesbitt Burns Inc.
Burgeonvest Bick Securities Limited
Mackie Research Capital Corporation
Raymond James Ltd.
Canaccord Genuity Corp.
Macquarie Capital Markets Canada Ltd.
Dundee Securities Corporation
M Partners Inc.
MGI Securities Inc.
Promoter(s):
Pathway Mining 2010-II Inc.
Project #1604706

Issuer Name:
Pembina Pipeline Corporation
Principal Regulator - Alberta
Type and Date:
Final Shelf Prospectus dated November 12, 2010
NP 11-202 Receipt dated November 12, 2010
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1654919

Issuer Name:
Pro FTSE NA Dividend Index Fund
Pro FTSE RAFI Canadian Index Fund
Pro FTSE RAFI Emerging Markets Index Fund
Pro FTSE RAFI Global Index Fund
Pro FTSE RAFI Hong Kong China Index Fund
Pro FTSE RAFI US Index Fund
Pro Money Market Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated November 8, 2010
NP 11-202 Receipt dated November 12, 2010
Offering Price and Description:
Class A Units, Class B Units, class F Units and Class I Units @ Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
Pro-Financial Asset Management Inc.
Project #1641580

Issuer Name:
Sprott Energy Fund
Principal Regulator - Ontario
Type and Date:
Amendment #2 dated November 11, 2010 to Final Simplified Prospectus and Annual Information Formdated May 6, 2010
NP 11-202 Receipt dated November 16, 2010
Offering Price and Description:
-
Underwriter(s) or Distributor(s):

Promoter(s):
SPROTT ASSET MANAGEMENT L.P.
Project #1552586

Issuer Name:
Strad Energy Services Ltd.
Principal Regulator - Alberta
Type and Date:
Final Long Form Prospectus dated November 15, 2010
NP 11-202 Receipt dated November 15, 2010
Offering Price and Description:
$40,000,000 - 10,000,000 Common Shares
$4.00 per Common Share
Underwriter(s) or Distributor(s):
Raymond James Ltd.
CIBC World Markets Inc.
Macquarie Capital Markets Canada Ltd.
Peters & Co. Limited
GMP Securities L.P.
HSBC Securities (Canada) Inc.
Paradigm Capital Inc.
Promoter(s):
-
Project #1643647

Issuer Name:
TAG Oil Ltd
Principal Regulator - British Columbia
Type and Date:
Final Short Form Prospectus dated November 10, 2010
NP 11-202 Receipt dated November 10, 2010
Offering Price and Description:
$53,560,000.00 - 10,300,000 Common Shares Price: $5.20 per Common Share
Underwriter(s) or Distributor(s):
GMP Securities L.P.
Wellington West Capital Markets Inc.
Promoter(s):
-
Project #1652685

Issuer Name:
Teranga Gold Corporation
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated November 11, 2010
NP 11-202 Receipt dated November 11, 2010
Offering Price and Description:
$96,000,000.00 - 32,000,000 Common Shares Price: $3.00 per Share
Underwriter(s) or Distributor(s):
Cormark Securities Inc.
GMP Securities L.P.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
Mackie Research Capital Corporation
Paradigm Capital Inc.
Scotia Capital Inc.
Toll Cross Securities Inc.
Promoter(s):
Mineral Deposits Limited
Project #1645089

Issuer Name:
Tourmaline Oil Corp.
Principal Regulator - Alberta
Type and Date:
Final Long Form Prospectus dated November 15, 2010
NP 11-202 Receipt dated November 16, 2010
Offering Price and Description:
$210,000,000 - 10,000,000 Common Shares
Price: $21.00 per Common Share
Underwriter(s) or Distributor(s):
Peters & Co. Limited
FirstEnergy Capital Corp.
Scotia Capital Inc.
TD Securities Inc.
Cormark Securities Inc.
Promoter(s):
-
Project #1645004

