The Ontario Securities Commission

OSC Bulletin

January 28, 2011

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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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Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

January 28, 2011

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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Christopher Portner	—	CP
Charles Wesley Moore (Wes) Scott	—	CWMS

SCHEDULED OSC HEARINGS

February 8, 2011	**Ameron Oil and Gas Ltd. and MX-IV, Ltd.**
2:30 p.m.	s. 127
	H. Craig/C. Rossi in attendance for Staff
	Panel: MGC
February 11, 2011	**Shallow Oil & Gas Inc., Eric O'Brien, Abel Da Silva, Gurdip Singh Gahunia aka Michael Gahunia and Abraham Herbert Grossman aka Allen Grossman**
10:00 a.m.	
	s. 127(7) and 127(8)
	H. Craig in attendance for Staff
	Panel: CSP
February 11, 2011	**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**
10:00 a.m.	
	s. 127 and 127.1
	Y. Chisholm in attendance for Staff
	Panel: PJL/PLK
February 14-18, February 23 – March 1, 2011	**Nelson Financial Group Ltd., Nelson Investment Group Ltd., Marc D. Boutet, Stephanie Lockman Sobol, Paul Manuel Torres, H.W. Peter Knoll**
10:00 a.m.	
	s. 127
	P. Foy in attendance for Staff
	Panel: EPK/MCH

February 16, 2011 2:00 p.m.	**Global Energy Group, Ltd., New Gold Limited Partnerships, 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: TBA
February 16, 2011 2:00 p.m.	**Global Energy Group, Ltd., New Gold Limited Partnerships, Christina Harper, Vadim Tsatskin, Michael Schaumer, Elliot Feder, Oded Pasternak, Alan Silverstein, Herbert Groberman, Allan Walker, Peter Robinson, Vyacheslav Brikman, Nikola Bajovski, Bruce Cohen and Andrew Shiff** s. 37, 127 and 127.1 H. Craig in attendance for Staff Panel: 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: MGC
February 28, 2011 11:00 a.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: TBA
March 1, 2011 2:00 p.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
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 7-11, March 21-28, 2011 10:00 a.m. March 29, 2011 2:00 p.m.	**Paul Donald** s. 127 C. Price in attendance for Staff Panel: TBA
March 8, 2011 10:00 a.m.	**Global Consulting and Financial Services, Crown Capital Management Corporation, Canadian Private Audit Service, Executive Asset Management, Michael Chomica, Peter Siklos (Also Known As Peter Kuti), Jan Chomica, and Lorne Banks** s. 127 H. Craig/C. Rossi in attendance for Staff Panel: TBA
March 10, 2011 10:00 a.m.	**Alexander Christ Doulis (aka Alexander Christos Doulis, aka Alexandros Christodoulidis) and Liberty Consulting Ltd.** s. 127 S. Horgan in attendance for Staff Panel: CP/PLK

March 16, 2011 10:00 a.m.	**Rezwealth Financial Services Inc., Pamela Ramoutar, Justin Ramoutar, Tiffin Financial Corporation, Daniel Tiffin, 2150129 Ontario Inc., Sylvan Blackett, 1778445 Ontario Inc. and Willoughby Smith** s. 127(1) and (5) A. Heydon in attendance for Staff Panel: CP
March 21 and March 23-31, 2011 May 2-9 and May 11-13, 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/C. Rossi 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 4-7, April 11, April 13-18 and April 20, 2011 10:00 a.m.	**Uranium308 Resources Inc., Michael Friedman, George Schwartz, Peter Robinson, and Shafi Khan** s. 127 H. Craig/C.Rossi in attendance for Staff Panel: TBA
April 4-11 and April 13-15, 2011 10:00 a.m.	**L. Jeffrey Pogachar, Paola Lombardi, Alan S. Price, New Life Capital Corp., New Life Capital Investments Inc., New Life Capital Advantage Inc., New Life Capital Strategies Inc., 1660690 Ontario Ltd., 2126375 Ontario Inc., 2108375 Ontario Inc., 2126533 Ontario Inc., 2152042 Ontario Inc., 2100228 Ontario Inc., and 2173817 Ontario Inc.** 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, April 13-21, and April 27-29, 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: TBA

April 18 and April 20, 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
May 2-9, May 11-16, 2011 10:00 a.m.	**Innovative Gifting Inc., Terence Lushington, Z2A Corp., and Christine Hewitt** s. 127 C. Rossi in attendance for Staff Panel: TBA
May 4-5, 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
May 10, 2011 2:30 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
May 25-31, 2011 10:00 a.m.	**Sunil Tulsiani, Tulsiani Investments Inc., Private Investment Club Inc., and Gulfland Holdings LLC** s. 127 C. Rossi in attendance for Staff Panel: TBA
June 6 and June 8-9, 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 6-12, September 14-26 and September 28, 2011 10:00 a.m.	**Anthony Ianno and Saverio Manzo** s. 127 and 127.1 A. Clark 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

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/C. Rossi 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

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

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

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 **Abel Da Silva**

s. 127

M. Boswell in attendance for Staff

Panel: TBA

TBA **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: TBA

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

s. 127

T. Center in attendance for Staff

Panel: TBA

TBA **Ameron Oil and Gas Ltd., MX-IV Ltd., Gaye Knowles, Giorgio Knowles, Anthony Howorth, Vadim Tsatskin, Mark Grinshpun, Oded Pasternak, and Allan Walker**

s. 37, 127 and 127.1

H. Craig/C. Rossi in attendance for Staff

Panel: TBA

TBA **David M. O'Brien**

s. 37, 127 and 127.1

B. Shulman in attendance for Staff

Panel: TBA

TBA **Paul Azeff, Korin Bobrow, Mitchell Finkelstein, Howard Jeffrey Miller and Man Kin Cheng (a.k.a. Francis Cheng)**

s. 127

T. Center/D. Campbell in attendance for Staff

Panel: TBA

TBA **Maple Leaf Investment Fund Corp., Joe Henry Chau (aka: Henry Joe Chau, Shung Kai Chow and Henry Shung Kai Chow), Tulsiani Investments Inc., Sunil Tulsiani and Ravinder Tulsiani**

s. 127

A. Perschy/C. Rossi in attendance for Staff

Panel: CP/PLK

TBA **Shaun Gerard McErlean and Securus Capital Inc.**

s. 127

M. Britton in attendance for Staff

Panel: TBA

TBA **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: TBA

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

s. 127

H. Craig in attendance for Staff

Panel: TBA

TBA

Irwin Boock, Stanton Defreitas, Jason Wong, Saudia Allie, Alena Dubinsky, Alex Khodjiaints Select American Transfer Co., Leasesmart, Inc., Advanced Growing Systems, Inc., International Energy Ltd., Nutrione Corporation, Pocketop Corporation, Asia Telecom Ltd., Pharm Control Ltd., Cambridge Resources Corporation, Compushare Transfer Corporation, Federated Purchaser, Inc., TCC Industries, Inc., First National Entertainment Corporation, WGI Holdings, Inc. and Enerbrite Technologies Group

s. 127 and 127.1

H. Craig in attendance for Staff

Panel: TBA

TBA

Helen Kuszper and Paul Kuszper

s. 127 and 127.1

U. Sheikh in attendance for Staff

Panel: TBA

TBA

Nest Acquisitions and Mergers, IMG International Inc., Caroline Myriam Frayssignes, David Pelcowitz, Michael Smith, and Robert Patrick Zuk

s. 37, 127 and 127.1

C. Price in attendance for Staff

Panel: TBA

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 Merax Resource Management Ltd. et al.

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

AND

IN THE MATTER OF
MERAX RESOURCE MANAGEMENT LTD.,
carrying on business as
CROWN CAPITAL PARTNERS,
RICHARD MELLON AND ALEX ELIN

NOTICE OF WITHDRAWAL

WHEREAS on December 7, 2006, Staff of the Ontario Securities Commission ("Staff") issued an Amended Statement of Allegations pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended, against Merax Resource Management Ltd. carrying on business as Crown Capital Partners ("Merax"), Richard Mellon and Alex Elin (collectively "the Respondents");

AND WHEREAS on November 3, 2010, Staff issued an Amended Amended Statement of Allegations against the Respondents;

AND WHEREAS on May 15, 2006, the Respondent, Merax was dissolved;

TAKE NOTICE that Staff of the Commission withdraw the allegations against Merax, as of January 26, 2011.

January 26, 2011

STAFF OF THE ONTARIO SECURITIES COMMISSION
20 Queen Street West
P.O. Box 55, 19th Floor
Toronto, Ontario
M5H 3S8

1.1.3 Notice of Commission Approval – IIROC UMIR Amendments Relating to Order Protection Rule

INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA (IIROC)

PROVISIONS RESPECTING IMPLEMENTATION OF THE ORDER PROTECTION RULE

NOTICE OF COMMISSION APPROVAL

The Ontario Securities Commission approved proposed amendments to the Universal Market Integrity Rules (UMIR). In addition, the British Columbia Securities Commission did not object to, and the Alberta Securities Commission, the Autorité des marchés financiers, the Saskatchewan Financial Services Commission, the Nova Scotia Securities Commission and the New Brunswick Securities Commission approved the proposed amendments. The objective of the amendments is to make changes to UMIR that are consequential to the implementation of the Order Protection Rule found in National Instrument 23-101 *Trading Rules*.

The proposed amendments were published for comment on November 13, 2009, at (2009) 32 OSCB 9565. A summary of the comments and IIROC's responses and a copy of the approved amendments are included in Chapter 13 of this Bulletin.

1.2 Notices of Hearing

1.2.1 L. Jeffrey Pogachar et al.

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

AND

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

NOTICE OF HEARING

TAKE NOTICE that the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended, at the offices of the Commission located at 20 Queen Street West, Toronto, 17th Floor, on January 25, 2011 at 10:00 a.m. or 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 a settlement agreement entered into between Staff of the Commission and New Life Capital Corp., New Life Capital Investments Inc., New Life Capital Advantage Inc., New Life Capital Strategies Inc., 1660690 Ontario Ltd., 2126375 Ontario Inc., 2108375 Ontario Inc., 2126533 Ontario Inc., 2152042 Ontario Inc., 2100228 Ontario Inc. and 2173817 Ontario Inc.

DATED at Toronto this 14th day of January, 2011

"John Stevenson"
Secretary of the Commission

1.2.2 Rezwealth Financial Services Inc. et al. – ss. 127, 127.1

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

AND

IN THE MATTER OF
REZWEALTH FINANCIAL SERVICES INC.,
PAMELA RAMOUTAR, JUSTIN RAMOUTAR,
TIFFIN FINANCIAL CORPORATION,
DANIEL TIFFIN, 2150129 ONTARIO INC.,
SYLVAN BLACKETT, 1778445 ONTARIO INC.
AND WILLOUGHBY SMITH

NOTICE OF HEARING
(Sections 127 and 127.1)

TAKE NOTICE THAT the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") at the offices of the Commission located at 20 Queen Street West, 17th Floor, on March 16, 2011 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 to consider whether it is in the public interest for the Commission, at the conclusion of the hearing, to make an order:

(i) pursuant to clause 2 of section 127(1) of the Act that trading in any securities by Rezwealth Financial Services Inc., Pamela Ramoutar, Justin Ramoutar, Tiffin Financial Corporation, Daniel Tiffin ("Tiffin"), 2150129 Ontario Inc., Sylvan Blackett ("Blackett"), 1778445 Ontario Inc. and Willoughby Smith ("Smith") (collectively, the "Respondents") cease permanently or for such period as is specified by the Commission;

(ii) pursuant to clause 2.1 of section 127(1) of the Act the acquisition of any securities by the Respondents is prohibited permanently or for such other period as is specified by the Commission;

(iii) pursuant to clause 3 of section 127(1) of the Act 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;

(iv) pursuant to clause 6 of section 127(1) of the Act that the Respondents be reprimanded;

(v) pursuant to clauses 7, 8.1 and 8.3 of section 127(1) of the Act that Pamela

Ramoutar, Justin Ramoutar, Tiffin, Blackett and Smith (collectively the "Individual Respondents") resign all positions that they hold as a director or officer of any issuer, registrant, or investment fund manager;

(vi) pursuant to clauses 8, 8.2 and 8.4 of section 127(1) of the Act that the Individual Respondents be prohibited from becoming or acting as a director or officer of any issuer, registrant, or investment fund manager;

(vii) pursuant to clause 8.5 of section 127(1) of the Act that the Respondents be prohibited from becoming or acting as a registrant, as an investment fund manager or as a promoter;

(viii) pursuant to clause 9 of section 127(1) of the Act that 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;

(ix) pursuant to clause 10 of section 127(1) of the Act that each Respondent disgorge to the Commission any amounts obtained as a result of non-compliance by that Respondent with Ontario securities law;

(x) pursuant to section 127.1 of the Act that the Respondents be ordered to pay the costs of the Commission investigation and the hearing; and

(xi) such further order as the Commission considers appropriate in the public interest.

BY REASON OF the allegations as set out in the Statement of Allegations of Staff of the Commission dated January 24, 2011 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 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 24th day of January, 2011.

"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
REZWEALTH FINANCIAL SERVICES INC.,
PAMELA RAMOUTAR, JUSTIN RAMOUTAR,
TIFFIN FINANCIAL CORPORATION,
DANIEL TIFFIN, 2150129 ONTARIO INC.,
SYLVAN BLACKETT, 1778445 ONTARIO INC.
AND WILLOUGHBY SMITH

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 by the respondents between August 22, 2006 and December 31, 2009 (the "Material Time").

2. Sylvan Blackett ("Blackett") and 2150129 Ontario Inc. ("215 Inc.") solicited Ontario residents, both directly and through Willoughby Smith ("Smith") and 1778445 Ontario Inc. ("177 Inc."), to invest in investment contracts offered by Blackett. Rezwealth Financial Services Inc. ("Rezwealth"), Pamela Ramoutar ("Pamela") and Justin Ramoutar ("Justin") solicited Ontario residents, both directly and through Daniel Tiffin ("Tiffin") and Tiffin Financial Corporation ("Tiffin Financial"), to invest in investment contracts offered by Rezwealth. Rezwealth in turn invested part of the investor funds it received with Blackett.

3. Blackett, 215 Inc., Rezwealth, Pamela and Justin engaged in fraudulent conduct by misleading investors, using investor funds for personal expenditures and/or using investor funds to pay monthly returns and redemptions to other investors during the Material Time.

II. THE RESPONDENTS

4. 215 Inc. was incorporated in Ontario on October 3, 2007. 215 Inc. has never been registered with the Ontario Securities Commission (the "Commission") in any capacity.

5. Blackett is the sole director of 215 Inc. Blackett resided in Brampton, Ontario during the Material Time. Blackett has never been registered with the Commission in any capacity.

6. 177 Inc. was incorporated in Ontario on September 4, 2008. 177 Inc. has never been registered with the Commission in any capacity.

7. Smith is a director of 177 Inc. and is a resident of Brampton, Ontario. Smith has not been registered with the Commission in any capacity since September 30, 2005.

8. Rezwealth was incorporated in Ontario on May 11, 2007. Rezwealth has never been registered with the Commission in any capacity.

9. Pamela is a director of Rezwealth and is a resident of Toronto, Ontario. Pamela holds herself out as the President of Rezwealth. Pamela has never been registered with the Commission in any capacity.

10. Justin is Pamela's son and is a resident of Toronto, Ontario. He is the Treasurer and a director of Rezwealth. Justin has never been registered with the Commission in any capacity.

11. Tiffin Financial was incorporated in Ontario on December 24, 1999. Tiffin Financial has never been registered with the Commission in any capacity.

12. Tiffin is the sole director and officer of Tiffin Financial. Tiffin is a resident of Kincardine, Ontario. Tiffin has not been registered with the Commission in any capacity since August 10, 1999

III. BACKGROUND

A. Blackett and 215 Inc.

Trading in Securities and Illegal Distribution

13. During the Material Time, Blackett held himself out as a successful foreign currency trader. He solicited investments from Ontario residents, purportedly to engage in foreign currency trading ("Forex trading") using investor funds. Investors entered into written agreements with Blackett and/or 215 Inc. with respect to these investments.

14. The investment offered by Blackett is an "investment contract" and therefore a "security" as defined in section 1(1) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") (the "Blackett Investment Contracts").

15. Although the Blackett Investment Contracts were characterized on their face as "loan agreements" between Blackett and/or 215 Inc. and investors, Blackett represented to investors that he used investor funds to engage in Forex trading and that the monthly returns payable to investors would be funded by the profits he generated through Forex trading. Investors were typically promised a fixed return of 5% per month (or 60% per annum), although some investors were promised a fixed return of as much as 10% per month (or 120% per annum).

16. Blackett solicited Ontario residents to invest in the Blackett Investment Contracts by meeting with potential investors, discussing the nature of the investment and promised returns, and showing some investors a purported example of the profits he had generated through Forex trading. Blackett prepared and signed the Blackett Investment Contracts and deposited investor funds to several bank accounts in his name and in the name of 215 Inc. (the "Blackett Accounts").

17. Blackett also solicited investors to invest in the Blackett Investment Contracts through associates, including Smith and 177 Inc.

18. As a result of this activity, Blackett raised at least $3 million from approximately 56 investors through the sale of the Blackett Investment Contracts during the Material Time.

Fraudulent Conduct

19. Contrary to the representations made by Blackett to investors, most of the investor funds he and 215 Inc. received were not used for Forex trading. Rather, a large portion of investor funds deposited into the Blackett Accounts were used by Blackett for personal expenditures and to make monthly return and redemption payments to other investors.

20. Between January 1, 2008 and April 14, 2009:

    (a) A total of approximately $4.2 million was deposited into the Blackett Accounts, of which at least $3 million was investor funds;

    (b) Only approximately $542,000 was transferred from the Blackett Accounts to Forex trading accounts;

    (c) Only approximately $28,000 was deposited back into the Blackett Accounts from Forex trading accounts;

    (d) Approximately $1.6 million was paid to investors from the Blackett Accounts to satisfy monthly return and redemption payments; and

    (e) Approximately $1 million was paid out of the Blackett Accounts for personal expenditures by Blackett, including cash withdrawals and credit card payments.

B. Smith and 177 Inc.

Trading in Securities and Illegal Distribution

21. Smith solicited Ontario residents to invest in the Blackett Investment Contracts, both directly and indirectly through 177 Inc.

22. Smith met with potential investors to discuss the Blackett Investment Contracts, assisted investors in completing the Blackett Investment Contracts, and accepted cheques from investors on behalf of Blackett. Smith also facilitated the payment of monthly returns to the investors he referred to Blackett using 177 Inc.'s bank account.

23. As a result of this activity, at least 48 investors invested approximately $1.2 million in the Blackett Investment Contracts during the Material Time (the "Smith Investors").

24. Smith and 177 Inc. received commission payments from Blackett for referring investors. Blackett agreed to pay Smith a referral fee of 10% of the principal invested by the Smith Investors. During the Material Time, Smith and 177 Inc. received approximately $137,000 from Blackett and 215 Inc., the majority of which was referral fees.

C. Rezwealth and the Ramoutars

Trading in Securities and Illegal Distribution

25. During the Material Time, Rezwealth solicited funds from Ontario residents for the purpose of investing with Blackett and other Forex traders, and in other ventures. Investors entered into written agreements with Rezwealth with respect to these investments.

26. The investment offered by Rezwealth is an "investment contract" and therefore a "security" as defined in section 1(1) of the Act (the "Rezwealth Investment Contracts").

27. The characterization of the Rezwealth Investment Contracts evolved over time. The investment was initially described as the pooling of investor funds for Forex trading and later described as the purchase of promissory notes or debentures. Regardless of the characterization of the investment, the key elements of the Rezwealth Investment Contracts remained the same. Investors were typically promised a return of 2% per month (or 24% per annum) on their invested principal. Some investors were promised a return of as much as 5% per month (or 60% per annum). Investors were told that their funds would be used for Forex trading, loans and other investments. Investors were also told that their monthly return payments and/or principal were "guaranteed".

28. Pamela was the directing mind of Rezwealth during the Material Time. She determined the rate of return offered by Rezwealth to investors and how investor funds were used by Rezwealth.

29. Pamela and Justin solicited Ontario residents to invest in the Rezwealth Investment Contracts by meeting with investors, discussing the features of the investment and telling investors that their monthly returns and/or principal were "guaranteed". Justin advised investors to use borrowed funds to purchase the Rezwealth Investment Contracts.

30. Rezwealth also solicited investors to invest in the Rezwealth Investment Contracts through representatives and associates, including Tiffin, Tiffin Financial and Rezwealth employees.

31. During the Material Time, Rezwealth raised at least $2.9 million from approximately 44 investors through the sale of the Rezwealth Investment Contracts.

32. Rezwealth, in turn, invested at least $568,000 of the investor funds it raised in the Blackett Investment Contracts. Blackett promised Rezwealth a return of 5% to 8% per month and represented that these payments would be funded by the profits he generated through Forex trading. Rezwealth would retain the difference between the return paid by Blackett and the return promised to its investors.

Fraudulent Conduct

33. Between July 1, 2009 and December 31, 2009, Rezwealth accepted at least $904,000 in new investments in the Rezwealth Investment Contracts, while continuing to make monthly interest payments to investors and to repay the principal of investors who elected to redeem.

34. Rezwealth stopped receiving monthly return payments from Blackett in April 2009.

35. During the period between July 1, 2009 and December 31, 2009, Rezwealth's other investments and business operations did not generate sufficient revenue to cover its interest and principal repayment obligations to investors.

36. Rezwealth used at least part of the new investor funds it received between July 1, 2009 and December 31, 2009 to pay other investors their monthly returns and principal redemptions. Rezwealth's continued acceptance of new investor funds in order to meet its obligations to investors was misleading and/or fraudulent in the circumstances.

D. Tiffin and Tiffin Financial

Trading in Securities and Illegal Distribution

37. Tiffin solicited Ontario residents to invest in the Rezwealth Investment Contracts, both directly and indirectly through Tiffin Financial.

38. Tiffin sent emails to potential investors and posted promotional materials on Tiffin Financial's website regarding the Rezwealth Investment Contracts. In these materials, Tiffin represented that he had "joined forces with Rezwealth" to offer the Rezwealth Investment Contracts, and that they offered guaranteed returns of 24% per annum and guarantees on investors' principal. Tiffin also met with investors, discussed the features of the investment, assisted investors in completing the Rezwealth Investment Contracts, and facilitated the payment of investor funds to Rezwealth.

39. As a result of these activities, at least 19 investors invested at least $2 million in the Rezwealth Investment Contracts during the Material Time (the "Tiffin Investors").

40. Tiffin and Tiffin Financial received commission payments from Rezwealth for referring investors. Rezwealth agreed to pay Tiffin a trailer fee of 2% per month (or 24% per annum) of the principal invested by the Tiffin Investors. During the Material Time, Tiffin and Tiffin Financial received a total of approximately $548,000 in trailer fees from Rezwealth.

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

41. The specific allegations advanced by Staff are:

(a) During the Material Time, the respondents traded in securities without being registered to do so in circumstances in which no exemption was available, contrary to section 25(1)(a) of the Act;

(b) During the Material Time, the respondents traded in securities of 215 Inc. and/or Rezwealth 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;

(c) During the Material Time, 215 Inc., Blackett, Rezwealth, Pamela and Justin engaged or participated in acts, practices or courses of conduct relating to securities of 215 Inc. and/or Rezwealth that they knew or reasonably ought to have known perpetrated a fraud on persons or companies contrary to section 126.1(b);

(d) During the Material Time, each of the individual respondents who are directors and/or officers of the corporate respondents authorized, permitted or acquiesced in the corporate respondents' non-compliance with Ontario securities law, and accordingly failed to comply with Ontario securities law, contrary to section 129.2 of the Act; and

(e) The respondents' conduct was contrary to the public interest and harmful to the integrity of the capital markets in Ontario.

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

DATED at Toronto, January 24, 2011.

1.3 News Releases

1.3.1 Bill Rice Named New Chair of the Canadian Securities Administrators

FOR IMMEDIATE RELEASE
January 21, 2011

BILL RICE NAMED NEW CHAIR
OF THE CANADIAN SECURITIES ADMINISTRATORS

CALGARY – The Canadian Securities Administrators (CSA) have appointed William S. Rice, Q.C., Chair and Chief Executive Officer of the Alberta Securities Commission, as the new Chair of the CSA for a two-year term, ending March 31, 2013.

"I am honoured to be chosen by my colleagues to lead the CSA and build on our work to coordinate and harmonize securities regulation for market participants across Canada," said Rice. "In these challenging times, the CSA is an organization critical to ensuring confidence in Canada's capital markets. We will continue to do what we've been doing all along – focus on and respond to market conditions and public concerns regarding securities regulation and effectively enforce securities laws in Canada."

Rice succeeds Jean St-Gelais, who has stepped down as President and Chief Executive Officer of the Autorité des marchés financiers. St-Gelais has served as head of the CSA since April 2005.

"The CSA would like to thank Jean St-Gelais for his support, commitment and leadership over the past six years," said Rice.

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

For more information:

Mark Dickey
Alberta Securities Commission
403-297-4481

Sylvain Théberge
Autorité des marchés financiers
514-940-2176

Theresa Ebden
Ontario Securities Commission
416-593-8307

Ken Gracey
British Columbia Securities Commission
604-899-6577

Ainsley Cunningham
Manitoba Securities Commission
204-945-4733

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

Natalie MacLellan
Nova Scotia Securities Commission
902-424-8586

Barbara Shourounis
Saskatchewan Financial Services Commission
306-787-5842

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

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

Graham Lang
Yukon Securities Registry
867-667-5466

Louis Arki
Nunavut Securities Office
867-975-6587

Donn MacDougall
Northwest Territories
Securities Office
867-920-8984

1.4 Notices from the Office of the Secretary

1.4.1 L. Jeffrey Pogachar et al.

FOR IMMEDIATE RELEASE
January 20, 2011

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

AND

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

TORONTO – The Office of the Secretary issued a Notice of Hearing for a hearing to consider whether it is in the public interest to approve a settlement agreement entered into between Staff of the Commission and New Life Capital Corp., New Life Capital Investments Inc., New Life Capital Advantage Inc., New Life Capital Strategies Inc., 1660690 Ontario Ltd., 2126375 Ontario Inc., 2108375 Ontario Inc., 2126533 Ontario Inc., 2152042 Ontario Inc., 2100228 Ontario Inc. and 2173817 Ontario Inc. The hearing will be held on January 25, 2011 at 10:00 a.m. on the 17th floor of the Commission's offices located at 20 Queen Street West, Toronto.

A copy of the Notice of Hearing dated January 14, 2011 is available at **www.osc.gov.on.ca**.

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1-877-785-1555 (Toll Free)

1.4.2 Anthony Ianno and Saverio Manzo

FOR IMMEDIATE RELEASE
January 21, 2011

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

AND

IN THE MATTER OF
ANTHONY IANNO AND SAVERIO MANZO

TORONTO – The Commission issued an Order in the above named matter which provides that (1) the merits hearing dates set for January 31, February 1, 2, 3, 4, 7, 9, 10, 11, 14, 15, 16, 17, 18, and 23, 2011 are vacated; and (2) the hearing on the merits is set down for September 6, 7, 8, 9, 12, 14, 15, 16, 19, 20, 21, 22, 23, 26 and 28, 2011.

A copy of the Order dated January 20, 2011 is available at **www.osc.gov.on.ca**.

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1.4.3 Shaun Gerard McErlean et al.

FOR IMMEDIATE RELEASE
January 25, 2011

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

AND

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

TORONTO – Following an appearance, the Commission issued an order which provides that the hearing of this matter be adjourned to February 28, 2011 at 10:00 a.m. for the continuation of the pre hearing conference in this matter.

A copy of the Order dated January 25, 2011 is available at **www.osc.gov.on.ca**.

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1.4.4 Goldbridge Financial Inc. et al.

FOR IMMEDIATE RELEASE
January 24, 2011

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

AND

IN THE MATTER OF
GOLDBRIDGE FINANCIAL INC.,
WESLEY WAYNE WEBER and
SHAWN C. LESPERANCE

TORONTO – Following the hearing on the merits in the above noted matter, the Panel released its Reasons and Decision and a Temporary Order.

A copy of the Reasons and Decision and Temporary Order dated January 21, 2011 are available at **www.osc.gov.on.ca**.

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1.4.5 Rezwealth Financial Services Inc. et al.

FOR IMMEDIATE RELEASE
January 25, 2011

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

AND

IN THE MATTER OF
REZWEALTH FINANCIAL SERVICES INC.,
PAMELA RAMOUTAR, JUSTIN RAMOUTAR,
TIFFIN FINANCIAL CORPORATION,
ANIEL TIFFIN, 2150129 ONTARIO INC.,
SYLVAN BLACKETT, 1778445 ONTARIO INC.
AND WILLOUGHBY SMITH

TORONTO – The Office of the Secretary issued a Notice of Hearing setting the matter down to be heard on March 16, 2011 at 10:00 a.m. or as soon thereafter as the hearing can be held in the above named matter.

A copy of the Notice of Hearing dated January 24, 2011 and Statement of Allegations of Staff of the Ontario Securities Commission dated January 24, 2011 are available at **www.osc.gov.on.ca**.

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1.4.6 L. Jeffrey Pogachar et al.

FOR IMMEDIATE RELEASE
January 25, 2011

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

AND

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

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 Corporate Respondents.

A copy of the Order January 25, 2011 and Settlement Agreement January 18, 2011 are available at **www.osc.gov.on.ca**.

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1.4.7 Biovail Corporation et al.

FOR IMMEDIATE RELEASE
January 26, 2011

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

AND

IN THE MATTER OF
BIOVAIL CORPORATION, EUGENE N. MELNYK, BRIAN H. CROMBIE, JOHN R. MISZUK AND KENNETH G. HOWLING

TORONTO – Further to our Notice of November 2, 2010, take notice that the sanctions hearing in the above named matter will be held on Wednesday, May 4, 2011 at 10:00 a.m. and shall continue on May 5, 2011, or such other dates as may be agreed to by the parties and fixed by the Secretary to the Commission.

The hearing dates of April 26 and 27, 2011 are vacated.

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1.4.8 Borealis International Inc. et al.

FOR IMMEDIATE RELEASE
January 26, 2011

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

AND

IN THE MATTER OF
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,
EARL SWITENKY, MICHELLE DICKERSON,
DEREK DUPONT, BARTOSZ EKIERT,
ROSS MACFARLANE, BRIAN NERDAHL,
HUGO PITTOORS AND LARRY TRAVIS

TORONTO – Following the release of the Panel's Reasons and Decision dated January 13, 2011 on the hearing on the merits, a sanctions hearing is scheduled to commence on Friday, February 11, 2011 at 10:00 a.m. in Hearing Room A, 17th Floor, 20 Queen Street West, Toronto, in the above named matter.

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1.4.9 Paul Donald

FOR IMMEDIATE RELEASE
January 26, 2011

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

AND

IN THE MATTER OF
PAUL DONALD

TORONTO – The Commission issued an Order in the above named matter which provides that the hearing on the merits shall commence on March 7, 2011 at 10:00 a.m. at the offices of the Commission, 20 Queen Street West, 17th floor, Toronto and continue until March 29, 2011 (half-day) except for the week of March 14, 2011.

A copy of the Order dated January 25, 2011 varying the order of June 7, 2010 is available at **www.osc.gov.on.ca**.

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1.4.10 Merax Resource Management Ltd. et al.

FOR IMMEDIATE RELEASE
January 26, 2011

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

AND

IN THE MATTER OF
MERAX RESOURCE MANAGEMENT LTD.,
carrying on business as
CROWN CAPITAL PARTNERS,
RICHARD MELLON AND ALEX ELIN

TORONTO – Staff of the Ontario Securities Commission filed a Notice of Withdrawal which provides that Staff of the Ontario Securities Commission withdraw the allegations against Merax Resource Management Ltd. carrying on business as Crown Capital Partners as of January 26, 2011 in the above named matter.

A copy of the Notice of Withdrawal dated January 26, 2011 is available at **www.osc.gov.on.ca**.

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1.4.11 Ciccone Group et al.

FOR IMMEDIATE RELEASE
January 25, 2011

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

AND

IN THE MATTER OF
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

TORONTO – The Commission issued an Order in the above named matter which provides that, pursuant to subsections 127(7) and (8) of the Act, (i) the Temporary Order is extended as against Ciccone Group, Medra, 990509, Cachet, Tadd, Ciccone, Malinowski, Brubacher, and Martin to May 11, 2011; and (ii) the Hearing is adjourned to May 10, 2011, at 2:30 p.m.

A copy of the Order dated January 25, 2011 is available at **www.osc.gov.on.ca**.

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1.4.12 Global Consulting and Financial Services et al.

FOR IMMEDIATE RELEASE
January 25, 2011

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

AND

IN THE MATTER OF
GLOBAL CONSULTING AND FINANCIAL SERVICES,
CROWN CAPITAL MANAGEMENT CORPORATION,
CANADIAN PRIVATE AUDIT SERVICE,
EXECUTIVE ASSET MANAGEMENT,
MICHAEL CHOMICA, PETER SIKLOS (also known as PETER KUTI), JAN CHOMICA, AND LORNE BANKS

TORONTO – The Commission issued a Temporary Order in the above named matter which provides that, the Amended Temporary Order is extended to March 9, 2011; and that the Hearing is adjourned to March 8, 2011 at 10:00 a.m., or such other date and time as set by the Office of the Secretary.

A copy of the Temporary Order dated January 25, 2011 is available at **www.osc.gov.on.ca**.

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1.4.13 Majestic Supply Co. Inc. et al.

FOR IMMEDIATE RELEASE
January 26, 2011

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

AND

IN THE MATTER OF
MAJESTIC SUPPLY CO. INC.,
SUNCASTLE DEVELOPMENTS CORPORATION,
HERBERT ADAMS, STEVE BISHOP,
MARY KRICFALUSI, KEVIN LOMAN AND
CBK ENTERPRISES INC.

TORONTO – Following an appearance in the above named matter, the Commission issued an Order adjourning the hearing to a pre-hearing conference on March 1, 2011 at 2:00 p.m.

A copy of the Order dated January 25, 2011 is available at **www.osc.gov.on.ca**.

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Rolling Rock Resources Corporation – s. 1(10)

Headnote

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

Ontario Statutes

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

January 19, 2011

FRASER MILNER CASGRAIN LLP
77 King Street West
Suite 400
Toronto, ON M5K 0A1

Dear Sirs/Mesdames:

Re: Rolling Rock Resources Corporation (the Applicant) – application for a decision under the securities legislation of Ontario and Alberta (the Jurisdictions) that the Applicant is not a reporting issuer

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

As the Applicant has represented to the Decision Makers that:

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

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

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

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

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

"Michael Brown"
Assistant Manager, Corporate Finance
Ontario Securities Commission

2.1.2 Drive Products Income Fund

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – application for an order that the filer is not a reporting issuer under applicable securities laws – requested relief granted.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10)(b).
CSA Staff Notice 12-307 – Applications for a Decision that an Issuer is not a Reporting Issuer.

January 19, 2011

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO, BRITISH COLUMBIA, ALBERTA,
SASKATCHEWAN, MANITOBA, QUÉBEC,
NEW BRUNSWICK, NOVA SCOTIA,
PRINCE EDWARD ISLAND, NEWFOUNDLAND AND
LABRADOR, NORTHWEST TERRITORIES,
YUKON AND NUNAVUT
(the Jurisdictions)

AND

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

AND

IN THE MATTER OF
DRIVE PRODUCTS INCOME FUND
(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 in each of the Jurisdictions (the **Exemption Sought**).

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

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

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

Interpretation

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

Representations

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

1. The Filer is an unincorporated, open-ended, limited purpose trust formed under the laws of the Province of Ontario pursuant to a declaration of trust dated May 1, 2006 (as amended and restated on August 25, 2006 and on November 15, 2010). The Filer's head office is located at 1665 Shawson Drive, Mississauga, Ontario L4W 1T7. The Filer is a reporting issuer in each of the Jurisdictions. The Filer is authorized to issue:

   (a) an unlimited number of trust units (the **Units**); and

   (b) an unlimited number of special voting units (the **Special Voting Units** and, together with the Units, the **Voting Units**). Special Voting Units may only be issued to holders of Class B LP Units (defined below) for the purpose of providing voting rights with respect to the Filer to the holders of such securities. Special Voting Units are attached to the Class B LP Units to which they relate and are not transferable separately from such Class B LP Units.

2. Drive Products Limited Partnership, a subsidiary of the Filer, is authorized to issue an unlimited number of Class B limited partnership units (the **Class B LP Units**). The Class B LP Units are indirectly exchangeable into Units on a one-for-one basis and are non-transferable, except in connection with an exchange for Units.

3. As at November 17, 2010, there were issued and outstanding 6,889,365 Units, 6,360,418 Special Voting Units and 6,360,418 Class B LP Units, all of which are now owned by the Offeror.

4. 2256479 Ontario Inc. (the **Offeror**) was incorporated under the laws of the Province of Ontario on September 10, 2010 and is controlled by Gregory Edmonds, Chief Executive Officer of the Filer, and Russell Bilyk, President of Drive Products, a general partnership governed by the laws of the Province of Ontario and the operating partnership owned by the Filer (collectively, the **Insiders**). The Offeror is not a reporting issuer in any of the provinces or territories of Canada. The registered office of the Offeror is 1665 Shawson Drive, Mississauga, Ontario L4W 1T7. The Offeror

is not in default of securities legislation in any jurisdiction.

5. On November 15, 2010, the Offeror completed a take-over bid (the **Offer**) and a compulsory acquisition, whereby, among other things, the Offeror acquired all of the Units, at a price of $2.50 cash per Unit, other than Units owned directly or indirectly by the Offeror, its affiliates, the Insiders, and Michael Edmonds, Robert Edmonds, 1257727 Alberta Ltd. (a company controlled by Russell Bilyk), Daniel Bostrom, Falynn Bostrom and Ryan Bilyk (collectively, the **Excluded Parties**). On November 15, 2010, the Units held by the Insiders and the Excluded Parties and all of the outstanding Class B LP Units were exchanged for Class B common shares of the Offeror on a tax deferred basis under Section 85(1) of the *Income Tax Act* (Canada) (the **Roll-Over Transactions**). The Offer, compulsory acquisition and Roll-Over Transactions resulted in the Offeror acquiring 100% of the outstanding Voting Units.

6. The Units were listed and posted for trading on the Toronto Stock Exchange (the **TSX**) under the trading symbol "DPI.UN" and were delisted from trading on the TSX effective as of the close of business on November 17, 2010.

7. The outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 security holders in each of the jurisdictions in Canada and fewer than 51 security holders in total in Canada.

8. No securities of the Filer are traded on a marketplace as defined in National Instrument 21-101 – *Marketplace Operation*.

9. The Filer has no intention of seeking public financing by way of an offering of securities in Canada.

10. The Filer is not in default of any of its obligations under the Legislation as a reporting issuer, except that it did not file its interim financial statements and related management's discussion and analysis for the interim period ended September 30, 2010, as required under National Instrument 51-102 *Continuous Disclosure Obligations*, and the certificates of interim filings as required under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*.

11. The Filer did not surrender its status as a reporting issuer in British Columbia pursuant to BC Instrument 11-502 – *Voluntary Surrender of Reporting Issuer Status* (the BC Instrument) in order to avoid the 10-day waiting period under the BC Instrument.

12. As the Filer is in default of certain filing obligations under the Legislation, as described in paragraph 10, and is a reporting issuer in British Columbia, 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*.

13. The Filer is applying for a decision that it is not a reporting issuer in each of the Jurisdictions.

14. Upon the granting of the Exemption Sought, the Filer will not be a reporting issuer or the equivalent in any jurisdiction in Canada.

Decision

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

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

"Margot C. Howard"
Commissioner
Ontario Securities Commission

"James D. Carnwath"
Commissioner
Ontario Securities Commission

2.1.3 Rio Tinto Finance Canada Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Filer granted exemption from the prospectus requirement in connection with distributions of commercial paper/short-term debt instruments that do not meet the "approved credit rating" requirement for the purpose of the short-term debt exemption in section 2.35 of Regulation 45-106 respecting Prospectus and Registration Exemptions – Commercial paper/short-term debt instruments only required to obtain one prescribed credit rating from an approved credit rating organization – Relief granted subject to conditions.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 74(1), 53.
Regulation 45-106 respecting Prospectus and Registration Exemptions, s. 2.35.
Regulation 31-103 respecting Registration Requirements and Exemptions, s. 8.5.

[TRANSLATION]

January 10, 2011

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

AND

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

AND

IN THE MATTER OF
RIO TINTO FINANCE CANADA INC.
(the "Filer")

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (each a "**Decision Maker**") has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the "**Legislation**") that distributions of negotiable promissory notes or commercial paper maturing not more than one year from the date of issue of the Filer (the "**RTFC Short-Term Debt**") be exempt from the prospectus requirement of the Legislation (the "**Exemption Sought**").

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

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

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

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

Interpretation

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

In this decision,

"Asset-Backed Short-Term Debt" means short-term debt that is backed, secured or serviced by or from a discrete pool of mortgages, receivables or other financial assets or interests designed to ensure the servicing or timely distribution of proceeds to holders of that short-term debt;

"Regulation 45-106" means *Regulation 45-106 respecting Prospectus and Registration Exemptions*;

"Regulation 81-102" means *Regulation 81-102 respecting Mutual Funds*; and

"Short-Term Debt Exemption" means the exemption from the prospectus requirement of the Legislation for short-term debt set out in section 2.35 of Regulation 45-106.

Representations

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

1. Rio Tinto plc is a public limited company incorporated under the laws of England and Wales. Rio Tinto Limited is a limited company organized under the laws of Australia. Rio Tinto plc and Rio Tinto Limited (together, "**Rio Tinto**") are managed as a single economic unit, even though both companies are separate legal entities with separate share listings and share registrars. Rio Tinto is one of the world's leading mining and exploration companies and is headquartered in London, England. Rio Tinto's business consists of finding, mining and processing mineral resources and its products include aluminum, copper, diamonds, energy products, gold, industrial minerals and iron ore. Its activities span the world but are strongly represented in Australia and North America with significant businesses in South

America, Asia, Europe and southern Africa. For the fiscal year ended December 31, 2009, Rio Tinto had consolidated sales revenue of US$ 41,825 million and net earnings of US$ 4,872 million.

2. The Filer is an indirect wholly-owned finance subsidiary of Rio Tinto plc, incorporated under the *Canada Business Corporations Act*, with its head office located in Montréal, Quebec. The Filer has no operations.

3. Neither the Filer nor Rio Tinto is a reporting issuer in any jurisdiction of Canada and neither is in default of the Legislation or the securities legislation of any jurisdiction of Canada.

4. Rio Tinto plc, through the Filer, has the intention of establishing a commercial paper program and distributing the RTFC Short-Term Debt for treasury management purposes in Canada. The RTFC Short-Term Debt will be (i) dated at the date of its issue, (ii) in denominations of $1,000 with a minimum subscription amount of $10,000, in Canadian or U.S. currency, and (iii) unconditionally guaranteed as to principal and interest by Rio Tinto plc.

5. A distribution of short-term debt will be exempt from the prospectus requirements of the Legislation and the securities legislation of the other provinces of Canada pursuant to the Short-Term Debt Exemption if, amongst other things, the short-term debt has an approved credit rating from an approved credit rating organization. The terms "approved credit rating" and "approved credit rating organization" used in Regulation 45-106 have the same meanings as in Regulation 81-102.

6. For short-term debt to satisfy the requirements of the definition of "approved credit rating" in Regulation 81-102, that short-term debt:

   (a) must have a rating at or above one of the rating categories set out in that definition issued by an "approved credit rating organization" for that short term debt; and

   (b) must not have a rating below one of the rating categories set out in that definition issued by an "approved credit rating organization" for that short-term debt.

7. The RTFC Short-Term Debt has a rating of "R-1 (low)" from DBRS Limited (the "**DBRS Rating**"), which rating meets the prescribed criteria of Regulation 81-102 described in paragraph 6(a) above.

8. Because RTFC is a wholly-owned finance subsidiary of Rio Tinto plc without any operations, Canadian investors will also consider the short-term credit rating of Rio Tinto plc, as unconditional guarantor, for repayment of the RTFC Short-Term Debt. Standard & Poor's, a division of The McGraw-Hill Companies, Inc., Moody's Investors Service, Inc. and Fitch Ratings Limited have assigned ratings of "A-2" (the "**S&P Rating**"), "Prime-2" (the "**Moody's Rating**") and "F2" (the "**Fitch Rating**"), respectively, for Rio Tinto plc's short-term debt.

9. The S&P Rating, Moody's Rating and Fitch Rating do not meet the prescribed criteria of Regulation 81-102 described in paragraph 6(b) above.