Issuer Name:
TransForce Inc.
Principal Regulator - Quebec
Type and Date:
Final Short Form Prospectus dated November 11, 2010
NP 11-202 Receipt dated November 12, 2010
Offering Price and Description:
$125,000,000.00 - 6% Convertible Unsecured Subordinated Debentures Price: $1,000 per Debenture
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Desjardins Securities Inc.
Scotia Capital Inc.
Cormark Securities Inc.
Promoter(s):
-
Project #1654715

Issuer Name:
Xtra-Gold Resources Corp.
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated November 8, 2010
NP 11-202 Receipt dated November 11, 2010
Offering Price and Description:
Minimum Offering: 3,703,704 Common Shares for $5,000,000.00; Maximum Offering: 7,037,037 Common Shares for $9,500,000 $1.35 per Common Shares
Underwriter(s) or Distributor(s):
Haywood Securities Inc.
GMP Securities L.P.
Promoter(s):
Paul N. Zyla
Project #1638296

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Voluntary Surrender	The Laurel Hill Advisory Group Company	Exempt Market Dealer	November 5, 2010
Voluntary Surrender	Mallory Capital Group, LLC	Exempt Market Dealer	November 5, 2010
New Registration	UBS Securities LLC	Exempt Market Dealer	November 10, 2010
Change in Registration Category	Wolverine Asset Management Ltd.	From: Exempt Market Dealer and Portfolio Manager To: Exempt Market Dealer, Portfolio Manager and Investment Fund Manager	November 10, 2010
Change in Registration Category	BMO Asset Management Inc.	From: Exempt Market Dealer, Portfolio Manager and Commodity Trading Manager To: Exempt Market Dealer, Portfolio Manager, Commodity Trading Manager and Investment Fund Manager	November 11, 2010
Voluntary Surrender	Bick Financial Security Corporation	Mutual Fund Dealer, Exempt Market Dealer	November 11, 2010
Change in Registration Category	CIBC Global Asset Management Inc.	From: Portfolio Manager and Commodity Trading Manager To: Portfolio Manager, Commodity Trading Manager and Investment Fund Manager	November 12, 2010

Type	Company	Category of Registration	Effective Date
Change in Registration Category	Manulife Asset Management Inc.	From: Mutual Fund Dealer, Exempt Market Dealer, Portfolio Manager and Commodity Trading Manager To: Mutual Fund Dealer, Exempt Market Dealer, Portfolio Manager, Commodity Trading Manager and Investment Fund Manager	November 12, 2010
Consent to Suspension (Pending Surrender)	Capital Partners Corporation	Exempt Market Dealer	November 15, 2010
Voluntary Surrender	Casimir Capital L.P.	Exempt Market Dealer	November 15, 2010
Voluntary Surrender	Connor, Clark & Lunn Arrowstreet Capital Ltd.	Exempt Market Dealer	November 15, 2010
Consent to Suspension (Pending Surrender)	Linear Capital Group Inc.	Exempt Market Dealer	November 15, 2010
Consent to Suspension (Pending Surrender)	Silverbridge Capital Inc.	Exempt Market Dealer	November 15, 2010
Consent to Suspension (Pending Surrender)	Sprung LMD Inc.	Exempt Market Dealer	November 15, 2010
Change in Registration Category	BMO Harris Investment Management Inc.	From: Exempt Market Dealer, Portfolio Manager, Commodity Trading Counsel and Commodity Trading Manager To: Exempt Market Dealer, Portfolio Manager, Commodity Trading Counsel, Commodity Trading Manager and Investment Fund Manager	November 16, 2010

Type	Company	Category of Registration	Effective Date
New Registration	MineralFields Fund Management Inc.	Investment Fund Manager	November 16, 2010
Consent to Suspension (Pending Surrender)	ASG Financial Corp.	Exempt Market Dealer	November 16, 2010
Consent to Suspension (Pending Surrender)	Bedminister Financial Group Ltd.	Exempt Market Dealer	November 16, 2010
Consent to Suspension (Pending Surrender)	Pepper-Weberg Trading & Investment Corporation	Exempt Market Dealer	November 17, 2010

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