10. Neither RTFC nor Rio Tinto is, after having taken reasonable measures, aware of an announcement by DBRS Limited, Standard & Poor's, Moody's Investors Service, Inc. or Fitch Ratings Limited, as the case may be, that the DBRS Rating, the S&P Rating, the Moody's Rating or the Fitch Rating may be down-graded to a rating category that would be lower than one of the following rating categories (or a rating category that replaces a category listed below):

Rating Organization	Rating
DBRS Limited	R-1 (low)
Fitch Ratings Ltd.	F2
Moody's Investors Service, Inc.	P-2
Standard & Poor's	A-2

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 RTFC Short-Term Debt:

   (a) is unconditionally guaranteed as to principal and interest by Rio Tinto plc;

   (b) matures not more than one year from the date of issue;

   (c) is not convertible or exchangeable into or accompanied by a right to purchase another security other than RTFC Short-Term Debt; and

   (d) is not Asset-Backed Short-Term Debt.

2. Either the RTFC Short-Term Debt or the Rio Tinto plc short-term debt has a rating issued by at least one of the following rating organizations, or any of their successors, at or above one of the following

rating categories (or a rating category that replaces a category listed below):

Rating Organization	Rating
DBRS Limited	R-1 (low)
Fitch Ratings Ltd.	F2
Moody's Investors Service, Inc.	P-2
Standard & Poor's	A-2

and either the RTFC Short-Term Debt or the Rio Tinto plc short-term debt has a rating at or above one of the rating categories set out in the definition of "approved credit rating" in Regulation 81-102.

3. For each jurisdiction of Canada, the Exemption Sought will terminate on the earlier of:

   (a) 90 days after the coming into force of any rule, regulation, blanket order or ruling under the securities legislation of that jurisdiction that amends the conditions of the Short-Term Debt Exemption or provides an alternate exemption; and

   (b) June 30, 2012.

"Jean Daigle"
Director, Corporate Finance

2.1.4 AAER Inc.

Headnote

Policy Statement 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Application for an order that the Filer is not a reporting issuer under applicable securities laws.

Applicable Legislative Provisions

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

January 19, 2011

Translation

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

AND

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

AND

IN THE MATTER OF
AAER INC.
(the "Filer")

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the "**Decision Maker**") has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the "**Legislation**") 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 *Autorité des Marchés Financiers* 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 Regulation 14-101 respecting Definitions have the same meaning if used in this decision, unless otherwise defined.

Representations

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

1. The Filer was incorporated under the *Canada Business Corporations Act* ("**CBCA**") on June 18, 2003. The head office of the Filer is located in Bromont, Québec.

2. The Filer is a reporting issuer in each of the Jurisdictions.

3. On April 8, 2010, the Filer applied for and obtained an Order from the Superior Court of Québec (the "**Court**") for protection under the *Companies' Creditors Arrangement Act* (the "**CCAA**") for an initial period of 30 days expiring on May 7, 2010 (the "**Stay Termination Dat**e").

4. From May 7, 2010 onwards, the Filer received successive new Orders from the Court, *inter alia*, further extending the Stay Termination Date. The last such Order was issued on July 7, 2010 and extended the Stay Termination Date to August 11, 2010.

5. By an Order dated August 11, 2010, the Court sanctioned the plan of reorganization and compromise of the Filer dated July 12, 2010 under the CCAA and Section 191 of the CBCA (the "Plan") and approved the reorganization of the Filer contemplated by the Plan. The creditors of the Filer approved the Plan on August 9, 2010.

6. Pursuant to the Plan, the Filer's share capital was amended to create: (a) a new class of voting common shares (the "**New Common Shares**"); and (b) a new class of redeemable common shares (the "**Redeemable Common Shares**").

7. The only shares in the capital of the Filer issued and outstanding immediately prior to the amendments thereto consisted of common shares.

8. Pursuant to the Plan, the following transactions were effected:

   (a) the common shares were exchanged for Redeemable Common Shares on the basis of one Redeemable Common Share for each common share;

   (b) Pioneer Wind Energy Holdings Inc. ("Pioneer") subscribed for and was issued 450,000 New Common Shares in consideration for $450,000;

   (c) the Redeemable Common Shares were redeemed by the Filer and the aggregate redemption price was satisfied in accordance with the terms of the Redeemable Common Shares, whereupon all of the Redeemable Common Shares were cancelled; and

   (d) as a result of these transactions, the Filer's share capital was amended to delete the common shares.

9. As a result of the implementation of the Plan, the Filer is now a wholly-owned subsidiary of Pioneer.

10. 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.

11. At the close of markets on August 19, 2010, the common shares of the Filer were delisted from trading on the TSX Venture Exchange.

12. No securities of the Filer are traded on a market place, as defined in *Regulation 21-101 respecting Marketplace Operations*.

13. The Filer ceased to be a reporting issuer in British Columbia on November 7, 2010.

14. 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.

15. The Filer is not in default of any requirements applicable to a reporting issuer under the Legislation, except for the Filer's failure to file: (a) annual financial statements and annual management's discussion and analysis for the year ended December 31, 2009; (b) interim financial statements and related management's discussion and analysis for the interim periods ended March 31, 2010, June 30, 2010 and September 30, 2010, as required under *Regulation 51-102 respecting Continuous Disclosure Obligations*; and (c) the certificates as required under *Regulation 52-109 respecting Certification of Disclosure in Issuers' Annual and Interim Filings*.

16. The Filer has no intention to proceed with an offering of its securities in a jurisdiction of Canada by way of private placement or public offering.

17. The Filer is currently subject to cease trade orders in Québec, Ontario, Alberta and Manitoba.

18. Upon the grant of the Exemptive Relief Sought, the Filer will not be a reporting issuer in any jurisdiction of Canada. The Filer has requested that the cease trade orders in Québec, Ontario, Alberta and Manitoba be revoked concurrently with the granting of the Exemptive Relief Sought.

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 Markers under the Legislation is that the Exemptive Relief Sought is granted.

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

2.1.5 Xerox Canada Inc. – s. 1(10)

Headnote

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

Ontario Statutes

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

January 17, 2011

Xerox Canada Inc.
5650 Yonge Street
Toronto, ON M2M 4G7

Dear Sirs /Mesdames:

Re: Xerox Canada Inc. (the Applicant) – application for a decision under the securities legislation of Ontario, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador, Northwest Territories, Nunavut and Yukon Territory (the Jurisdictions) that the Applicant is not a reporting issuer

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

As the Applicant has represented to the Decision Makers that:

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

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

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

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

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

"Michael Brown"
Assistant Manager, Corporate Finance
Ontario Securities Commission

2.1.6 TD Waterhouse Canada Inc.

Headnote

Large investment dealer with three separate operating divisions each headed by a de facto co-CEOs exempted from requirements to register a single ultimate designated person (UDP) permitted to register three UDPs, one for each operating division.

Statutes Cited

National Instrument 31-103 Registration Requirements and Exemptions, s. 11.2.

January 19, 2011

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
TD WATERHOUSE CANADA INC.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for an exemption from the requirement contained in section 11.2 of NI 31-103 to designate an individual to be the UDP and permit the Filer to designate and register three individuals as UDP in respect of several distinct lines of securities business of the Filer (the **Exemption Sought**).

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

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

(b) the Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in all of the jurisdictions in Canada outside of Ontario (the **Non-principal Jurisdictions**, or collectively with the Jurisdiction, the **Filing Jurisdictions**).

Interpretation

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

Representations

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

The Filer

1. The Filer is registered under the securities legislation of the principal regulator (the **Legislation**) in the category of investment dealer, is a member of the Investment Industry Regulatory Organization of Canada (**IIROC**) and has its head office in Ontario.

2. The Filer is also registered as an investment dealer in each of the Non-principal Jurisdictions.

3. The Filer is not, to the best of its knowledge, in default of the securities legislation of any of the Filing Jurisdictions.

4. The Filer's business is structured as follows:

   (a) There are several distinct lines of securities business as follows:

      (i) discount brokerage,

      (ii) institutional services,

      (iii) financial planning, and

      (iv) private investment advice.

   (b) Discount brokerage and institutional services (i.e. carrying broker activities) are referred to collectively and solely for the purposes of this application as the **Defined Service Brokerage Businesses**.

   (c) Financial planning offers a broad range of financial planning services (e.g. estate planning, tax planning. and investments (primarily mutual funds)) to retail clients and is referred to in this application as the **Financial Planning Business**.

   (d) Private investment advice is the full service brokerage group for retail clients and is referred to in this application as the **Full Service Brokerage Business**.

   (e) Currently, each of the Defined Service Brokerage Businesses, Financial Planning Business and Full Service Brokerage Business reports to a different person.

   (f) The Defined Service Brokerage Businesses report to the person at the Filer with the title of Chairman, Chief Executive Officer, President, Discount Brokerage and Institutional Services (the **Head of Defined Service Brokerage Businesses**).

   (g) The Financial Planning Business reports to the person at the Filer with the title of Senior Vice President, Financial Planning (the **Head of Financial Planning Business**).

   (h) The Full Service Brokerage Business reports to the person at the Filer with the title of President and National Sales Manager, Private Investment Advice Division (the **Head of Full Service Brokerage Business**).

   (i) Each of the Head of Defined Service Brokerage Businesses, the Head of Financial Planning Business and the Head of Full Service Brokerage Business, while having different titles, has the role that is the equivalent of chief executive officer (**CEO**) in respect of the lines of business for which they are responsible. This means that each fulfills the following role for his or her respective lines of business:

      - runs the business lines,
      - has accountability for the operations and financial performance of the business lines,
      - provides clear leadership and sets the tone at the top for the business lines,
      - is the person that the executive management within the business lines reports to,
      - prepares the objectives, strategy and plans, and implements these, for the business lines,
      - has accountability for reporting to the Board of Directors with respect to the business lines, and
      - is responsible for the business lines' organizational structure and succession planning.

   (j) Notwithstanding their titles, there is no line of reporting between the Head of Defined Service Brokerage Businesses, the Head of Financial Planning Business and the Head of Full Service Brokerage Business and each reports directly to the Board of Directors of the Filer and to the person with the title of Group Head, Wealth Management, Direct Channels, and Corporate Shared Services of TD Bank Financial Group.

5. As measured by the number of trades executed on The Toronto Stock Exchange, TD Waterhouse is among the largest securities brokerages in Canada.

UDP Requirement

1. NI 31-103 was implemented on September 28, 2009 (the **Implementation Date**).

2. Under section 11.2 of NI 31-103, a registered firm is required to designate an individual to be the UDP (the **UDP Requirement**) and the UDP must be the chief executive officer, or the equivalent, of the registered firm.

3. Prior to the implementation of NI 31-103, there was no requirement under the securities legislation of any Filing Jurisdiction for an investment dealer to designate an individual, and have him or her registered, as a UDP.

4. Prior to the implementation of NI 31-103, under IIROC Rules, there was a requirement for a member to have a UDP which had to be one of the member's senior management. IIROC Rule 38 required a member to appoint a senior management person to the UDP position but did not require the person to be approved by IIROC.

5. Prior to the implementation of NI 31-103, the Filer was permitted by IIROC to have multiple individuals in the position of UDP and the Filer has had multiple UDPs for many years.

6. If the Exemption Sought is granted, the Filer intends to have three UDPs.

7. In conjunction with the implementation of NI 31-103, IIROC amended its rules with respect to its requirements for a UDP to be more consistent with the requirements in NI 31-103. IIROC Rule 38.5 now reads:

> "A Dealer Member must designate an individual who is approved under the Corporation's rules in the category of Ultimate Designated Person and who shall be responsible to the Corporation for the conduct of the firm and the supervision of its employees and to perform the functions described in paragraph (c)."

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:

(i) each UDP fulfils the responsibilities set out in section 5.1 of NI 31-103, or any successor provision, in respect of the business lines of the Filer for which he or she is appointed as UDP; and

(ii) the Filer permits each UDP to directly access the Filer's board of directors, or individuals acting in a similar capacity for the Filer, at such times as each UDP may consider necessary or advisable in view of his or her responsibilities.

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

2.1.7 Tagish Lake Gold Corp. – s. 1(10)

Headnote

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

Ontario Statutes

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

January 21, 2011

Tagish Lake Gold Corp.
1378-200 Granville Street
Vancouver, BC V6C 1S4

Dear Sirs/Mesdames:

Re: Tagish Lake Gold Corp. (the Applicant) – application for a decision under the securities legislation of Alberta, Manitoba 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 is not a reporting issuer.

"Michael Brown"
Assistant Manager, Corporate Finance
Ontario Securities Commission

2.1.8 MI Developments Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – application for relief from requirement to include financial statement disclosure in business acquisition report – issuer does not have access to historical accounting records necessary to audit combined financial statements for acquired assets – relief granted subject to conditions including provision of alternative financial information.

Applicable Legislative Provisions

National Instrument 51-102 Continuous Disclosure Obligations, s. 8.4.

December 20, 2010

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

AND

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

AND

IN THE MATTER OF
MI DEVELOPMENTS 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 decision that the Filer is exempt from the requirement to include the financial statement disclosure prescribed under section 8.4 of National Instrument 51-102 *Continuous Disclosure Obligations* (**NI 51-102**) in the business acquisition report (**BAR**) of the Filer relating to the Transferred Assets (as defined herein) (the **Exemption Sought**).

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

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

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

Interpretation

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

Representations

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

1. The Filer is a corporation existing under the *Business Corporations Act* (Ontario). The registered and head office of the Filer is located at 455 Magna Drive, Aurora, Ontario.

2. The Filer is a reporting issuer in each of the Jurisdictions. The Filer is currently in default of securities legislation in the Jurisdictions for failing to file the BAR and accompanying financial statements when due as required under NI 51-102.

3. The Filer has a fiscal year ending on December 31 and its financial statements are prepared using United States generally accepted accounting principles (**U.S. GAAP**) and reconciled to Canadian generally accepted accounting principles.

4. Magna Entertainment Corp. (**MEC**) is a corporation existing under the laws of the State of Delaware. The registered office of MEC is located at 1209 Orange Street, Wilmington, Delaware and the principal executive office of MEC is located at 455 Magna Drive, Aurora, Ontario.

5. In addition to its real estate operations, from its inception as a public company, the Filer has held a majority equity and voting interest in MEC.

6. MEC has a fiscal year ending on December 31 and its financial statements are prepared using United States generally accepted accounting principles.

7. On March 5, 2009, MEC and certain of its subsidiaries filed voluntary petitions for reorganization (the **MEC Chapter 11 Filing**) under Chapter 11 of Title 11 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court for the District of Delaware and were granted recognition of the Chapter 11 proceedings from the Ontario Superior Court of Justice under section 18.6 of the *Companies' Creditors Arrangement Act* in Canada.

8. The Filer has, since December 2004, provided secured project financings and secured bridge financing to MEC. As at March 5, 2009, MEC owed US$371.7 million to the Filer under such loans (the **MID Loans**). In addition, in connection with the MEC Chapter 11 Filing, the Filer provided MEC with a US$71.4 million secured debtor-in-possession financing facility.

9. Prior to March 2009, MEC's results were consolidated with the Filer's results, with outside ownership of MEC accounted for as a non-controlling interest.

10. As a result of the MEC Chapter 11 Filing, the Filer concluded that, under generally accepted accounting principles, it ceased to have the ability pursuant to its voting interest in MEC to exert control over MEC. Accordingly, MEC was deconsolidated from the Filer's financial statements beginning on March 5, 2009 and the carrying value of the Filer's equity investment in MEC was reduced to zero.

11. On March 26, 2009, MEC announced that it would not file its Annual Report on Form 10-K for the fiscal year ended December 31, 2008, nor would it file quarterly reports on Form 10-Q, with the U.S. Securities and Exchange Commission or the Canadian securities regulators during the period it continues to operate its business as a debtor in possession under the U.S. Bankruptcy Code. MEC attributed its inability to file these materials to the circumstances of MEC's ongoing court-supervised restructuring process under Chapter 11 of the U.S. Bankruptcy Code. In particular, MEC stated that the expense and effort involved in complying with annual and quarterly reporting requirements cannot, in the opinion of MEC, be justified in light of MEC's operational and financial situation.

12. MEC has not filed financial statements since its interim financial statements for the nine-month period ended September 30, 2008 were filed on November 7, 2008 on Form 10-Q.

13. On July 22, 2009, the Official Committee of Unsecured Creditors in connection with the MEC Chapter 11 Filing (the **MEC Creditors Committee**) commenced an action (the **Action**) against the Filer seeking, among other things, recharacterization as equity of the MID Loans, equitable subordination of the MID Loans and the avoidance of allegedly fraudulent transfers to the Filer.

14. On January 11, 2010, the Filer and MEC agreed in principle to the terms of a settlement of the Action with the MEC Creditors Committee (as subsequently amended, the **Settlement**). The Settlement contemplated, among other things, (a) the dismissal of the Action with prejudice and a full release of the Filer and certain other parties, and (b) a plan of reorganization of MEC in connection with the MEC Chapter 11 Proceeding (the **MEC Plan of Reorganization**) which provides for, among other things, the full satisfaction and release of all of the Filer's claims in respect of the MID Loans and the transfer of certain assets of MEC to the Filer including, among other assets, Santa Anita Park, Golden Gate Fields, Gulfstream Park (including MEC's interest in The Village at Gulfstream Park, a joint venture between MEC and Forest City Enterprises, Inc.), The Maryland Jockey Club, Portland Meadows, AmTote International, Inc. and XpressBet, Inc. (collectively, the **Transferred Assets**).

15. On April 26, 2010, the U.S. Bankruptcy Court issued an order confirming the MEC Plan of Reorganization and the MEC Plan of Reorganization became effective at the close of business on April 30, 2010.

16. All of the Transferred Assets (excluding Portland Meadows and XpressBet, Inc.) were directly operated by subsidiaries of MEC that were debtors in possession under the MEC Chapter 11 Filing.

17. The Filer's investments in and advances to the Transferred Assets as at March 31, 2010 represented approximately 22% of the consolidated assets of the Filer as at March 31, 2010 (excluding any investments in or advances to the Transferred Assets as at March 31, 2010).

18. The historical results of the Transferred Assets from March 5, 2009 to April 30, 2010 while they were operated by MEC as a debtor in possession under the U.S. Bankruptcy Code under the supervision of the U.S. Bankruptcy Court are not indicative of normal operations and are based on out-of-date values.

19. The Filer has obtained independent valuations and appraisals for the Transferred Assets in connection with determining the recoverability of the MID Loans and the values to be assigned to the Transferred Assets for purposes of the Filer's financial statements (the **Appraisals**).

20. The Filer proposes to file the Appraisals with the BAR with the following portions marked to be unreadable:

    (a) individual tenant names, suite numbers, square footage and building percentage share of individual tenants, base rents for individual tenants, rent adjustment amounts for individual tenants and operating expense reimbursements for individual tenants in the Appraisal of MID Properties Around Gulfstream Park dated August 12, 2010;

    (b) number of acres or percentage of site assumed to be dedicated for public use in the Appraisal of Santa Anita Racetrack Site and Excess land dated July 26, 2010; and

    (c) names of specific customers in the Intangible Valuation Analysis of Amtote International, Inc. dated August 10, 2010;

    The Filer reasonably believes that disclosure of such portions would be seriously prejudicial to the interests of the Filer in dealing with the applicable property or asset or would violate confidentiality provisions and that such portions are not material to a Filer shareholder's understanding of applicable appraisals.

21. The Filer is unable to produce audited combined financial statements for the Transferred Assets as contemplated by section 8.4 of NI 51-102 as it is unable to obtain or provide the management representation letter required by its external auditors in order for them to complete their audit. Certain key management of MEC who played a critical role in preparing and reviewing MEC's financial results during the Chapter 11 bankruptcy period and who were responsible for testing control procedures and addressing key accounting issues have departed from MEC and are not available to provide explanations to the Filer in respect of certain documents and financial records or to provide management representation letters required by the Filer's auditors in order to conduct an audit of the financial statements.

22. During the Chapter 11 bankruptcy process, management of MEC did not assess and test control procedures over financial reporting, including information technology related controls, nor did it carry out quarterly disclosure calls, as it was not required to comply with the Sarbanes-Oxley Act. In the absence of such testing and assessment of internal control procedures, the Filer is unable to ensure the completeness or accuracy of such financial records and results or that the financial records used in the preparation of the financial results were prepared in accordance with current U.S. or Canadian accounting standards and is also unable to provide the management representation letters to its auditors.

23. The Filer does not have access to the records of employees and senior management of MEC in respect of procedures undertaken by MEC management to prevent and detect conflicts of interest and fraud during 2009 and in 2010 until April 30, 2010 because such procedures were not undertaken during the Chapter 11 bankruptcy period. Specifically, the Filer does not have the ethics and conflict disclosure statement from each employee and member of management of MEC for 2009 or in 2010 until April 30, 2010. The ethics and conflict disclosure statements are integral to the Filer's ability to make representations regarding conflicts of interest and fraud as required by its auditors to conduct an audit of the financial statements. Given the departure of key management of MEC both at the head office and operating asset level, this disclosure, when taken as a whole, cannot be adequately reproduced.

24. The Filer is unable to prepare U.S. GAAP interim financial statements as quarterly disclosure reporting procedures were not carried out by MEC throughout the Chapter 11 bankruptcy process. The Filer has attempted but has been unable to locate the minutes to quarterly disclosure calls with respect to each of the Transferred Assets of MEC during such period and has determined that no such records existed during the bankruptcy period as the disclosure calls were not completed.

25. The Filer does not currently have access to the most appropriate senior individuals at MEC in order to obtain assurance that oral contracts or guarantees were not entered into during the Chapter 11 bankruptcy period. Such representations are required in the management representation letter to its auditors who have indicated that they cannot audit the financial statements without such representations.

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 Filer includes in the BAR the Appraisals together with a summary of the aggregate appraised value of the Transferred Assets and the adjustments made thereto for purposes of the Filer's financial statements, provided that the following portions of the Appraisals may be marked to be unreadable:

  (i) individual tenant names, suite numbers, square footage and building percentage share of individual tenants, base rents for individual tenants, rent adjustment amounts for individual tenants and operating expense reimbursements for individual tenants in the Appraisal of MID Properties Around Gulfstream Park dated August 12, 2010;

  (ii) number of acres or percentage of site assumed to be dedicated for public use in the Appraisal of Santa Anita Racetrack Site and Excess land dated July 26, 2010; and

  (iii) names of specific customers in the Intangible Valuation Analysis of Amtote International, Inc. dated August 10, 2010;

(b) the Filer includes in the BAR the allocation of the purchase consideration to the Transferred Assets and explanatory notes prepared in accordance with U.S. GAAP Accounting Standards Codification No. 805, Business Combinations with such allocation to be audited in accordance with CICA Handbook 5805;

(c) the Filer includes in the BAR the monthly operating report filed by MEC on the Electronic Data Gathering, Analysis, and Retrieval system of the U.S. Securities and Exchange Commission dated May 31, 2010 for the period from April 5, 2010 to April 30, 2010, together with a cover page describing the purpose for which such monthly report was prepared and the relevance of such monthly operating report;

(d) the Filer makes a representation in writing to the Principal Regulator, no later than the time the BAR is filed, that the Filer has made every reasonable effort (as described therein) to obtain access to, or copies of, the historical accounting records necessary to audit the combined financial statements for the Transferred Assets as contemplated by section 8.4 of NI 51-102, but that such efforts were unsuccessful;

(e) the Filer discloses in the BAR the fact that the business of the Transferred Assets had recently emerged from bankruptcy and current management of the business and the Filer has made every reasonable effort to obtain access to, or copies of, the historical accounting records necessary to audit the combined financial statements for the Transferred Assets as contemplated by section 8.4 of NI 51-102 but such efforts were unsuccessful; and

(f) the Filer promptly files the BAR and promptly thereafter issues a press release disclosing that the Filer has filed the BAR.

"Sonny Randhawa"
Assistant Manager, Corporate Finance
Ontario Securities Commission

2.1.9 Brompton Oil & Gas Income Fund et al.

Headnote

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

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 25(1), 74(1).
Multilateral Instrument 11-102 Passport System.
National Instrument 81-102 Mutual Funds.
National Instrument 81-106 Investment Fund Continuous Disclosure.
National Instrument 45-106 Prospectus and Registration Exemptions, ss. 3.1, 3.42, 8.5.

January 21, 2011

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
BROMPTON OIL & GAS INCOME FUND (OGF),
BROMPTON ADVANTAGED OIL & GAS INCOME
FUND (AOG), BROMPTON VIP INCOME FUND
(VIP), BROMPTON ADVANTAGED VIP INCOME
FUND (AVIP), FLAHERTY & CRUMRINE
INVESTMENT GRADE FIXED INCOME FUND
(FFI) (collectively, the Funds),
GLOBAL URANIUM FUND INC. (GUR)
LIFE & BANC SPLIT CORP. (LBS) and
BROMPTON FUNDS MANAGEMENT LIMITED
(the Manager) (collectively, the Filers)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filers for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) exempting the Filers from the dealer registration requirement in the Legislation in respect of the following:

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

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

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

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

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

vi. certain trades (the **GUR Warrant Offering Activities**) to be carried out by the Manager, on behalf of GUR, in connection with a proposed offering (the **GUR Warrant Offering**) of Class D warrants (the **GUR Warrants**) to acquire equity shares (the **Equity Shares**) of GUR, to be made pursuant to a short-form (final) prospectus (the **GUR Warrant Prospectus**); and

vii. certain trades (the **LBS Warrant Offering Activities**) to be carried out by the Manager, on behalf of LBS, in connection with a proposed offering (the **LBS Warrant Offering**) of warrants (the **LBS Warrants**) to acquire units (the **LBS Units**) of LBS, to be made pursuant to a short-form (final) prospectus (the **LBS Warrant Prospectus**).

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

Interpretation

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

Representations

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

1. Each of the Funds is a trust established by declaration of trust under the laws of the province of Ontario.

2. Each of GUR and LBS is a mutual fund corporation incorporated under the *Business Corporations Act* (Ontario).

3. Each of the Funds, GUR and LBS is a reporting issuer in each of the provinces and territories of Canada and is not in default of securities legislation in any jurisdiction.

4. The Manager acts as the investment fund manager for each of the Funds, GUR and LBS.

5. The head office of each of the Filers is located in Toronto, Ontario.

6. None of the Funds nor GUR is considered to be a mutual fund under securities legislation of the provinces and territories of Canada.

7. While LBS is technically considered to be a mutual fund under the applicable securities legislation of the provinces and territories of Canada, it is not a conventional mutual fund and has obtained exemptions from certain requirements of National Instrument 81-102 *Mutual Funds* and National Instrument 81-106 *Investment Fund Continuous Disclosure*.

8. The authorized capital of OGF consists of an unlimited number of OGF Units. The OGF Units are listed and posted for trading on the Toronto Stock Exchange (the **TSX**).

9. The authorized capital of AOG consists of an unlimited number of AOG Units. The AOG Units are listed and posted for trading on the TSX.

10. The authorized capital of VIP consists of an unlimited number of VIP Units. The VIP Units are listed and posted for trading on the TSX.

11. The authorized capital of AVIP consists of an unlimited number of AVIP Units. The AVIP Units are listed and posted for trading on the TSX.

12. The authorized capital of FFI consists of an unlimited number of FFI Units. The FFI Units are listed and posted for trading on the TSX.

13. The authorized capital of GUR consists of an unlimited number of Equity Shares and Class J shares. The Equity Shares are listed and posted for trading on the TSX.

14. The authorized capital of LBS consists of an unlimited number of preferred shares (the **LBS Preferred Shares**), an unlimited number of Class A shares (the **LBS Class A Shares**) and an unlimited number of Class J shares (the **LBS Class J Shares**). The LBS Preferred Shares and the LBS Class A Shares are listed and posted for trading on the TSX.

15. Each of the Funds, GUR and LBS is, directly or indirectly, subject to certain investment restrictions that, among other things, limit the securities that may be acquired by the investment portfolio which the applicable Fund, GUR or LBS owns or is exposed to, as applicable. LBS may write call options and put options in accordance with the investment objectives, investment guidelines and investment restrictions for LBS.

16. The investment objectives of OGF are to provide holders of OGF Units with the benefits of high monthly cash distributions together with the opportunity for capital appreciation.

17. The investment objectives of AOG are to provide holders of AOG Units with the benefits of high monthly tax advantaged distributions and the opportunity for capital appreciation based on the performance of the portfolio of securities held by O&G Trust.

18. The investment objectives of VIP are to provide holders of VIP Units with the benefits of a high level of monthly income, together with the opportunity for capital appreciation.

19. The investment objectives of AVIP are to provide holders of AVIP Units with the benefits of monthly tax advantaged distributions and the opportunity for capital appreciation based on the performance of the portfolio of securities held by AVIP Trust.

20. The investment objectives of FFI are (i) to provide holders of FFI Units with a stable stream of monthly distributions; (ii) to mitigate the impact of significant interest rate increases on the value of the portfolio held by FFI; (iii) to preserve the net asset value per FFI Unit; and (iv) to enhance the total return per FFI Unit by actively managing FFI's portfolio.

21. The investment objective of GUR is to provide shareholders with the opportunity for capital appreciation by investing in an actively-managed diversified portfolio consisting of equity securities of uranium companies.

22. The investment objectives of LBS are to: (i) provide holders of LBS Preferred Shares with specific fixed cumulative preferential quarterly cash distributions, (ii) provide holders of LBS Class A Shares with regular monthly cash distributions in a targeted amount, (iii) return the original issue price to holders of LBS Preferred Shares on a specified maturity date, and (iv) provide holders of LBS Class A Shares with the opportunity for growth in the net asset value per LBS Class A Share.

23. OGF's portfolio consists of securities of oil and gas companies.

24. AOG has exposure to a portfolio held by O&G Trust, which consists of securities of oil and gas companies.

25. VIP's portfolio consists primarily of income producing securities.

26. AVIP has exposure to a portfolio held by AVIP Trust, which consists primarily of income producing securities.

27. FFI's portfolio consists primarily of corporate debt securities and hybrid preferred securities of North American issuers.

28. GUR's portfolio consists of equity securities of uranium companies.

29. LBS' portfolio consists of common shares of Bank of Montreal, Canadian Imperial Bank of Commerce, Great-West Lifeco Inc., Industrial Alliance Insurance and Financial Services Inc., Manulife Financial Corporation, National Bank of Canada, Royal Bank of Canada, Sun Life Financial Inc., The Bank of Nova Scotia and The Toronto-Dominion Bank. LBS from time to time also holds cash and cash equivalents.

30. OGF filed a final prospectus dated September 28, 2004, under the securities legislation of Ontario and each of the Passport Jurisdictions for the initial issuance of OGF Units. Pursuant to final short form prospectuses dated November 26, 2008 and November 4, 2009, respectively, OGF issued to holders of OGF Units warrants to subscribe for additional OGF Units. There are no warrants currently outstanding.

31. AOG filed a final prospectus dated February 24, 2005, under the securities legislation of Ontario and each of the Passport Jurisdictions for the initial issuance of AOG Units. Pursuant to final short form prospectuses dated November 26, 2008 and November 4, 2009, respectively, AOG issued to holders of AOG Units warrants to subscribe for additional AOG Units. There are no warrants currently outstanding.

32. VIP filed a final prospectus dated January 29, 2002, under the securities legislation of Ontario and each of the Passport Jurisdictions for the initial issuance of VIP Units. Pursuant to final short form prospectuses dated November 26, 2008 and November 4, 2009, respectively, VIP issued to holders of VIP Units warrants to subscribe for additional VIP Units. There are no warrants currently outstanding.

33. AVIP filed a final prospectus dated January 27, 2006, under the securities legislation of Ontario and each of the Passport Jurisdictions for the initial issuance of AVIP Units. Pursuant to final short form prospectuses dated November 26, 2008 and November 4, 2009, respectively, AVIP issued to holders of AVIP Units warrants to subscribe for additional AVIP Units. There are no warrants currently outstanding.

34. FFI filed a final prospectus dated November 25, 2004, under the securities legislation of Ontario and each of the Passport Jurisdictions for the initial issuance of FFI Units. Pursuant to final short form prospectuses dated January 29, 2009 and December 3, 2009, respectively, FFI issued to holders of FFI Units warrants to subscribe for additional FFI Units. There are no warrants currently outstanding.

35. GUR filed a final prospectus dated May 29, 2007, under the securities legislation of Ontario and each of the Passport Jurisdictions for the initial issuance of units of GUR. Each unit consisted of one Equity Share and one-half of a transferable warrant. Each whole warrant entitled the holder to purchase one Equity Share on or before June 30, 2010. Pursuant to a final short form prospectus dated June 9, 2009, GUR issued to holders of Equity Shares Class B warrants to subscribe for additional Equity Shares. Pursuant to a final short form prospectus dated December 9, 2009, GUR issued to holders of Equity Shares Class C warrants to subscribe for additional Equity Shares. There are no warrants currently outstanding.

36. LBS filed a final prospectus dated September 28, 2006, under the securities legislation of Ontario

and each of the Passport Jurisdictions for the initial issuance of its LBS Preferred Shares and LBS Class A Shares. The issuance of LBS' Class J Shares occurred on September 7, 2006, in reliance on a prospectus and registration exemption. Pursuant to a final short form prospectus dated July 7, 2010, LBS issued to holders of LBS Class A Shares and LBS Class J Shares warrants to subscribe for LBS Units, each LBS Unit consisting of one LBS Class A Share and one LBS Preferred Share. There are no warrants currently outstanding.

37. None of the Funds, GUR nor LBS engages in the continuous distribution of its securities.

38. In connection with the OGF Warrant Offering, OGF has filed a preliminary short form prospectus dated December 8, 2010, under the securities legislation of Ontario and each of the Passport Jurisdictions. Under the OGF Warrant Offering, each holder of OGF Units, as at a specified record date, will be entitled to receive, for no consideration, one-half of one OGF Warrant for each OGF Unit held by such holder.

39. In connection with the AOG Warrant Offering, AOG has filed a preliminary short form prospectus dated December 8, 2010, under the securities legislation of Ontario and each of the Passport Jurisdictions. Under the AOG Warrant Offering, each holder of AOG Units, as at a specified record date, will be entitled to receive, for no consideration, one-half of one AOG Warrant for each AOG Unit held by such holder.

40. In connection with the VIP Warrant Offering, VIP has filed a preliminary short form prospectus dated December 8, 2010, under the securities legislation of Ontario and each of the Passport Jurisdictions. Under the VIP Warrant Offering, each holder of VIP Units, as at a specified record date, will be entitled to receive, for no consideration, one-fourth of one VIP Warrant for each VIP Unit held by such holder.

41. In connection with the AVIP Warrant Offering, AVIP has filed a preliminary short form prospectus dated December 8, 2010, under the securities legislation of Ontario and each of the Passport Jurisdictions. Under the AVIP Warrant Offering, each holder of AVIP Units, as at a specified record date, will be entitled to receive, for no consideration, one-third of one AVIP Warrant for each AVIP Unit held by such holder.

42. In connection with the FFI Warrant Offering, FFI has filed a preliminary short form prospectus dated December 8, 2010, under the securities legislation of Ontario and each of the Passport Jurisdictions. Under the FFI Warrant Offering, each holder of FFI Units, as at a specified record date, will be entitled to receive, for no consideration, one-third of one FFI Warrant for each FFI Unit held by such holder.

43. In connection with the GUR Warrant Offering, GUR has filed a preliminary short form prospectus dated December 8, 2010, under the securities legislation of Ontario and each of the Passport Jurisdictions. Under the GUR Warrant Offering, each holder of Equity Shares, as at a specified record date, will be entitled to receive, for no consideration, one GUR Warrant for each Equity Share held by such holder.

44. In connection with the LBS Warrant Offering, LBS has filed a preliminary short form prospectus dated December 15, 2010, under the securities legislation of Ontario and each of the Passport Jurisdictions. Under the LBS Warrant Offering, each holder of LBS Class A Shares and LBS Class J Shares, as at a specified record date, will be entitled to receive, for no consideration, one-half of one LBS Warrant for each LBS Class A Share and/or LBS Class J Share held by such holder.

45. Holders of OGF Warrants will be entitled, upon the exercise of such OGF Warrants, to subscribe for OGF Units, pursuant to subscription privileges provided for in the OGF Warrants, at a subscription price to be specified in the OGF Warrant Prospectus. Each OGF Warrant will entitle the holder to subscribe for one OGF Unit under a basic subscription privilege. Holders of OGF Warrants who exercise OGF Warrants under the basic subscription privilege may also subscribe, *pro rata*, for additional OGF Units that are not subscribed for by other holders under the basic subscription privilege, pursuant to the terms of an additional subscription privilege. The term for the exercise of OGF Warrants (including both the basic subscription privilege and the additional subscription privilege) will not exceed six months.

46. Holders of AOG Warrants will be entitled, upon the exercise of such AOG Warrants, to subscribe for AOG Units, pursuant to subscription privileges provided for in the AOG Warrants, at a subscription price to be specified in the AOG Warrant Prospectus. Each AOG Warrant will entitle the holder to subscribe for one AOG Unit under a basic subscription privilege. Holders of AOG Warrants who exercise AOG Warrants under the basic subscription privilege may also subscribe, *pro rata*, for additional AOG Units that are not subscribed for by other holders under the basic subscription privilege, pursuant to the terms of an additional subscription privilege. The term for the exercise of AOG Warrants (including both the basic subscription privilege and the additional subscription privilege) will not exceed six months.

47. Holders of VIP Warrants will be entitled, upon the exercise of such VIP Warrants, to subscribe for

VIP Units, pursuant to subscription privileges provided for in the VIP Warrants, at a subscription price to be specified in the VIP Warrant Prospectus. Each VIP Warrant will entitle the holder to subscribe for one VIP Unit under a basic subscription privilege. Holders of VIP Warrants who exercise VIP Warrants under the basic subscription privilege may also subscribe, *pro rata*, for additional VIP Units that are not subscribed for by other holders under the basic subscription privilege, pursuant to the terms of an additional subscription privilege. The term for the exercise of VIP Warrants (including both the basic subscription privilege and the additional subscription privilege) will not exceed six months.

48. Holders of AVIP Warrants will be entitled, upon the exercise of such AVIP Warrants, to subscribe for AVIP Units, pursuant to subscription privileges provided for in the AVIP Warrants, at a subscription price to be specified in the AVIP Warrant Prospectus. Each AVIP Warrant will entitle the holder to subscribe for one AVIP Unit under a basic subscription privilege. Holders of AVIP Warrants who exercise AVIP Warrants under the basic subscription privilege may also subscribe, *pro rata*, for additional AVIP Units that are not subscribed for by other holders under the basic subscription privilege, pursuant to the terms of an additional subscription privilege. The term for the exercise of AVIP Warrants (including both the basic subscription privilege and the additional subscription privilege) will not exceed six months.

49. Holders of FFI Warrants will be entitled, upon the exercise of such FFI Warrants, to subscribe for FFI Units, pursuant to subscription privileges provided for in the FFI Warrants, at a subscription price to be specified in the FFI Warrant Prospectus. Each FFI Warrant will entitle the holder to subscribe for one FFI Unit under a basic subscription privilege. Holders of FFI Warrants who exercise FFI Warrants under the basic subscription privilege may also subscribe, *pro rata*, for additional FFI Units that are not subscribed for by other holders under the basic subscription privilege, pursuant to the terms of an additional subscription privilege. The term for the exercise of FFI Warrants (including both the basic subscription privilege and the additional subscription privilege) will not exceed six months.

50. Holders of GUR Warrants will be entitled, upon the exercise of such GUR Warrants, to subscribe for Equity Shares, pursuant to subscription privileges provided for in the GUR Warrants, at a subscription price to be specified in the GUR Warrant Prospectus. Each GUR Warrant will entitle the holder to subscribe for one Equity Share under a basic subscription privilege. Holders of GUR Warrants who exercise GUR Warrants under the basic subscription privilege may also subscribe, *pro rata*, for additional Equity Shares that are not subscribed for by other holders under the basic subscription privilege, pursuant to the terms of an additional subscription privilege. The term for the exercise of GUR Warrants (including both the basic subscription privilege and the additional subscription privilege) will not exceed six months.

51. Holders of LBS Warrants will be entitled, upon the exercise of such LBS Warrants, to subscribe for LBS Units, pursuant to subscription privileges provided for in the LBS Warrants, at a subscription price to be specified in the LBS Warrant Prospectus. Each LBS Warrant will entitle the holder to subscribe for one LBS Unit under a basic subscription privilege. Holders of LBS Warrants who exercise LBS Warrants under the basic subscription privilege may also subscribe, *pro rata*, for additional LBS Units that are not subscribed for by other holders under the basic subscription privilege, pursuant to the terms of an additional subscription privilege. The term for the exercise of LBS Warrants (including both the basic subscription privilege and the additional subscription privilege) will not exceed six months.

52. OGF has applied to list the OGF Warrants, to be distributed under the OGF Warrant Prospectus, on the TSX.

53. AOG has applied to list the AOG Warrants, to be distributed under the AOG Warrant Prospectus, on the TSX.

54. VIP has applied to list the VIP Warrants, to be distributed under the VIP Warrant Prospectus, on the TSX.

55. AVIP has applied to list the AVIP Warrants, to be distributed under the AVIP Warrant Prospectus, on the TSX.

56. FFI has applied to list the FFI Warrants, to be distributed under the FFI Warrant Prospectus, on the TSX.

57. GUR has applied to list the GUR Warrants, to be distributed under the GUR Warrant Prospectus, on the TSX.

58. LBS has applied to list the LBS Warrants, to be distributed under the LBS Warrant Prospectus, on the TSX.

59. The OGF Warrant Offering Activities will consist of:

    (a) the distribution of the OGF Warrant Prospectus and the issuance of OGF Warrants to the holders of OGF Units (as at the record date specified in the OGF Warrant Prospectus), after the OGF Warrant Prospectus has been filed, and

receipts obtained, under the securities legislation of Ontario and each of the Passport Jurisdictions; and

(b) the distribution of OGF Units to holders of OGF Warrants, upon the exercise of such OGF Warrants by the holder, through a registered dealer that is registered in a category that permits the registered dealer to make such distribution.

60. The AOG Warrant Offering Activities will consist of:

(a) the distribution of the AOG Warrant Prospectus and the issuance of AOG Warrants to the holders of AOG Units (as at the record date specified in the AOG Warrant Prospectus), after the AOG Warrant Prospectus has been filed, and receipts obtained, under the securities legislation of Ontario and each of the Passport Jurisdictions; and

(b) the distribution of AOG Units to holders of AOG Warrants, upon the exercise of such AOG Warrants by the holder, through a registered dealer that is registered in a category that permits the registered dealer to make such distribution.

61. The VIP Warrant Offering Activities will consist of:

(a) the distribution of the VIP Warrant Prospectus and the issuance of VIP Warrants to the holders of VIP Units (as at the record date specified in the VIP Warrant Prospectus), after the VIP Warrant Prospectus has been filed, and receipts obtained, under the securities legislation of Ontario and each of the Passport Jurisdictions; and

(b) the distribution of VIP Units to holders of VIP Warrants, upon the exercise of such VIP Warrants by the holder, through a registered dealer that is registered in a category that permits the registered dealer to make such distribution.

62. The AVIP Warrant Offering Activities will consist of:

(a) the distribution of the AVIP Warrant Prospectus and the issuance of AVIP Warrants to the holders of AVIP Units (as at the record date specified in the AVIP Warrant Prospectus), after the AVIP Warrant Prospectus has been filed, and receipts obtained, under the securities legislation of Ontario and each of the Passport Jurisdictions; and

(b) the distribution of AVIP Units to holders of AVIP Warrants, upon the exercise of such AVIP Warrants by the holder, through a registered dealer that is registered in a category that permits the registered dealer to make such distribution.

63. The FFI Warrant Offering Activities will consist of:

(a) the distribution of the FFI Warrant Prospectus and the issuance of FFI Warrants to the holders of FFI Units (as at the record date specified in the FFI Warrant Prospectus), after the FFI Warrant Prospectus has been filed, and receipts obtained, under the securities legislation of Ontario and each of the Passport Jurisdictions; and

(b) the distribution of FFI Units to holders of FFI Warrants, upon the exercise of such FFI Warrants by the holder, through a registered dealer that is registered in a category that permits the registered dealer to make such distribution.

64. The GUR Warrant Offering Activities will consist of:

(a) the distribution of the GUR Warrant Prospectus and the issuance of GUR Warrants to the holders of Equity Shares (as at the record date specified in the GUR Warrant Prospectus), after the GUR Warrant Prospectus has been filed, and receipts obtained, under the securities legislation of Ontario and each of the Passport Jurisdictions; and

(b) the distribution of Equity Shares to holders of GUR Warrants, upon the exercise of such GUR Warrants by the holder, through a registered dealer that is registered in a category that permits the registered dealer to make such distribution.

65. The LBS Warrant Offering Activities will consist of:

(a) the distribution of the LBS Warrant Prospectus and the issuance of LBS Warrants to the holders of LBS Class A Shares and LBS Class J Shares (as at the record date specified in the LBS Warrant Prospectus), after the LBS Warrant Prospectus has been filed, and receipts obtained, under the securities legislation of Ontario and each of the Passport Jurisdictions; and

(b) the distribution of LBS Units to holders of LBS Warrants, upon the exercise of such LBS Warrants by the holder, through a registered dealer that is registered in a category that permits the registered dealer to make such distribution.

66. Each of the Funds, GUR and LBS are in the business of trading by virtue of their portfolio investing and trading activities. As a result, their capital raising activities, including their respective Warrant Offering Activities, would require the Filers to register as a dealer in the absence of this decision (or another available exemption from the dealer registration requirement).

67. Section 8.5 of National Instrument 45-106 *Prospectus and Registration Exemptions* (**NI 45-106**) provides that the exemptions from the dealer registration requirements set out in section 3.1 [*Rights offering*] and section 3.42 [*Conversion, exchange, or exercise*] of NI 45-106 no longer apply.

Decision

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

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

A. OGF, and the Manager acting on behalf of OGF, are not subject to the dealer registration requirement in respect of the OGF Warrant Offering Activities;

B. AOG, and the Manager acting on behalf of AOG, are not subject to the dealer registration requirement in respect of the AOG Warrant Offering Activities;

C. VIP, and the Manager acting on behalf of VIP, are not subject to the dealer registration requirement in respect of the VIP Warrant Offering Activities;

D. AVIP, and the Manager acting on behalf of AVIP, are not subject to the dealer registration requirement in respect of the AVIP Warrant Offering Activities;

E. FFI, and the Manager acting on behalf of FFI, are not subject to the dealer registration requirement in respect of the FFI Warrant Offering Activities;

F. GUR, and the Manager acting on behalf of GUR, are not subject to the dealer registration requirement in respect of the GUR Warrant Offering Activities; and

G. LBS, and the Manager acting on behalf of LBS, are not subject to the dealer registration requirement in respect of the LBS Warrant Offering Activities.

"Paulette Kennedy"
Commissioner
Ontario Securities Commission

"Mary Condon"
Commissioner
Ontario Securities Commission

2.1.10 Goodman & Company, Investment Counsel Ltd.

Headnote

NP 11-203 – Process for Exemptive Relief Applications in Multiple Jurisdictions – approval granted for change of control of mutual fund manager under s. 5.5(2) of NI 81-102 and approval for abridgement of the related 60 day notice requirement to 35 days under s. 5.8(1)(a) of NI 81-102 – approval conditional on at least 35 days notice to unit holders and no changes being made to the management, administration or portfolio management of the funds for at least 60 days after the notice delivered.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 5.5(2), 5.8(1)(a), 19.1

January 20, 2011

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
GOODMAN & COMPANY, INVESTMENT COUNSEL LTD.
(THE MANAGER)

AND

THE FUNDS LISTED IN SCHEDULE A
(THE FUNDS)

DECISION

Background

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

(a) approval of an indirect change of control of the Manager (the **Manager Change of Control**) of the Funds in accordance with Section 5.5(2) of National Instrument 81-102 Mutual Funds (**NI 81-102**) (the **Approval Sought**); and

(b) an abridgement of the 60 day notice period prescribed by Section 5.8(1)(a) of NI 81-102 for delivering notice of the Manager Change of Control to the security holders of the Funds to 35 days (the **Notice Requirement**) (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 Manager has provided notice that section 4.7(1) of Multilateral Instrument 11-102 Passport System (**MI 11-102**) is intended to be relied upon in each province and territory of Canada other than Ontario (collectively with Ontario, the **Jurisdictions**).

Interpretation

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

Representations

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

The Manager

1. The Manager is a corporation incorporated under the *Business Corporations Act* (Ontario) and has its head office in Toronto, Ontario.

2. The Manager is the investment fund manager, portfolio advisor, trustee, principal distributor and registrar of the Funds.

3. The Manager is registered in Alberta, British Columbia, Manitoba, New Brunswick, Nova Scotia, Ontario, Québec and Saskatchewan as a portfolio manager and as a commodity trading manager in Ontario, and has applied to become registered as an investment fund manager in Ontario.

4. The Funds are reporting issuers in all of the Jurisdictions and, if in distribution, distribute their securities pursuant to a simplified prospectus and annual information form.

5. Neither the Manager nor any of the Funds is in default of applicable securities legislation in any of the Jurisdictions.

The Transaction

6. The Manager is an indirectly wholly-owned subsidiary of DundeeWealth Inc. (**DWI**). DWI is a financial services company listed on the Toronto Stock Exchange with its common shares trading under the symbol “DW”.

7. The Bank of Nova Scotia (**BNS**) currently owns approximately 18% of the shares of DWI. In a press release dated November 22, 2010, BNS announced that it intends to acquire DWI and that it has agreed to make an offer for all of the shares of DWI that BNS does not currently own (the **Transaction**).

8. In accordance with applicable take-over bid legislation, it is possible that BNS could take up the shares of DWI that are tendered to it and that the Transaction could close on January 20, 2011, or on such later date when all of conditions precedent have been satisfied or waived, and all registrations and approvals have been obtained (the **Closing**).

9. Following the Transaction, while BNS will become the new indirect owner of the Manager, there will not be any change in how the Manager operates or acts in relation to the Funds.

Manager Change of Control

10. In respect of the impact of the Manager Change of Control on the Manager and the management and administration of the Funds:

    (a) BNS has confirmed that there is no current intention:

        (i) to make any substantive changes to how the Manager operates or administers the Funds;

        (ii) to merge the Manager with another investment fund manager;

        (iii) immediately following the Transaction, to change the manager of the Funds to either BNS or another affiliate of BNS; and

        (iv) within a foreseeable period of time, to change the manager of the Funds to either BNS or another affiliate of BNS;

    (b) BNS has confirmed that it currently intends to maintain the Funds as a separately managed fund family managed by the Manager;

    (c) the Transaction after Closing is not expected to have any material impact on the business, operations or affairs of the Funds or the securityholders of the Funds;

    (d) there is no current intention to change the directors, officers or advising or associate advising representatives of the Manager;

(e) it is not expected that there will be any change in how the Funds are managed or the expenses that are charged to the Funds as a result of the Transaction; and

(f) the Transaction is only expected to benefit the Manager and will not adversely affect its financial position or its ability to fulfill its regulatory obligations.

Notice Requirement

11. The notice to the securityholders of the Funds with respect to the Transaction in accordance with Section 5.8(1)(a) of NI 81-102 (the **Notice**) was mailed to such securityholders on December 14, 2010 (the **Notice Date**), which means that if the Closing occurs on January 20, 2011 such securityholders will have received the Notice approximately 35 days in advance of the Manager Change of Control.

12. We hereby respectfully submit that it would not be prejudicial to the securityholders of the Funds to abridge the notice period prescribed by Section 5.8(1)(a) of NI 81-102 from 60 days to not less than 35 days for the following reasons:

(a) while the Transaction will result in the Manager Change of Control, as noted above, there is not expected to be any change in how the Manager administers or manages the Funds;

(b) the Transaction will not have any impact on the securityholders interest in the Funds;

(c) the securityholders of the Funds will still be able to redeem their securities of the Funds prior to Closing; and

(d) the Transaction has been well publicized since November 22, 2010 such that most securityholders of the Funds are probably already aware of the Transaction.

Decision

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

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

(a) the Approval Sought is granted; and

(b) the Exemption Sought is granted provided that:

(i) the securityholders of the Funds are given at least 35 days notice of the Manager Change of Control; and

(ii) no changes are made to the management, administration or portfolio management of the Funds for at least 60 days following the Notice Date.

“Darren McKall”
Assistant Manager, Investment Funds Branch
Ontario Securities Commission

SCHEDULE A

THE FUNDS

Dynamic Focus+ Funds
Dynamic Focus+ Balanced Fund
Dynamic Focus+ Equity Fund
Dynamic Focus+ Resource Fund

Dynamic Equity Income Funds
Dynamic Dividend Fund
Dynamic Dividend Income Fund
Dynamic Energy Income Fund
Dynamic Equity Income Fund
Dynamic Small Business Fund
Dynamic Strategic Yield Fund

Dynamic Fixed Income Funds
Dynamic Advantage Bond Fund
Dynamic Canadian Bond Fund
Dynamic Dollar-Cost Averaging Fund
Dynamic High Yield Bond Fund
Dynamic Money Market Fund
Dynamic Real Return Bond Fund
Dynamic Short Term Bond Fund

Dynamic Power Funds
Dynamic Power American Currency Neutral Fund
Dynamic Power American Growth Fund
Dynamic Power Balanced Fund
Dynamic Power Canadian Growth Fund
Dynamic Power Small Cap Fund
Dynamic Power Global Growth Fund

Dynamic Specialty Funds
Dynamic Diversified Real Asset Fund
Dynamic Financial Services Fund
Dynamic Global Infrastructure Fund
Dynamic Global Real Estate Fund
Dynamic Precious Metals Fund
Dynamic Strategic Portfolios
Dynamic Strategic All Income Portfolio
Dynamic Strategic Growth Portfolio

Dynamic Value Funds
Dynamic American Value Fund
Dynamic Canadian Dividend Fund
Dynamic Dividend Value Fund
Dynamic European Value Fund
Dynamic Far East Value Fund
Dynamic Global Discovery Fund
Dynamic Global Dividend Value Fund
Dynamic Global Value Balanced Fund
Dynamic Global Value Fund
Dynamic Value Balanced Fund
Dynamic Value Fund of Canada

DynamicEdge Trust Portfolios
DynamicEdge Balanced Portfolio
DynamicEdge Balanced Growth Portfolio
DynamicEdge Equity Portfolio
DynamicEdge Growth Portfolio
DynamicEdge 2020 Portfolio
DynamicEdge 2025 Portfolio
DynamicEdge 2030 Portfolio

Dynamic Aurion Funds
Dynamic Aurion Total Return Bond Fund

DYNAMIC CORPORATE CLASS FUNDS
Corporate Class Equity Income Funds
Dynamic Dividend Income Class
Dynamic Strategic Yield Class

Corporate Class Fixed Income Funds
Dynamic Advantage Bond Class
Dynamic Money Market Class

Corporate Class Power Funds
Dynamic Power American Growth Class
Dynamic Power Balanced Class
Dynamic Power Canadian Growth Class
Dynamic Power Global Balanced Class
Dynamic Power Global Growth Class
Dynamic Power Global Navigator Class

Corporate Class Value Funds
Dynamic Canadian Dividend Class
Dynamic Canadian Value Class
Dynamic EAFE Value Class
Dynamic Global Discovery Class
Dynamic Global Dividend Value Class
Dynamic Global Value Class
Dynamic Value Balanced Class

Corporate Class Specialty Funds
Dynamic Emerging Markets Class
Dynamic Global Energy Class
Dynamic Strategic Gold Class

DynamicEdge Corporate Class Portfolios
DynamicEdge Balanced Class Portfolio
DynamicEdge Balanced Growth Class Portfolio
DynamicEdge Equity Class Portfolio
DynamicEdge Growth Class Portfolio
DynamicEdge 2020 Class Portfolio
DynamicEdge 2025 Class Portfolio
DynamicEdge 2030 Class Portfolio

Dynamic Aurion Corporate Class Funds
Dynamic Aurion Canadian Equity Class
Dynamic Aurion Tactical Balanced Class
Dynamic Aurion Total Return Bond Class

Dynamic Managed Portfolios
DMP Canadian Dividend Class
DMP Canadian Value Class
DMP Global Value Class
DMP Power Canadian Growth Class
DMP Power Global Growth Class
DMP Resource Class
DMP Value Balanced Class

Dynamic Protected Mutual Funds
Dynamic Protected Dividend Value Fund
Dynamic Protected Global Value Fund

Dynamic Venture Opportunities Fund Ltd.

Marquis Institutional Solutions
Marquis Institutional Balanced Portfolio
Marquis Institutional Balanced Growth Portfolio
Marquis Institutional Growth Portfolio
Marquis Institutional Equity Portfolio
Marquis Institutional Canadian Equity Portfolio
Marquis Institutional Global Equity Portfolio
Marquis Institutional Bond Portfolio

Marquis Portfolio Solutions
Marquis Balanced Portfolio
Marquis Balanced Growth Portfolio
Marquis Growth Portfolio
Marquis Equity Portfolio
Marquis Balanced Income Portfolio

2.1.11 EmberClear 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).

Citation: EmberClear Inc., Re, 2011 ABASC 46

January 24, 2011

Burnet, Duckworth & Palmer LLP
1400, 350- 7 Avenue SW
Calgary, AB T2P 3N9

Attention: Peter N. Doelman

Dear Sir:

Re: EmberClear Inc. (the Applicant) - Application for a decision under the securities legislation of Alberta 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 to be deemed to have ceased to be a reporting issuer in the Jurisdictions.

As the Applicant has represented to the Decision Makers that:

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

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

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

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

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

"Blaine Young"
Associate Director, Corporate Finance

2.1.12 Zuni Holdings Inc. – s. 1(10)

Headnote

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

Ontario Statutes

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

January 24, 2011

Zuni Holdings Inc.
642 King Street West, Suite 410
Toronto, ON M5V 1M7

Dear Sirs/Mesdames:

Re: Zuni Holdings Inc. (the Applicant) – application for a decision under the securities legislation of Alberta 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 is not a reporting issuer.

"Michael Brown"
Assistant Manager, Corporate Finance
Ontario Securities Commission

2.2 Orders

2.2.1 AAER Inc. – s. 144

Headnote

Application by an issuer for a revocation of a cease trade order issued by the Commission – cease trade order issued because the issuer had failed to file certain continuous disclosure materials required by Ontario securities law – the issuer has concurrently applied for exemptive relief from Section 1(10)(b) of the Securities Act that the Applicant is not a reporting issuer in any jurisdiction of Canada – cease trade order revoked.

Applicable Legislative Provisions

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

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

AND

**IN THE MATTER OF
AAER INC.**

**ORDER
(SECTION 144)**

WHEREAS the securities of AAER Inc. (the "**Applicant**") are subject to a cease trade order made by the Director dated May 10, 2010 under paragraph 2 of subsection 127(1) and subsection 127(5) of the Act and as extended by a further cease trade order made by the Director dated May 21, 2010 under paragraph 2 of subsection 127(1) of the Act directing that trading in the securities of the Applicant cease unless revoked by a further order of revocation (the "**Cease Trade Order**");

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

AND WHEREAS the Applicant has represented to the Commission that:

1. The Applicant is a corporation existing under the *Canada Business Corporations Act* ("**CBCA**"). Its head office is located at 80 boul. de l'Aéroport, Bromont, Québec, J3L 1S9.

2. The Cease Trade Order was issued due to the default of the Applicant to file annual financial statements, annual management's discussion and analysis and related certification of such financial statements, as required by National Instrument 51-102 *Continuous Disclosure Obligations* ("**NI 51-102**") and National Instrument 52-109 *Certification of Disclosure in Applicant's Annual and Interim*

Filings ("**NI 52-109**"), for the year ended December 31, 2009 within the prescribed deadline. No further financial statements, management's discussion and analysis or related certification of such financial statements have been filed by the Applicant since that time.

3. In addition to the Cease Trade Order, the Applicant is subject to the following cease trade orders:

   (a) order issued by the Autorité des marchés financiers on May 19, 2010;

   (b) order issued by the Manitoba Securities Commission on June 17, 2010; and

   (c) order issued by the Alberta Securities Commission on August 19, 2010.

4. The Applicant has requested the full revocation of the cease trade orders from the Autorité des marchés financiers, Manitoba Securities Commission and Alberta Securities Commission, respectively.

5. On April 8, 2010, the Applicant applied for and obtained an Order from the Superior Court of Québec (the "**Court**") for protection under the *Companies' Creditors Arrangement Act* (the "**CCAA**") for an initial period of 30 days expiring on May 7, 2010 (the "**Stay Termination Date**").

6. From May 7, 2010 onwards, the Applicant received successive new Orders from the Court, *inter alia*, further extending the Stay Termination Date. The last such Order was issued on July 7, 2010 and extended the Stay Termination Date to August 11, 2010.

7. By an Order dated August 11, 2010, the Court sanctioned the plan of reorganization and compromise of the Applicant dated July 12, 2010 under the CCAA and Section 191 of the CBCA (the "**Plan**") and approved the reorganization of the Applicant contemplated by the Plan. Pursuant to the Plan and the articles of reorganization, the Applicant's existing share capital was amended to create (a) a new class of voting common shares (the "**New Common Shares**") and (b) a new class of redeemable common shares (the "**Redeemable Common Shares**"). Furthermore, all shares in the capital of the Applicant issued and outstanding immediately prior to the articles of reorganization (the "**Existing Shares**") were exchanged for Redeemable Common Shares on the basis of one fully paid and non assessable Redeemable Common Share for each Existing Share. Subsequently, Pioneer Wind Energy Holdings Inc. ("**Pioneer**") subscribed for and was issued New Common Shares. Following the completion of certain transactions set forth in the Plan, the Redeemable Common Shares were redeemed by the Applicant and the aggregate redemption price was satisfied in accordance with the terms of the Redeemable Common Shares, whereupon all of the Redeemable Common Shares were cancelled. Furthermore, all other equity securities of the Applicant were cancelled for no consideration and the Applicant's share capital was amended to delete the Existing Shares.

8. As a result of the implementation of the Plan, the Applicant is now a wholly-owned subsidiary of Pioneer.

9. The outstanding securities of the Applicant, including debt securities, are beneficially owned by fewer than 15 security holders in each of the jurisdictions in Canada and fewer than 51 security holders in total in Canada.

10. The Applicant has no current intention to proceed with an offering of its securities in a jurisdiction of Canada by way of private placement or public offering.

11. The common shares of the Applicant were delisted from trading on the TSX Venture Exchange at the close of business on August 19, 2010.

12. No securities of the Applicant are traded on a market place as defined in National Instrument 21-101 *Marketplace Operations.*

13. The Applicant ceased to be a reporting issuer in British Columbia on November 7, 2010.

14. The Applicant is a reporting issuer in Québec, Ontario, Alberta, Manitoba, New Brunswick, Nova Scotia, Prince Edward Island, Saskatchewan and Newfoundland and Labrador.

15. The Applicant is not in default of any requirements applicable to a reporting issuer under the Act, except for the Applicant's failure to file (a) annual financial statements for the year ended December 31, 2009; (b) annual information form for the year ended December 31, 2009; (c) interim financial statements for the periods ended March 31, 2010, June 30, 2010 and September 30, 2010; (d) management's discussion and analyses in respect of such annual and interim financial statements; and (e) the related certification of such financial statements; as required under NI 51-102 and NI 52-109; each of which became due on April 30, 2010, May 31, 2010, August 30, 2010 and November 29, 2010, respectively.

16. The Applicant's failure to file the documents referred to in paragraph 15, above was a result of financial distress.

17. The Applicant has applied for a decision that it is not a reporting issuer in all the jurisdictions in

which it is actually a reporting issuer pursuant to National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions* (coordinated review) (the "**Exemptive Relief Sought**").

18. Upon the granting of the Exemptive Relief Sought, the Applicant will not be a reporting issuer or the equivalent in any jurisdiction of Canada. The Applicant has requested that the Cease Trade Order be revoked concurrently with the granting of the Exemptive Relief Sought.

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

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

IT IS ORDERED, pursuant to section 144 of the Act, that the Cease Trade Order is fully revoked as of the date on which the Applicant ceases to be a reporting issuer under the Act.

DATED at Toronto this 19th day of January, 2011.

"Michael Brown"
Assistant Manager, Corporate Finance
Ontario Securities Commission

2.2.2 Anthony Ianno and Saverio Manzo

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

AND

IN THE MATTER OF
ANTHONY IANNO AND SAVERIO MANZO

ORDER

WHEREAS on March 8, 2010 the Ontario Securities Commission (the "Commission") issued a Notice of Hearing and Statement of Allegations in this matter pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended;

AND WHEREAS by order dated July 7, 2010, the Commission ordered that the hearing on the merits in this matter will take place on the following dates: January 31, February 1, 2, 3, 4, 7, 9, 10, 11, 14, 15, 16, 17, 18, and 23, 2011, or on such further or other dates as shall be agreed by the parties and fixed by the Office of the Secretary;

AND WHEREAS pre-hearing conferences were held on November 16, 2010 and December 17, 2010 and January 12, 2011;

AND WHEREAS at the pre-hearing conference on January 12, 2011, counsel for Anthony Ianno ("Ianno") brought a request for an adjournment and after considering all the submissions of the parties, and considering the factors for an adjournment set out in Rule 9.2 of the Commission's *Rules of Procedure*, the Commission was of the view that it was in the public interest to grant the adjournment;

AND WHEREAS a pre-hearing conference was held on January 20, 2011 for the purpose of confirming the availability of all parties to schedule the dates for the hearing on the merits, and Saverio Manzo ("Manzo") and Ianno and Staff of the Commission ("Staff") were represented by counsel;

AND WHEREAS on January 20, 2011 counsel for Manzo informed the Commission that he was retained by Mr. Manzo and requested hearing dates be set to accommodate his schedule;

AND WHEREAS after considering all the submissions of the parties the Commission is of the view it is in the public interest to make this order;

AND WHEREAS by Order made November 24, 2010, pursuant to subsection 3.5(3) of the Act, each of Howard I. Wetston, 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 exercise the powers of the Commission under the Act, subject to subsection 3.5(4) of the Act, including the power to make orders under section 127 of the Act;

IT IS ORDERED THAT:

(1) The merits hearing dates set for January 31, February 1, 2, 3, 4, 7, 9, 10, 11, 14, 15, 16, 17, 18, and 23, 2011 are vacated;

(2) The hearing on the merits is set down for September 6, 7, 8, 9, 12, 14, 15, 16, 19, 20, 21, 22, 23, 26 and 28, 2011.

DATED at Toronto this 20th day of January, 2011.

"Carol S. Perry"

2.2.3 Shaun Gerard McErlean et al. – s. 127(1)

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

AND

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

ORDER
Section 127(1)

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

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

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

1. pursuant to clause 2 of subsection 127(1) of the Act, that trading of securities by the Respondents shall cease; and

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

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

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

AND WHERAS on the 28th day of September, 2010, on the consent of the parties, the Commission ordered that the Temporary Order be extended to October 28, 2010 and the hearing in this matter be adjourned to October 27, 2010 at 1:00 p.m.;

AND WHEREAS on the 27th day of October, on the consent of the parties, the Commission ordered that the Temporary Order to be extended to December 6, 2010 and the hearing in this matter be adjourned to December 3, 2010 at 9:00 a.m.;

AND WHEREAS on December 3, 2010 the Commission held a hearing and the parties consented to the extension of the Temporary Order until the completion of the hearing of this matter and agreed to adjourn the hearing for a pre-hearing conference on January 24, 2011 at 10:00 a.m.;

AND WHEREAS on December 8, 2010, Staff of the Commission filed a Statement of Allegations against McErlean and Securus with the Commission;

AND WHEREAS the Commission held a pre-hearing conference on January 24, 2011 in this matter;

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

IT IS ORDERED that the hearing of this matter be adjourned to February 28, 2011 at 10:00 a.m. for the continuation of the pre hearing conference in this matter.

DATED at Toronto this 25th day of January, 2011.

"Carol S. Perry"

2.2.4 L. Jeffrey Pogachar et al.

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

AND

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

ORDER

WHEREAS on June 30, 2010, the Ontario Securities Commission (the "Commission") issued an Amended 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 New Life Capital Corp., New Life Capital Investments Inc., New Life Capital Advantage Inc., New Life Capital Strategies Inc., 2126375 Ontario Inc., 2108375 Ontario Inc., 2126533 Ontario Inc., 2152042 Ontario Inc., 2100228 Ontario Inc., 2173817 Ontario Inc., and 1660690 Ontario Ltd. (together, "New Life" or the "Corporate Respondents");

AND WHEREAS New Life, by and through KPMG Inc. in its capacity as the Court-appointed Receiver and Manager of New Life (the "Receiver"), and staff of the Commission ("Staff") entered into a Settlement Agreement dated January 18, 2011 (the "Settlement Agreement") in which they agreed to a settlement of the proceeding commenced by the Amended Notice of Hearing dated June 30, 2010, subject to the approval of the Commission;

AND UPON reviewing the Settlement Agreement and upon hearing submissions from counsel for Staff and counsel for the Receiver;

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 or recognition granted to any of the Corporate Respondents under Ontario securities law is hereby terminated permanently;

3. any exemptions contained in Ontario securities law do not apply to the Corporate Respondents permanently;

4. the Corporate Respondents shall disgorge to the Commission the amount of $22,508,784.50 (the

"Disgorged Amount") being the amount of monies raised from investors by the sale of shares of New Life entities contrary to Ontario securities law to be allocated, subject to the approval of the Commission, under s. 3.4(2)(b) of the Act to or for the benefit of the following investors:

i. to each of the holders of class A shares of New Life Capital Investments Inc. (the "Class A Shares"), including those investors who paid for such Class A Shares but for whom such Class A Shares had yet to be issued (collectively, the "Class A Shareholders"); and

ii. to the holders of preferred shares of 2126375 Ontario Inc., 2108375 Ontario Inc., 21216533 Ontario Inc., 2152042 Ontario Inc., and 2173817 Ontario Inc. and the holder of common shares of 2100228 Ontario Inc. (collectively, the "Numbered Company Shares" and the holders thereof the "Numbered Company Shareholders");

5. subject to the approval by the Ontario Superior Court of Justice (Commercial List) in Court File No. 08-CL-7832 (the "Court"), the Receiver will distribute the Disgorged Amount to the Class A Shareholders and the Numbered Company Shareholders, directly, in the manner to be ordered by the Court;

6. Staff may apply to the Court under section 128 of the Act with respect to any additional funds obtained by the Receiver in excess of the Disgorged Amount. In particular, Staff may apply for:

i. a declaration that the Corporate Respondents have not complied with Ontario securities law;

ii. an order authorizing and directing the Receiver to distribute any monies obtained by the Receiver of New Life in excess of the Disgorged Amount, subject to the rights of creditors of New Life, to the Class A Shareholders and the Numbered Company Shareholders in the manner to be ordered by the Court; and

iii. any other order that the Court considers appropriate pursuant to section 128(3) of the Act.

DATED at Toronto this 25 day of January, 2011.

"Carol S. Perry"

2.2.5 Paul Donald – s. 127

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

AND

IN THE MATTER OF
PAUL DONALD

ORDER
(Section 127)

WHEREAS the Ontario Securities Commission ("the Commission") issued a Notice of Hearing and Staff of the Commission ("Staff") filed a Statement of Allegations in this matter on May 20, 2010;

AND WHEREAS on June 7, 2010, the Commission ordered, on consent of Staff and Paul Donald ("Donald"), that the hearing on the merits shall commence on March 1, 2011 at 10:00 a.m. and continue until March 31, 2011 except for March 8, March 22 and the week of March 14, 2011.

AND WHEREAS Staff and Donald have consented to an order varying the dates for the hearing on the merits;

IT IS ORDERED that the hearing on the merits shall commence on March 7, 2011 at 10:00 a.m. at the offices of the Commission, 20 Queen Street West, 17th floor, Toronto and continue until March 29, 2011 (half-day) except for the week of March 14, 2011.

DATED at Toronto, this 25th day of January 2011.

"Carol S. Perry"

2.2.6 Goldbridge Financial Inc. et al. – ss. 127(1), 127(8)

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

AND

**IN THE MATTER OF
GOLDBRIDGE FINANCIAL INC.,
WESLEY WAYNE WEBER AND
SHAWN C. LESPERANCE**

**TEMPORARY ORDER
Sections 127(1) & 127(8)**

WHEREAS on October 10, 2008, the Commission issued a temporary order pursuant to section 127(5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") that all trading in securities by Goldbridge Financial Inc. ("Goldbridge"), Wesley Wayne Weber ("Weber") and Shawn C. Lesperance ("Lesperance") shall cease, and that the exemptions contained in Ontario securities law do not apply to Goldbridge, Weber and Lesperance (the "Temporary Order");

AND WHEREAS the Temporary Order expired on the fifteenth day after its making unless extended by the Commission;

AND WHEREAS on October 28, 2008, the Commission granted a further order pursuant to clause 2 of subsection 127(1) of the Act (the "October Order") that all trading in securities by Goldbridge, Weber and Lesperance shall cease, subject to the exception below;

AND WHEREAS it was further ordered on October 28, 2008, that notwithstanding the foregoing order, Goldbridge may trade solely as principal in one account ("the account") in accordance with the following conditions:

a. the account shall be at E*TRADE Canada ("E*Trade");

b. the account shall be in the name of Goldbridge Financial Inc.;

c. the account shall contain only funds belonging to Goldbridge contributed by Weber or Lesperance, and shall not be used directly or indirectly to trade on behalf of any other person or company;

d. Goldbridge shall provide Staff with particulars of the account, including the account number, within 7 days of the date of this Order;

e. Goldbridge shall instruct E*Trade to provide copies of all trade confirmation notices with respect to the account directly to Staff at the same time that such notices are provided to Goldbridge;

f. securities traded in the account shall consist solely of securities listed or quoted on the New York Stock Exchange ("NYSE") or the National Association of Securities Dealers Automated Quotations ("NASDAQ"); and

g. the Respondents shall immediately take steps to remove from the internet all advertising and postings on behalf of the Respondents offering to provide investment services and lessons in day trading.

AND WHEREAS during 2008 and 2009, the October Order was extended from time to time, and most recently on July 29, 2009 the October Order was extended by the Commission until the completion of the Hearing on the Merits or until further order of the Commission;

AND WHEREAS prior to the hearing on the merits, Lesperance settled with the Commission (*Re Goldbridge et al.* (2009), 32 O.S.C.B. 7387 (oral reasons));

AND WHEREAS on February 8, 9, and 12, 2010, the hearing on the merits took place in this matter and Staff of the Commission ("Staff"), and Weber appeared at the hearing but Goldbridge did not appear;

AND WHEREAS the Commission issued its decision on the merits on January 21, 2011 and the Commission is of the opinion that it is in the public interest to extend the October Order until the issuance of a decision and order in a sanctions and costs hearing in this matter;

IT IS HEREBY ORDERED that the October Order is continued until the issuance of a decision and order in a sanctions and costs hearing in this matter.

DATED at Toronto this 21st day of January, 2011.
"David L. Knight"

"Margot C. Howard"

2.2.7 Ciccone Group et al. – ss. 127(7), 127(8)

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

AND

IN THE MATTER OF
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

ORDER
(Subsections 127(7) and (8))

WHEREAS on April 21, 2010, the Ontario Securities Commission (the "Commission") issued a temporary order pursuant to sections 127(1) and 127(5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") that the Respondents cease trading in securities; that the exemptions contained in Ontario securities law do not apply to all of the Respondents except 990509 Ontario Inc. ("990509"); and that trading in the securities of 990509 and Medra Corporation ("Medra") cease (the "Temporary Order");

AND WHEREAS on April 21, 2010, the Commission ordered that the Temporary Order shall expire on the 15th day after its making unless extended by order of the Commission;

AND WHEREAS on April 22, 2010, the Commission issued a notice of hearing giving notice that it will hold a hearing (the "Hearing") on May 3, 2010 at 10 a.m., to consider, among other things, whether it is in the public interest 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 WHEREAS on May 3, 2010, the Commission extended the Temporary Order against all of the named respondents to October 22, 2010 and adjourned the Hearing to October 21, 2010;

AND WHEREAS on October 21, 2010, the Commission extended the Temporary Order as against Ciccone Group, Medra, 990509, Cachet Wealth Management Inc. ("Cachet"), Tadd Financial Inc. ("Tadd"), Vince Ciccone ("Ciccone"), Klaudiusz Malinowski ("Malinowski"), Darryl Brubacher ("Brubacher") and Andrew J. Martin ("Martin") to January 26, 2011 and adjourned the Hearing to January 25, 2011;

AND WHEREAS the Commission is advised that Staff require additional time to complete its investigation;

AND WHEREAS Staff advised the Commission that Medra, Brubacher, Martin and Tadd consent to an extension of the Temporary Order for a period of 3 months and that Ciccone Group, 990509, Ciccone, Malinowski and Cachet do not object to such an extension;

AND WHEREAS upon the submissions of Staff and upon review of the evidence filed by Staff, the Commission is of the opinion that it is in the public interest to make this Order;

IT IS HEREBY ORDERED pursuant to subsections 127 (7) and (8) of the Act that:

(i) the Temporary Order is extended as against Ciccone Group, Medra, 990509, Cachet, Tadd, Ciccone, Malinowski, Brubacher, and Martin to May 11, 2011;

(ii) the Hearing is adjourned to May 10, 2011, at 2:30 p.m. or such other date or time as set by the Secretary's office.

DATED at Toronto this 25th day of January, 2011.

"Carol S. Perry"

2.2.8 Global Consulting and Financial Services et al.

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

AND

IN THE MATTER OF
GLOBAL CONSULTING AND FINANCIAL SERVICES,
CROWN CAPITAL MANAGEMENT CORPORATION,
CANADIAN PRIVATE AUDIT SERVICE,
EXECUTIVE ASSET MANAGEMENT,
MICHAEL CHOMICA, PETER SIKLOS (also known as PETER KUTI), JAN CHOMICA, AND LORNE BANKS

TEMPORARY ORDER

WHEREAS on November 4, 2010, the Ontario Securities Commission (the "Commission") issued a temporary cease trade order pursuant to subsections 127(1) and 127(5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") ordering that Global Consulting and Financial Services ("Global"), Crown Capital Management Corporation ("Crown"), Canadian Private Audit Service ("CPAS"), Executive Asset Management ("EAM"), Jan Chomica, Michael Chomica, Peter Kuti ("Kuti"), and Lorne Banks ("Banks"), cease trading in all securities (the "Temporary Order");

AND WHEREAS on November 4, 2010, the Commission ordered pursuant to clause 3 of subsection 127(1) of the Act, that any exemptions contained in Ontario securities law do not apply to Global, Crown, CPAS, EAM, Jan Chomica, Michael Chomica, Kuti and Banks;

AND WHEREAS on November 4, 2010, the Commission ordered that the Temporary Order shall expire on the fifteenth day after its making unless extended by order of the Commission;

AND WHEREAS on November 9, 2010, the Commission issued a direction under section 126(1) of the Act freezing assets in a bank account in the name of Crown (the "Freeze Direction");

AND WHEREAS on November 4, 2010, the Commission issued a Notice of Hearing to consider, among other things, the extension of the Temporary Order, to be held on November 17, 2010 at 3:00 p.m. (the "Notice of Hearing");

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

AND WHEREAS Staff of the Commission ("Staff") have served all of the respondents with copies of the Temporary Order and the Notice of Hearing, and served Crown with the Freeze Direction as evidenced by the Affidavit of Charlene Rochman, sworn on November 17, 2010, and filed with the Commission;

AND WHEREAS on November 17, 2010, Staff and counsel for Banks appeared before the Commission, and whereas Crown, CPAS, EAM, and Kuti did not appear before the Commission to oppose Staff's request for the extension of the Temporary Order;

AND WHEREAS Staff had received a Direction from Jan Chomica dated November 11, 2010, in which she consented to extending the Temporary Order for at least two months;

AND WHEREAS counsel for Michael Chomica did not attend the Hearing, but had advised Staff that Michael Chomica consents (or does not oppose) an extension of the Temporary Order for at least two months;

AND WHEREAS on November 17, 2010, counsel for Banks advised the Commission that Banks consents to an extension of the Temporary Order;

AND WHEREAS the Panel considered the evidence and submissions before it;

AND WHEREAS pursuant to subsection 127(5) of the Act the Commission was of the opinion that, in the absence of a continuing cease-trade order, the length of time required to conclude a hearing could be prejudicial to the public interest;

AND WHEREAS pursuant to subsection 127(8) of the Act the Commission ordered that the Temporary Order be extended to January 27, 2011;

AND WHEREAS the Commission further ordered that the hearing in this matter be adjourned to January 26, 2011 at 11:00 a.m., and that the parties make efforts to advise the Commission by January 3, 2011 whether they are in agreement that the hearing set for January 26, 2011 be held in writing;

AND WHEREAS by Notice of Motion dated December 16, 2010 (the "**Notice of Motion**"), Staff sought to amend the Temporary Order to include Peter Siklos ("**Siklos**") as the person using the alias "Peter Kuti", thereby making Siklos subject to the Temporary Order, and to abridge, under Rule 1.6(2) of the Commission's Rules of Procedure (2009), 32 O.S.C.B. 10 (the "Rules"), the notice requirements for the filing and service of motion materials under to Rule 3.2 of the Rules and the requirement for a Memorandum of Fact and Law under Rule 3.6 of the Rules (the "**Motion**");

AND WHEREAS in support of the Motion, Staff filed the Affidavit of Wayne Vanderlaan ("**Vanderlaan**"), sworn December 15, 2010 (the "**Vanderlaan Affidavit**"), in which Vanderlaan states that there is a real Peter Kuti who, based on the information currently available to Staff, is not the "Peter Kuti" who is an alias for Siklos;

AND WHEREAS the Motion was heard on Monday, December 20, 2010, at 10:00 a.m., at the Commission's offices at 20 Queen Street West, 17th floor (the "**Motion Hearing**");

AND WHEREAS the Commission, after considering the Affidavit of Service of Rochman, sworn December 17, 2010, was satisfied that Staff had served the Notice of Motion, the December 16, 2010 covering letter from Carlo Rossi, Litigation Counsel with Staff, and the Vanderlaan Affidavit on Siklos, and on Global, Jan Chomica, Crown, CPAS, EAM, Michael Chomica and Banks;

AND WHEREAS counsel for Banks advised Staff that he would not be attending on the motion and that Banks took no position with respect to it;

AND WHEREAS on December 20, 2010, Staff and counsel for Siklos attended before the Commission, and counsel for Siklos advised that Siklos consented to the Motion;

AND WHEREAS the Commission considered the Notice of Motion and the Vanderlaan Affidavit and the submissions made by Staff and counsel for Siklos at the Motion Hearing;

AND WHEREAS the Commission ordered that

(i) pursuant to clause 2 of subsection 127(1) of the Act, Peter Siklos (also known as Peter Kuti) shall cease trading in all securities;

(ii) pursuant to clause 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Peter Siklos (also known as Peter Kuti);

(iii) the title of the proceeding shall be amended accordingly;

(iv) for clarity, the Temporary Order as Amended (the "Amended Temporary Order") is extended to January 27, 2011; and

(v) for clarity, the hearing to consider the extension of the Amended Temporary Order will be held on January 26, 2011, at 11:00 a.m., and the parties shall make efforts to advise the Commission by January 3, 2011 whether they are in agreement that the hearing set for January 26, 2011 be held in writing.

AND WHEREAS by way of letter dated January 25, 2011, Staff advised the Commission that it had obtained the consent of Michael Chomica, Jan Chomica, Siklos, Banks (the "**Individual Respondents**"), Crown and Global to extend the Amended Temporary Order;

AND WHEREAS Staff provided the Commission with the Affidavit of Charlene Rochman sworn January 24, 2011 outlining service of the Amended Temporary Order on the Respondents and the consent of the Individual Respondents, Crown and Global to the extension of the Amended Temporary Order ;

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;

IT IS ORDERED that the Amended Temporary Order is extended to March 9, 2011; and

IT IS FURTHER ORDERED that the Hearing is adjourned to March 8, 2011 at 10:00 a.m., or such other date and time as set by the Office of the Secretary.

Dated at Toronto this 25th day of January, 2011.

"Carol S. Perry"

2.2.9 Majestic Supply Co. Inc. – s. 127

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

AND

IN THE MATTER OF
MAJESTIC SUPPLY CO. INC.,
SUNCASTLE DEVELOPMENTS CORPORATION,
HERBERT ADAMS, STEVE BISHOP,
MARY KRICFALUSI, KEVIN LOMAN AND
CBK ENTERPRISES INC.

ORDER
(Section 127)

WHEREAS on October 20, 2010, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended, accompanied by the Statement of Allegations dated October 20, 2010 filed by Staff of the Commission ("Staff") with respect to Majestic Supply Co. Inc. ("Majestic"), Suncastle Developments Corporation ("Suncastle"), Herbert Adams ("Adams"), Steve Bishop ("Bishop"), Mary Kricfalusi ("Kricfalusi"), Kevin Loman ("Loman") and CBK Enterprises Inc. ("CBK") collectively referred to as the "Respondents";

WHEREAS the Notice of Hearing set a hearing in this matter for November 23, 2010 at 2:30 p.m.;

AND WHEREAS on November 23, 2010, counsel for Adams and Suncastle, counsel for Kricfalusi and CBK, counsel for Loman, Rob Biegerl as former president of Majestic and Bishop on his own behalf and as the current president of Majestic, all attended the hearing;

AND WHEREAS Staff and counsel for Adams have advised that on October 12, 2010, Adams was charged by the Halton Regional Police Service with four counts of fraud over $5,000 relating to his involvement with Majestic and Suncastle and has retained criminal counsel to represent him in the criminal proceedings;

AND WHEREAS counsel for Adams has requested that criminal counsel for Adams be permitted to review Staff's electronic disclosure for the purpose of permitting Adams to make full answer and defence in the criminal proceedings (the "Adams' Disclosure Request");

AND WHEREAS on November 23, 2010, the Commission ordered: (i) the hearing adjourned to January 25, 2011; and (ii) limits on the use of Staff's electronic disclosure;

AND WHEREAS Staff has advised that Staff's electronic disclosure was provided to the parties on December 9, 2010;

AND WHEREAS counsel for Adams and Suncastle and counsel for Kricfalusi and CBK have delivered demands for further particulars relating to both the Statement of Allegations and Staff's electronic disclosure and have requested an adjournment to determine whether any preliminary motions are required;

AND WHEREAS Staff, counsel for Adams and Suncastle, counsel for Kricfalusi and CBK, counsel for Loman and Steve Bishop on behalf of Majestic and himself consent to the adjournment of the hearing to a pre-hearing conference on March 1, 2011 at 2:00 p.m.;

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

IT IS ORDERED that the matter is adjourned to a pre-hearing conference on March 1, 2011 at 2:00 p.m.

DATED at Toronto, this 25th day of January, 2011.

"Carol S. Perry"

Chapter 3

Reasons: Decisions, Orders and Rulings

3.1.1 L. Jeffrey Pogachar et al.

**IN THE MATTER OF
THE SECURITIES ACT**

R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF

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

SETTLEMENT AGREEMENT BETWEEN

STAFF OF THE COMMISSION AND NEW LIFE

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 New Life Capital Corp., New Life Capital Investments Inc., New Life Capital Advantage Inc., New Life Capital Strategies Inc., 2126375 Ontario Inc., 2108375 Ontario Inc., 2126533 Ontario Inc., 2152042 Ontario Inc., 2100228 Ontario Inc., 2173817 Ontario Inc., and 1660690 Ontario Ltd. (together, "New Life" or the "Corporate Respondents").

PART II – JOINT SETTLEMENT RECOMMENDATION

2. Staff of the Commission ("Staff") agree to recommend settlement of the proceeding commenced by Amended Notice of Hearing dated June 30, 2010 (the "Proceeding") against the Corporate Respondents according to the terms and conditions set out in Part V of this Settlement Agreement. The Corporate Respondents, through and by KPMG Inc. in its capacity as the Court Appointed Receiver and Manager of New Life (the "Receiver"), 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 a securities regulatory authority, the Corporate Respondents agree with the facts as set out in Part III of this Settlement Agreement.

New Life

4. The Corporate Respondents, together, make up New Life. New Life consists of New Life Capital Corp. ("NLCC"), New Life Capital Investments Inc. ("NLCI"), New Life Capital Advantage Inc. ("NLCA"), 2126375 Ontario Inc., 2108375 Ontario Inc., 2126533 Ontario Inc., 2152042 Ontario Inc., 2100228 Ontario Inc. and 2173817 Ontario Inc. (the "Numbered Companies"), New Life Capital Strategies Inc. ("NLCS") and 1660690 Ontario Ltd. ("1660690").

5. By Orders of the Ontario Superior Court of Justice (Commercial List) in Court File No. 08-CL-7832 (the "Court") dated December 17, 2008 and March 18, 2009, KPMG Inc. was appointed Receiver and Manager for New Life. New Life has not been operational since December 2008.

6. New Life divided responsibility among its various corporate entities: NLCC is a holding company which owns the other corporate entities; NLCI sold shares of its own issue and holds a pool of life settlements; NLCA and the Numbered Companies sold shares of the Numbered Companies and each Numbered Company, other than 2173817 Ontario Inc., holds a partial beneficial interest in one or more specific life settlements; NLCS "sourced" or found life settlements for investment; and, 1660690 served an administrative purpose in connection with NLCI's life settlements.

7. A life settlement is a sale of an existing life insurance policy to an investor for less than its maturity value. On purchase, the investor becomes the beneficiary of the policy and is responsible for payment of all premiums going forward. The investor profits when the policy matures and the benefits are paid.

8. The corporate entities worked together toward the common purpose of soliciting investors and their various activities were in all instances funded by investor funds. Investor funds flowed between various of the Corporate Respondents with no apparent business purpose.

9. NLCC was incorporated in Ontario on November 7, 2005. NLCC registered with the Commission as a limited market dealer ("LMD") on July 30, 2007. NLCC has never sold a security and did not carry on any active operations, although from time to time it paid expenses related to its subsidiaries.

10. NLCI was incorporated in Ontario on December 22, 2005. NLCI is not registered with the Commission in any capacity. NLCI is a subsidiary of NLCC. NLCI sold its class A common shares to investors by way of an Offering Memorandum. Its business activities consisted of raising capital and investing in life settlements sold by U.S. residents. NLCI raised more than $22 million from approximately 600 investors in Canada.

11. NLCA was incorporated in Ontario on December 19, 2005. It is a subsidiary of NLCC. The Numbered Companies were incorporated on various dates in 2006, 2007 and 2008. None of NLCA or the Numbered Companies have ever been registered with the Commission in any capacity. The business of NLCA and the Numbered Companies consisted of raising capital and investing in life settlements insuring the lives of U.S. residents. Each of the Numbered Companies, other than 2173817 Ontario Inc., holds a partial beneficial interest in a specific life settlement (as opposed to the pooled life settlements held by NLCI). NLCA and the Numbered Companies raised over $600,000 from approximately a dozen investors in Canada.

12. NLCS was incorporated in Ontario on January 4, 2006. NLCS is not registered with the Commission in any capacity. NLCS is a subsidiary of NLCC. Its business activities consisted of "sourcing" life insurance policies through use of U.S. brokerage systems or financial planners, and by soliciting sales directly from seniors. NLCS did not issue and sell its own securities.

13. 1660690 was incorporated in Ontario on July 29, 2005. It is a subsidiary of NLCI. It is not registered with the Commission in any capacity. 1660690 purchased 8 life insurance policies with an aggregate face value of USD 3,270,919. For 3 of these 8 policies, 1660690 designated the Numbered Companies as partial beneficiaries. NLCI, or one of its alias, did not directly purchase life insurance policies but acquired control of certain trusts that were the owners and beneficiaries of 14 life insurance policies with an aggregate face value of USD 80 million. NLCI became the beneficiary of these 14 life insurance policies as a result of its control of the trusts.

Trading Without Registration

14. As set out above, although NLCC is registered with the Commission as an LMD, NLCC has never traded in securities.

15. NLCI sold shares of its own issue from late 2005 until August 6, 2008, when the Commission ordered that it cease trading. It marketed those shares publicly and sold them to investors in Ontario and elsewhere in Canada. More than 600 investors have bought units pursuant to NLCI's Offering Memorandum since 2006.

16. NLCA and the Numbered Companies sold shares of the Numbered Companies from late 2005 until August 6, 2008, when the Commission ordered that NLCA cease trading. They marketed those shares publicly and sold them to investors on incorporation of each of the Numbered Companies.

17. NLCI, NLCA and the Numbered Companies engaged in the business of trading in securities as principals and therefore acted as market intermediaries. As such, they were, at minimum, required to be registered to trade in securities.

18. The sole discernible business purpose of all of the Corporate Respondents was to facilitate New Life's business as it was promoted and sold to investors and their activities were in all instances funded by investor funds. The Corporate Respondents were under common management and were promoted to investors as a group of companies with a common purpose. Through their actions, all of the Corporate Respondents acted directly or indirectly in furtherance of trading in shares of New Life entities.

19. None of the Corporate Respondents have at any time been registered to trade in securities other than NLCC, which was registered to trade in securities over the period from July 30, 2007 to August 6, 2008.

PART IV – CONDUCT CONTRARY TO ONTARIO SECURITIES LAW AND THE PUBLIC INTEREST

20. The Corporate Respondents' trading and acts in furtherance of trading shares of NLCI, NLCA and the Numbered Companies constituted trading in securities without registration, contrary to section 25 of the Act.

PART V – TERMS OF SETTLEMENT

21. The Corporate Respondents agree to the terms of settlement listed below.

22. The Commission will make an order pursuant to section 127(1) of the Act that:

(a) this Settlement Agreement is approved;

(b) the registration or recognition granted to any of the Corporate Respondents under Ontario securities law be terminated permanently;

(c) any exemptions contained in Ontario securities law do not apply to the Corporate Respondents permanently;

(d) the Corporate Respondents disgorge to the Commission the amount of $22,508,784.50 (the "Disgorged Amount") being the amount of monies raised from investors by the sale of shares of New Life entities contrary to Ontario securities law;

(e) subject to the approval of the Commission, the Disgorged Amount will be allocated pursuant to s. 3.4(2)(b) of the Act to or for the benefit of the following investors:

i. to each of the holders of class A shares of New Life Capital Investments Inc. (the "Class A Shares") and each investor who paid for Class A Shares but for whom such Class A Shares had yet to be issued (collectively, the "Class A Shareholders"); and,

ii. to each of the holders of preferred shares of the Numbered Companies (other than 2100228 Ontario Inc. in which case, to the holder of common shares) (collectively, the "Numbered Company Shares" and the holders thereof the "Numbered Company Shareholders");

(f) subject to approval by the Court, the Receiver will distribute the Disgorged Amount to the Class A Shareholders and the Numbered Company Shareholders, directly, in the manner to be ordered by the Court; and,

(g) Staff may apply to the Court under section 128 of the Act in accordance with Part VI of this Settlement Agreement with respect to any additional funds obtained by the Receiver in excess of the Disgorged Amount referred to in subparagraphs 22(d) and (e).

PART VI – SECTION 128 APPLICATION

23. Separate from these proceedings, Staff may apply to the Court pursuant to section 128 of the Act seeking:

(a) a declaration that the Corporate Respondents have not complied with Ontario securities law;

(b) an order authorizing and directing the Receiver to distribute any monies obtained by the Receiver of New Life in excess of the Disgorged Amount, subject to the rights of creditors of New Life, to the Class A Shareholders and the Numbered Company Shareholders in the manner to be ordered by the Court; and,

(c) any other order that the Court considers appropriate pursuant to section 128(3) of the Act.

PART VII – STAFF COMMITMENT

24. If the Commission approves this Settlement Agreement, Staff will not commence any other proceeding under Ontario securities law in relation to the facts set out in Part III of this Settlement Agreement.

PART VIII – PROCEDURE FOR APPROVAL OF SETTLEMENT

25. The parties will seek approval of this Settlement Agreement at a public hearing before the Commission scheduled to commence on April 4, 2011, or on another date agreed to by Staff and the Corporate Respondents, according to the procedures set out in this Settlement Agreement and the Commission's Rules of Practice.

26. Staff and the Corporate Respondents agree that this Settlement Agreement will form all of the agreed facts that will be submitted at the settlement hearing on the Corporate Respondents' conduct, unless the parties agree that additional facts should be submitted at the settlement hearing.

27. If the Commission approves this Settlement Agreement, the Corporate Respondents agree to waive all rights to a full hearing, judicial review or appeal of this matter under the Act.

28. If the Commission approves this Settlement Agreement, none of the parties will make any public statement that is inconsistent with this Settlement Agreement or with any additional agreed facts submitted at the settlement hearing.

29. Whether or not the Commission approves this Settlement Agreement, the Corporate Respondents will not use, in any proceeding, this Settlement Agreement or the negotiation or process of approval of this Settlement 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

30. If the Commission does not approve this Settlement Agreement or does not make the order attached as Schedule "A" to this Settlement Agreement:

    (a) all discussions and negotiations between Staff and the Corporate Respondents before the settlement hearing takes place will be without prejudice to Staff and the Corporate Respondents; and,

    (b) Staff and the Corporate Respondents will each be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing of the allegations contained in the Amended Statement of Allegations dated June 23, 2010. Any proceedings, remedies and challenges will not be affected by this Settlement Agreement, or by any discussions or negotiations relating to this Settlement Agreement.

PART X – EXECUTION OF SETTLEMENT AGREEMENT

31. The parties may sign separate copies of this Settlement Agreement. Together, these signed copies will form a binding Settlement Agreement.

32. A fax copy or electronic transmission of any signature will be treated as an original signature.

Dated this 18 day of January, 2010 "(11) TM"

"Richard Harris"
KPMG Inc., in its capacity as the
Court-appointed Receiver and
Manager of New Life Capital Corp.,
New Life Capital Investments Inc.,
New Life Capital Advantage Inc.,
New Life Capital Strategies Inc.,
2126375 Ontario Inc., 2108375 Ontario Inc.,
2126533 Ontario Inc., 2152042 Ontario Inc.,
2100228 Ontario Inc., 2173817 Ontario Inc.,
and 1660690 Ontario Inc.

Witness

"Tom Atkinson"
Director, Enforcement Branch

3.1.2 Sanjiv Sawh and Vlad Trkulja – s. 31

IN THE MATTER OF
STAFF'S RECOMMENDATIONS
FOR THE NON-REINSTATEMENT OF REGISTRATION
OF SANJIV SAWH AND VLAD TRKULJA

OPPORTUNITIES TO BE HEARD BY THE DIRECTOR
UNDER SECTION 31 OF THE SECURITIES ACT (ACT)

DECISION

1. For the reasons outlined below, my decision is to deny the reinstatement of registration of each of Sanjiv Sawh and Vlad Trkulja (collectively, the Applicants).

OVERVIEW

2. On September 20, 2010, Staff recommended that the registration of:

   a. Sanjiv Sawh as a dealing representative of a mutual fund dealer (MFD) and an exempt market dealer (EMD) be refused,

   b. Vlad Trkulja as a dealing representative of a MFD and an EMD be refused.

   MGI Financial Inc. (MGI) sponsored Sawh's and Trkulja's registrations.

3. Pursuant to section 31 of the Act, the Applicants are each entitled to an opportunity to be heard (OTBH) before a decision is made by the Director. On consent of the parties, a joint OTBH was held on November 2, 2010. Written closing submissions of Staff (Michael Denyszyn and Mark Skuce, Legal Counsel, Compliance and Registrant Regulation Branch, Ontario Securities Commission (OSC)) and Applicants' counsel (Ari Kulidjian, Kulidjian & Associates) were filed subsequently.

4. At the OTBH, both Applicants clarified that their intent was that their applications for reinstatement of registration as dealing representatives with MGI be in the category of MFD only, not EMD. This is despite the fact that MGI is registered as both a MFD and an EMD. The Applicants take this position because their understanding is that MGI doesn't sell exempt products and therefore MGI is not using its EMD licence.

5. My decision is based on my reading of the documentary evidence provided to me, the verbal submissions of both Staff and the Applicants' counsel, the testimony of Trkulja and Sawh, and the written closing submissions.

THE LAW

6. The purposes of the Act (as set out in section 1.1) are to provide protection to investors from unfair, improper or fraudulent practices and to foster fair and efficient capital markets and confidence in capital markets.

7. Subsection 25(1) of the Act generally requires that any person or company that engages in the business of trading in securities to be registered in the relevant category. A registrant is in a position to provide valuable services to the public. A registrant also has a corresponding capacity to do material harm to investors and to the public at large. Determining whether an applicant should be registered is thus an important component of the OSC's public interest mandate. As well, as noted in numerous prior decisions, registration is a privilege, not a right.

8. Subsection 27(1) of the Act states that, on application by a person, the Director shall reinstate the registration of the person unless it appears to the Director that the person is not suitable for registration or that the proposed registration is otherwise objectionable. The question for me to determine as Director is whether each of Trkulja and Sawh is suitable for registration and whether each of their registrations is otherwise objectionable.

9. Subsection 27(2) of the Act provides that in determining whether a person is suitable for registration, the Director shall consider whether the person has satisfied the requirements prescribed in the regulations relating to proficiency, solvency and integrity, and such other factors as the Director considers relevant. The meanings of "suitable" and "objectionable" are not prescribed in Ontario securities law. However, the Commission has, over time, articulated the three fundamental criteria for determining suitability for registration:

a. integrity – which includes honesty and good faith, particularly in dealings with clients, and compliance with Ontario securities law

b. proficiency – which includes prescribed proficiency and knowledge of the requirements of Ontario securities law, and

c. solvency

The criteria at issue here are integrity and proficiency.

10. Prior Commission decisions have held that registration is "otherwise objectionable" if it is determined, with reference to the purposes of the Act, that it is not in the public interest for the person or company to be registered. See Re *Mithras Management Ltd.*, (1990) 13 OSCB 1600.

ARGUMENTS RELATING TO THE NON-REINSTATEMENT OF THE APPLICANTS' REGISTRATION

Overview

11. Staff submits that each of the Applicants' registrations should not be reinstated on the grounds that each of them is unsuitable for registration and that each of their continued registrations would be objectionable.

12. Staff based its recommendations on two primary bases – (1) a settlement agreement dated April 8, 2010 among The Investment House of Canada Inc. (IHOC) and the Applicants (collectively, the Respondents) and the Mutual Fund Dealers Association (MFDA) (Settlement Agreement), and (2) the affidavits of several clients of the Applicants. The MFDA also issued reasons for their decision on June 29, 2010.

Settlement Agreement with the MFDA

13. IHOC became a member of the MFDA in 2003. IHOC was registered with the OSC as a MFD and limited market dealer (now EMD). Prior to IHOC's suspension in May 2010, Sawh was at various times an officer, director, salesperson, dealing representative, chief compliance officer (CCO), Executive Vice President, and Managing Director of IHOC. Trkulja was at various times an officer, director, President, Chief Executive Officer, salesperson, and dealing representative. Sawh and Trkulja owned IHOC.

14. Golden Gate Funds Limited Partnership (Golden Gate) and Alterra Preferred Equity Real Estate Limited Partnership (Alterra Fund) were two of the products distributed by IHOC on an exempt basis to "accredited investors". Golden Gate's described business was to invest in premium quality residential and commercial mortgages with the intention of providing unitholders with steady interest income and preservation of capital. Alterra Fund's described business was to invest in a related limited partnership which had real estate development projects in the United States. IHOC sold approximately $3 million of units in Golden Gate and $1.6 million of units in Alterra Fund to its clients.

15. As an aside, Staff also referred to the November 2009 settlement agreement between Golden Gate and Ernest Anderson, as respondents, and Staff of the OSC. In that settlement agreement, Anderson and Golden Gate were found to have breached securities laws by participating in an illegal distribution of securities. The Commission ordered that trading in securities of Golden Gate cease immediately and removed securities law exemptions from Anderson and Golden Gate permanently. Anderson and Golden Gate were also ordered to pay administrative penalties and costs of the investigation and to jointly disgorge funds in the approximate amount of $4.6 million made under the illegal distribution. The vast majority of the units of Golden Gate sold by registrants were sold by IHOC and its representatives.

16. The MFDA performed three compliance reviews of IHOC – the second in 2006 and the third in 2009. During the 2006 review, MFDA staff advised IHOC that it considered exempt products (such as Golden Gate and the Alterra Fund) to be high risk investments. Following the 2006 review, IHOC changed its risk ranking of these exempt products to high risk from medium risk. Despite IHOC changing the risk ranking of these exempt products to "high", the Applicants continued to sell these products to clients "without ensuring the [products] were suitable for clients and in keeping with their investment objectives; and… without ensuring that the clients qualified as accredited investors in accordance with National Policy 45-106" *Distribution Requirements*.

17. The Settlement Agreement states that the 2009 review identified that deficiencies identified in the 2006 review had not yet been addressed. These deficiencies included inadequate head office supervision, not ensuring that trades in some client accounts **in mutual funds** and other securities were suitable for clients and consistent with the clients' documented investment objectives and know your client (KYC) information, failure to maintain complete KYC and new account application form (NAAF) information, etc. [emphasis added]

18. The 2009 review also identified client files in which there was incomplete or missing NAAFs or KYC information and IHOC had permitted numerous trades in these accounts. As well, for approximately 10% of the client accounts sampled during the 2009 review, the NAAF was completed after the initial trade in the account had occurred.

19. Briefly, the Settlement Agreement sets out the following selected contraventions by the Respondents:

    a. Sawh and Trkulja sold exempt products to some clients without ensuring that the products were suitable for clients and in keeping with their investment objectives,

    b. Sawh and Trkulja sold exempt products to some clients without ensuring that the clients qualified as accredited investors,

    c. IHOC approved the sale of exempt products to some clients without conducting reasonable due diligence,

    d. The Respondents did not ensure that actual or potential conflicts between their interests and those of IHOC's clients were addressed by the exercise of responsible business judgment influenced only by the best interests of the clients,

    e. IHOC did not ensure that trades in some client accounts in mutual funds and other securities were suitable for clients and consistent with the clients' documented investment objectives and KYC information, and

    f. IHOC did not collect complete NAAF and KYC information for some clients and permitted trading in such accounts.

20. The Respondents agreed to the following selected terms of settlement:

    a. IHOC was suspended from membership in the MFDA,

    b. Sawh and Trkulja each paid fines of $10,000, and

    c. awh and Trkulja were each prohibited from acting as a branch manager, compliance officer or ultimate designated person for three years.

21. OSC Staff submits the terms of the Settlement Agreement in and of themselves are sufficient for me, as Director, to refuse the reinstatement of registration of the Applicants. I agree for the reasons set out below.

22. Applicants' counsel argued that I should consider various changes in the Settlement Agreement between the original draft agreement and the final agreement. With respect, I disagree. Settlement agreements are, by their nature, negotiated agreements between the parties. In my view, the only relevant "draft" of the agreement that I need to consider in making my decision is the (final) Settlement Agreement agreed to by the Applicants and the MFDA.

23. Applicants' counsel also argued that staff was effectively penalizing the Applicants twice for the same misconduct, effectively engaging in double jeopardy. However, staff is correct in its argument that it is the OSC, and not the MFDA, that has jurisdiction over the registration of individuals and firms. As such, it is the OSC that does the analysis of whether an applicant is suitable for reinstatement of registration or whether the applicant's registration would be objectionable. Thus, it is my view that the double jeopardy argument is not applicable in these circumstances.

Clients' affidavits set out a similar fact pattern to the MFDA Settlement Agreement

24. Several clients' affidavits were filed as exhibits to the joint OTBH. The clients' affidavits set out fact patterns substantially similar to the fact patterns agreed to by the Respondents as part of the Settlement Agreement. As a result, this decision provides a brief summary of two client affidavits only.

25. Client A is a 66 year old retired married woman. She pre-signed a NAAF without all the necessary information completed (including her investment risk tolerance). The "completed" NAAF shows as a risk tolerance of 33% low risk, 33% medium risk, and 33% high risk. She describes herself and her husband as being "risk-averse investors, and a correct description of our risk tolerance would be 90% low risk and 10% medium risk". Her affidavit also states that "I specifically advised Trkulja that the profits from the Oakville home were my retirement savings, and that … our objective was to invest in something that would provide us with reliable monthly payments as part of our retirement income, while protecting the investment principal at the same time". Despite the risk tolerance set out in her NAAF (which was much higher than her declared risk tolerance), "[b]ased on the assurances we received from Trkulja, I decided to invest in Golden Gate".

26. Client B is a 44 year old married man. For the past eight years, he has worked as a part-time teacher's assistant with an annual income of approximately $30,000. His wife's salary is approximately the same and he and his wife have a combined net worth of approximately $300,000. Client B states that "Trkulja filled out the [NAAF] after asking me a few personal questions, and then I signed it. [The NAAF] indicated that my risk tolerance was 90% low risk and 10% medium risk … I met with Trkulja … and told him that I was interested in investing in the Alterra Fund because I liked the fourteen percent return advertised in the newspaper … Trkulja told me that I was a potential accredited investor… Trkulja completed a second [NAAF] … and I signed it. This form indicates that I have a 100% high risk tolerance and liquid assets of over one million dollars. This information is not correct." Client B invested US$10,000 in the Alterra Fund.

Does it matter that the Applicants no longer plan to sell exempt products?

27. Applicants' counsel argued that since many of the matters in the Settlement Agreement relate to the sale by the Applicants of exempt products to accredited investors, less weight should be placed on the terms of the Settlement Agreement by me since the Applicants now only propose to be MFD dealing representatives. I disagree. Although the Settlement Agreement primarily relates to the Applicants' misconduct with respect to the sale of exempt products, the Settlement Agreement also clearly states that the Applicants did not ensure that trades on some client accounts in mutual funds were suitable for clients. As well, I do not believe that the Applicants can lack integrity in the sale of exempt products (which in my view is what the Settlement Agreement clearly sets out) and have integrity in the sale of mutual funds. The Applicants either have the requisite integrity of securities professionals or they do not. In my opinion, they do not.

Does it matter that the Applicants will not be in a managerial position with MGI?

28. Applicants' counsel argued that it was relevant to my decision that the Applicants would not be in a managerial position with MGI, as they were with IHOC. I do not agree. The Applicants are applying for reinstatement as dealing representatives of a MFD. It does not matter for the purposes of that determination whether they also intend to be in management positions with MGI.

REASONS

29. My decision is to deny the reinstatement of registration of both Applicants. In my view, the past conduct of both Applicants (based on the test set out in *Re Mithras*) leads me to conclude that their conduct in the future may well be detrimental to the integrity of the capital markets. As well, in my view, neither Applicant has demonstrated the required integrity or proficiency of securities professionals. I also find that the reinstatement of registration of each Applicant would be objectionable.

30. Applicants' counsel argued that the Applicants should be able to rely on *Trafalgar, Re* (2010), 33 O.S.C.B. 1197 which they submit stands for the proposition that the facts contained in a settlement agreement negotiated with a regulator cannot alone establish a history of wrong doing sufficient to deny reinstatement of registration. The settlement agreement in *Re Trafalgar* was entered into seven years before the Director's decision was issued and thus in the *Re Trafalgar* matter I, as Director, did not agree with staff's conclusion that the *Re Mithras* test applied in assessing Trafalgar's current fitness for registration. However, in this case, the MFDA Settlement Agreement was very recent and evidenced serious misconduct. As a result, I decided that the *Re Mithras* test did apply in this case and that the facts set out in the Settlement Agreement were, in and of themselves, sufficient to refuse the reinstatement of registration of the Applicants.

31. The facts set out in the Settlement Agreement were not "comparably benign violations of the MFDA regulations" as set out by Applicants' counsel. The Settlement Agreement references serious misconduct by the Applicants and resulted in the MFDA taking the very serious and unusual step of suspending the registration of IHOC, a firm owned and operated by the Applicants. "This may be the first time in Canadian securities history that a going concern is wound down as a result of breaches in securities legislation … [t]he suspension of [IHOC] as an MFDA member is the most severe penalty [the MFDA] can impose. [IHOC] will not harm the public anymore … [W]e believe that the Settlement Agreement and the penalties imposed on the Respondents are reasonable and proportionate and will communicate to others that this kind of conduct will not be tolerated and will bring severe sanctions against those who might engage in such activity." (Reasons for Decision of the MFDA dated June 29, 2010)

32. I also had the affidavits of several clients of IHOC, which described conduct similar to the conduct described in the agreed facts in the Settlement Agreement. Although the Applicants both provided testimony refuting some of the statements made in the various affidavits, I did not find their evidence to be credible as it related to some of the statements made in the clients' affidavits and, as a result, I relied on the statements made in the affidavits provided to me in making my decision.

33. For example, I was troubled by the testimony of Trkulja with respect to Client B. I did not find Trkulja's testimony credible with respect to the completion of the second NAAF for Client B (approximately a year after the completion of the first NAAF). The second NAAF for Client B was only completed after he expressed an interest in buying an exempt product that clearly didn't match his risk profile and in circumstances where Trkulja knew or should have known that Client B was likely not an accredited investor. At the very least, Trkulja should have asked enough questions to satisfy himself that Client B was an accredited investor despite strong apparent evidence to the contrary. This was not an "unsolicited trade" as it was compared to by Trkulja. The Applicants were actively distributing securities of both Golden Gate and the Alterra Fund. Trkulja should not have completed the second NAAF for Client B, nor should he have completed the trade of securities of Alterra Fund to Client B in these circumstances.

34. I was also troubled by the testimony of Sawh relating to the proposed purchases of IHOC by entities affiliated with both Golden Gate and the Alterra Fund. Both proposed purchases were ongoing and notice had been provided to either the OSC or to the MFDA at the same time as some of the clients that completed affidavits were being solicited by the Applicants to purchase securities of Golden Gate or the Alterra Fund. No disclosure was made to any of IHOC's clients about these conflicts of interest. While I acknowledge that the proposed purchase transactions may have been confidential, I do not believe that the Applicants or IHOC should have continued to actively distribute these products while in negotiations to sell their firm to entities related to the product issuers unless they were prepared to provide appropriate conflict of interest disclosure to the applicable clients.

35. The Director decision in *Jaynes, Re* (2000), 23 O.S.C.B. 1543 states in part that "[w]hile terms and conditions restricting registration may be appropriate in a wide variety of circumstances, they should not be used to shore up a fundamentally objectionable registration". Although I was not asked to consider terms and conditions, in my view, the use of terms and conditions in this case would be shoring up fundamentally objectionable registrations.

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

January 25, 2011

3.1.3 Goldbridge Financial Inc. et al.

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

AND

IN THE MATTER OF
GOLDBRIDGE FINANCIAL INC.,
WESLEY WAYNE WEBER AND
SHAWN C. LESPERANCE

REASONS AND DECISION

Hearing:	February 8, 9 and 12, 2010		
Decision:	January 21, 2011		
Panel:	David L Knight, FCA	–	Commissioner and Chair of the Panel
	Margot C. Howard, CFA	–	Commissioner
Appearances:	Christie Johnson	–	For the Ontario Securities Commission
	Wesley Wayne Weber		For himself
			No one appeared for Goldbridge Financial Inc.

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REASONS AND DECISION

A. OVERVIEW

1. History of the Proceeding

[1] This was a hearing before the Ontario Securities Commission (the "Commission") pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), to consider whether Goldbridge Financial Inc. ("Goldbridge") and Wesley Wayne Weber ("Mr. Weber") (together, the "Respondents") breached subsections 25(1)(a), 25(1)(c) and 122(1)(a) of the Act and engaged in conduct contrary to the public interest.

[2] This proceeding was commenced by a Statement of Allegations and a Notice of Hearing dated August 31, 2009. The Statement of Allegations and Notice of Hearing list the following respondents: Goldbridge, Mr. Weber and Shawn C. Lesperance ("Mr. Lesperance"). Prior to the hearing on the merits, Mr. Lesperance settled with the Commission (*Re Goldbridge et al.* (2009), 32 O.S.C.B. 7387 (oral reasons)).

[3] This case involves allegations by Staff of the Commission ("Staff") that during 2007 and through July of 2008, the Respondents engaged in unregistered trading and advising in violation of subsections 25(1)(a) and 25(1)(c) of the Act. In addition, Staff alleges that Mr. Weber made false and misleading statements to the Commission in violation of subsection 122(1)(a) of the Act and acted contrary to the public interest.

[4] At the hearing, Mr. Weber admitted to some of the misconduct alleged by Staff, the details of which are described later in these Reasons. No one appeared on behalf of Goldbridge; however, Mr. Weber explained that Goldbridge no longer exists and was dissolved in June of 2009. Mr. Weber takes the position that there were "no victims, no crimes, no public money lost [and] no one in the public hurt" (Hearing Transcript, February 12, 2010 at page 33 lines 5-7). Mr. Weber also emphasizes that there was no malicious intent on his part and no desire to harm anyone when he set up Goldbridge as a company to conduct trading to generate profits (Hearing Transcript, February 12, 2010 at page 33 lines 15-16).

[5] During the course of this proceeding, Mr. Weber represented himself and spoke to Goldbridge's activities.

[6] We heard the evidence in this matter on February 8 and 9, 2010. Staff called two witnesses to provide evidence: Patrick Magee, a former summer student in the Commission's Enforcement Branch and Allister Field, an investigator with the Commission. Mr. Weber testified on his own behalf. Closing submissions were heard on February 12, 2010.

[7] For the reasons set out below, we conclude that the Respondents breached subsections 25(1)(a), and 25(1)(c) of the Act, which is conduct contrary to the public interest, and Mr. Weber breached subsection 122(1)(a) of the Act, which is also conduct contrary to the public interest. Moreover, the Respondents also breached a Commission order dated October 28, 2008 and this is also conduct contrary to the public interest.

2. The Respondents

[8] Goldbridge was incorporated on May 5, 2008 pursuant to the laws of Ontario, with its head office in Toronto. According to Mr. Weber, he created Goldbridge to be used as a corporate vehicle to trade securities on the NYSE and NASDAQ.

[9] Goldbridge has never been registered to trade in securities or act as an advisor under subsection 25(1) of the Act. According to Mr. Weber, Goldbridge was dissolved in June 2009.

[10] Mr. Weber is a resident of Richmond Hill, Ontario, and at the material time he was the President, the Corporate Secretary, a Director and the directing mind of Goldbridge. He was directly responsible for Goldbridge's actions. Mr. Weber has never been registered to trade in securities or act as an advisor under subsection 25(1) of the Act.

3. The Allegations

[11] In this matter we are concerned with the allegations relating to the Respondents, Goldbridge and Mr. Weber.

[12] It is alleged that Respondents traded in securities in Ontario without having been registered in accordance with subsection 25(1)(a) of the Act, by offering investment and trading services through online advertisements.

[13] It is also alleged that Mr. Weber and Goldbridge breached subsection 25(1)(c) of the Act as they were unregistered and offered "free" day trading lessons to aspiring investors, on the condition that they deposit $300,000 into "the corporate trading account".

[14] In addition, Staff alleges that Mr. Weber breached subsection 122(1)(a) of the Act by making false and misleading statements to the Commission during the course of (1) the Commission's case assessment stage of the investigation in June 2007; and (2) a temporary cease trade order hearing held on October 28, 2008.

[15] It is also alleged, by virtue of the conduct referred to in paragraphs 12 to 12, that the Respondents engaged in conduct contrary to the public interest.

[16] It is also alleged that Mr. Weber acted contrary to the public interest by using false names and assuming the identities of real persons to open online trading accounts at an online financial institution for the purpose of trading on behalf of Goldbridge. Further, it is alleged that the Respondents acted contrary to the public interest by breaching a temporary cease trade order of the Commission by continuing to accept funds for trading from the public after being ordered to stop. In addition, it is alleged that Mr. Weber acted contrary to the public interest by breaching a temporary cease trade order of the Commission by opening a personal online trading account after being ordered to confine his future activities to a particular account in the name of Goldbridge.

B. ISSUES

[17] This case raises the following issues for our consideration:

1. Did Goldbridge and Mr. Weber engage in unregistered trading in breach of subsection 25(1)(a) of the Act, without any available exemptions?

2. Did Goldbridge and Mr. Weber engage in unregistered investment advisory activity in breach of subsection 25(1)(c) of the Act, without any available exemptions?

3. Did Mr. Weber make false and/or misleading statements to the Commission in breach of subsection 122(1)(a) of the Act?

4. Did Goldbridge and Mr. Weber act contrary to the public interest by:

    a. engaging in the conduct referred to in issues 1 to 3 listed above?

    b. intentionally communicating false information to financial institutions in names other than those of the Respondents in order to gain access to numerous trading charts?

    c. breaching a temporary cease trade order of the Commission?

[18] We need to assess each of these issues by examining the evidence in this matter and determining whether on a balance of probabilities "… it is more likely than not that the event occurred" (*F.H. v. McDougall*, [2008] 3 S.C.R. 41 at para. 44). As stated by the Supreme Court of Canada, "… evidence must always be sufficiently clear, convincing and cogent to satisfy the balance of probabilities test" (*F.H. v. McDougall*, *supra* at para. 46).

C. ANALYSIS

1. Did Goldbridge and Mr. Weber breach s. 25(1)(a) of the Act, without any Available Exemptions?

i. The Law

The Elements for a Breach of Subsection 25(1)(a) of the Act

[19] Subsection 25(1)(a) of the Act prohibits trading in securities without being registered:

> No person or company shall,
>
> (a) trade in a security or act as an underwriter unless the person or company is registered as a dealer, or is registered as a salesperson or as a partner or as an officer of a registered dealer and is acting on behalf of the dealer;
>
> …
>
> and the registration has been made in accordance with Ontario securities law and the person or company has received written notice of the registration from the Director and, where the

registration is subject to terms and conditions, the person or company complies with such terms and conditions.

[20] Accordingly, the elements of a breach of subsection 25(1)(a) of the Act are findings that:

1. a respondent traded, which includes any act in furtherance of a trade of a security as defined in the Act; and

2. the person or company was unregistered at the time of the trade.

Securities and Investment Contracts

[21] Subsection 1(1) of the Act defines "security". The relevant parts of that subsection provide that a security includes:

(a) any document, instrument or writing commonly known as a security,

…

(e) any bond, debenture, note or other evidence of indebtedness, share, stock, unit, unit certificate, participation certificate, certificate of share or interest, preorganization or subscription …,

…

(n) any investment contract,

…

whether any of the foregoing relate to an issuer or proposed issuer.

[22] The definition of a "security" includes an investment contract. While the Act does not define an investment contract, an investment contract is defined by the Supreme Court of Canada as being an investment of money in a common enterprise with profits to come from the efforts of others (*Pacific Coast Coin Exchange v. Ontario Securities Commission*, [1978] 2 S.C.R. 112). According to the Supreme Court, a "common enterprise" describes a situation where investors' fortunes are interwoven with and dependent upon the efforts and success of those seeking the investment of third parties (*Pacific Coast Coin Exchange v. Ontario Securities Commission*, *supra* at 128).

[23] The elements of an investment contract that constitute a security are therefore:

a. an investment of money;

b. with an intention or expectation of profit;

c. in a common enterprise, where the investors' fortunes are interwoven and dependent upon the efforts of those seeking the investment; and

d. where the efforts made by parties other than the investor are the significant ones with respect to the affect on the failure or success of the enterprise.

(*Pacific Coast Coin Exchange v. Ontario Securities Commission*, *supra* at 128 to 132).

Trading and Acts in Furtherance of Trades

[24] Under subsection 1(1) of the Act, a "trade" includes:

(a) any sale or disposition of a security for valuable consideration, whether the terms of payment be on margin, instalment or otherwise, but does not include a purchase of a security or, except as provided in clause (d), a transfer, pledge or encumbrance of securities for the purpose of giving collateral for a debt made in good faith,

(b) any participation as a trader in any transaction in a security through the facilities of any stock exchange or quotation and trade reporting system,

(c) any receipt by a registrant of an order to buy or sell a security,

(d) any transfer, pledge or encumbrancing of securities of an issuer from the holdings of any person or company or combination of persons or companies described in clause (c) of the definition of "distribution" for the purpose of giving collateral for a debt made in good faith, and

(e) any act, advertisement, solicitation, conduct or negotiation directly or indirectly in furtherance of any of the foregoing.

[25] The Commission has interpreted the term "trade" in many previous decisions. The Commission has established that trading is a broad concept that includes any sale or disposition of a security for valuable consideration, including any act, advertisement, solicitation, conduct or negotiation directly or indirectly in furtherance of such a sale or disposition. This interpretation has also been confirmed by the Ontario courts in their acknowledgement that "[r]egarding "trade", the legislature has chosen to define the term and they have chosen to define it broadly in order to encompass almost every conceivable transaction in securities" (*R v. Allan Sussman* (1993), 16 O.S.C.B. 1209 (Ont. Ct.) at 1230).

[26] The Commission has found that a variety of activities constitute acts in furtherance of trades. For example, the Commission has found that accepting money from investors and depositing investor cheques for the purchase of shares in a bank account constitute acts in furtherance of trades (*Re Limelight Entertainment Inc.* (2008), 31 O.S.C.B. 1727 ("*Limelight*") at para. 133). Other examples of activities that have been considered acts in furtherance of trades by the Commission include, but are not limited to:

(a) providing potential investors with subscription agreements to execute;

(b) distributing promotional materials concerning potential investments;

(c) issuing and signing share certificates;

(d) preparing and disseminating […] materials describing investment programs;

(e) preparing and disseminating […] forms of agreements for signature by investors;

(f) conducting information sessions with groups of investors; and

(g) meeting with individual investors.

(*Re Momentas Corporation* (2006), 29 O.S.C.B. 7408 ("*Momentas*") at para. 80)

[27] The inclusion of the word "indirectly" in the definition of "acts in furtherance" (cited above in paragraph (e) of subsection 1(1) of the Act) reflects an express intention on the part of the Legislature to capture conduct which seeks to avoid the registration requirement by doing indirectly that which is prohibited directly.

[28] Any act in furtherance of a trade that occurs in Ontario constitutes trading in securities under the definition in the Act (*Re Lett* (2004), 27 O.S.C.B. 3215 at para. 64). Whether an act is in furtherance of a trade is a question of fact, to be determined in each case, based on whether there is a sufficiently proximate connection to the trade (*Re Costello* (2003), 26 O.S.C.B. 1617 at para. 47).

Registration

[29] Registration requirements play a key role in Ontario securities law. They impose requirements of proficiency, good character and ethical standards on those people and companies trading in and advising on securities. As the Commission stated in *Limelight*, *supra* at para. 135:

> Registration serves as an important gate-keeping mechanism ensuring that only properly qualified and suitable individuals are permitted to be registrants and to trade with or on behalf of the public. Through the registration process, the Commission attempts to ensure that those who trade in securities meet the applicable proficiency requirements, are of good character, satisfy the appropriate ethical standards and comply with the Act.

[30] In order for there to be fairness and confidence in Ontario's capital markets it is critical that brokers, dealers and other market participants who are in the business of selling or promoting securities meet the minimum registration, qualification and conduct requirements of the Act.

[31] Therefore, the requirement that individuals and companies be registered to trade and advise in securities is an essential element of the regulatory framework put in place to achieve the purposes of the Act.

Availability of Exemptions

[32] As specified in subsection 25(1)(a) of the Act cited above, no person or company shall "trade in a security" unless the person or company "is registered as a salesperson or as a partner or as an officer of a registered dealer and is acting on behalf of the dealer".

[33] However, there are numerous exemptions from the registration requirement. Many of these exemptions for registration also have parallels in the exemptions from the prospectus requirement. Some exemptions are explicitly set out in securities legislation or rules, while other exemptions are granted on a discretionary basis by the Commission.

[34] Once Staff has shown that the Respondents have traded without registration, the onus shifts to the Respondents to establish that one or more exemptions from the registration requirements was available to them (*Limelight*, *supra* at para. 142 and *Re Ochnik* (2006), 29 O.S.C.B. 3929 at para. 67).

ii. Discussion

Overview of the Parties' Positions

[35] Staff takes the position that the Respondents were engaging in unregistered trading. Specifically at paragraph 10 of the Statement of Allegations, Staff alleges that:

> In the months of May through July of 2008, Weber and Goldbridge posted advertisements on the website "gobignetwork" and the Toronto branch of the website known as "craigslist," offering unregistered trading services in "NASDAQ and NYSE Equities." The advertisements indicated that Weber and Goldbridge were "now accepting capital" and claimed that if investors provided their money, Weber could "put it to work for you safely" generating annual returns of 15% or 18%, depending on the amount invested.

[36] Staff also takes the position that Mr. Weber publicly held himself out as a professional trader. For example, Staff points out that in a May 2007 article in the Report on Business, there is a quote from Mr. Weber where he states "I'm still trading – I have about $1.4 million in my account, mainly from investors".

[37] At the hearing, Mr. Weber admitted in his testimony that Goldbridge was incorporated for the purpose of being used as a vehicle to trade equities. However, Mr. Weber took the position that he thought there was nothing wrong with proceeding in this way and that according to legal advice he received it was appropriate to proceed in this manner.

The Respondents were not Registered Under the Act

[38] Staff provided section 139 certificates which provide a statement as to "the registration or non-registration of any person or company" (subsection 139(a) of the Act). These section 139 certificates, which were prepared by the Assistant Manager of Registrant Regulation at the Commission, state that there is no record of the Respondents ever being registered under the Act. In addition, Mr. Weber testified during the hearing that he held no securities accreditations and that he was never registered under the Act.

The Respondents Engaged in Trading

[39] During the hearing, Mr. Weber admitted that he and his company Goldbridge engaged in trading:

> Q. And in May of 2008, you opened an on-line E*Trade brokerage account in the name of Goldbridge Financial; is that correct?
>
> A. Yes.
>
> Q. And you opened that account for the purpose of trading in securities on behalf of Goldbridge Financial.
>
> A. Yes.
>
> Q. And that account was made active?
>
> A. Yes.
>
> Q. And you traded in that account.

A. Yes.

Q. You also, during May of 2008, opened a bank account or appears to be two bank accounts at TD Canada Trust in the name of Goldbridge Financial; is that correct?

A. Yes. One was Canadian and one was American.

(Hearing Transcript, February 9, 2010, at page 65 line 9 to page 66 line 1)

[40] Mr. Weber also testified at the hearing that he did not think there was anything wrong with setting up Goldbridge as a company to accept monies and then trade:

> I just assumed you open up a company, people hold the – three of us would hold it in thirds, you would deposit the monies and simply trade. It seemed like a very easy concept. That's what I had done up to that point. That's what I had taught other people to do up to that point when they asked me how I did what I did and I thought nothing of it.
>
> (Hearing Transcript, February 9, 2010 at page 22 line 20 to page 23 line 2)

[41] Mr. Weber explained in his testimony that he planned to raise funds from friends and family in order to have more money to trade:

> Shawn, [redacted] and I were only able to come up with about $150,000, so we were under the impression we were going to bring other friends or family in to bring ourselves up to around the $350,000 level of capitalization.
>
> (Hearing Transcript, February 9, 2010 at page 24 lines 11 to 15)

[42] Mr. Weber also advertised via the internet the trading services offered by himself and Goldbridge. Specifically, the Respondents offered services whereby they required individuals to set up brokerage accounts, deposit a certain amount of funds and then the Respondents would use the funds to trade in equities and generate a guaranteed profit. For example, an advertisement on the internet entitled "Learn to trade and become independent" was posted on the Greater Toronto Area Classified website on March 19, 2008. Mr. Weber is the contact person on this advertisement and it states:

> I require you to have a brokerage account set up in your name with a minimum of $300,000. You trust me to trade and not lose your money. I trust you to pay me. Unfortunately there is a minimum requirement for what I teach because it will be your new job in life. It must maintain your lifestyle. It is a full time position. You will be your own boss when I'm finished with you and the money you have built for you to this point will take care of you for the rest of your life. That is how it should be. When you reach that critical mass your money should work for you. But you need the tools as well as the materials for it to work.
>
> I can set up the accounts for you. I can guarantee you a weekly profit of $5,000 which is why I charge the fee of $5,000 per week to train you. Our agreement will also be secured for loss against my own equity.
>
> Yes, it's almost 90% per year roughly. I expect payment at the end of the week if conditions are met; no five thousand profit-no fee, at which time you have the option to continue to another week until you feel you are ready to head out on your own. You will sit right beside me while I trade and earn profits right in front of you. Lunches will be provided.
>
> I can train anyone. Unfortunately people with previous experience are the hardest. If you have little to none you are not predispositioned to the 'old' ways of the markets and/or bad habits.
>
> We will only trade equities, no options, no futures. You will be in shock the first couple days. You will have to pinch yourself for what I will reveal but it does exist.
>
> Only serious inquiries please. Phone 416-704-4527 if you need more information. Ask for Wes.

[43] In a craigslist advertisement entitled "Earn 18% Per Year on Invested Capital", the Respondents claimed that they could safely invest funds and provide fix rates of return. Specifically, this advertisement stated:

> We are currently accepting capital as low as $10,000 U.S.D.
>
> $10,000 U.S.D. Interest paid quarterly at 15%. $125 Per Month - $375/Quarter
>
> $50,000 U.S.D. Interest paid quarterly at 18%. $750 Per Month - $2,250/Quarter
>
> Larger capital levels can be negotiated.
>
> Do not let your money sit idle. I can put it to work for you safely. It takes two business days to return monies. If you would like percentage return for a quarter, six months whatever the design.
>
> If you are interested and would like further information
>
> 905-597-8878
>
> Wes Weber
>
> Goldbridge Financial Inc.

[44] During the hearing, Mr. Weber explained that he was responsible for the actual posting of these advertisements on the internet:

> Q. … Now, you stated in your testimony that you had posted ads on-line between May 5th, 2008, and July of 2008; is that correct?
>
> A. Yeah. But I do remember posting things possibly before that as we were leading up to the incorporation.
>
> Q. Okay.
>
> A. I had taught people for some time, so I was under the impression that I could offer this service and so I posted that, I think, in March.
>
> (Hearing Transcript, February 9, 2010, at page 66 line 18 to page 67 line 2)

[45] As established in the Commission's case law, distributing promotional materials concerning potential investment opportunities and preparing and disseminating materials describing investment programs are acts in furtherance of trades. In addition, receiving funds from investors is also an act in furtherance of a trade. Mr. Weber received funds through a loan agreement from an individual; these funds were then transferred to Goldbridge and used for trading equities. Profits made by trading equities were then used to make interest payments to this individual. We were provided with evidence, specifically cheque stubs which listed these payments.

[46] The advertisements posted on the internet were solicitations to enter into investment contracts with the Respondents because the funds provided to the Respondents would be used by Mr. Weber to trade in equities and generate guaranteed profits.

[47] In his defence, at one point Mr. Weber argued that he thought his actions with respect to Goldbridge were permitted based on legal advice that he received. During the hearing, Mr. Weber waived solicitor-client privilege and provided us with a letter from his lawyer dated August 11, 2008, which stated that the incorporation of Goldbridge had been completed based on Mr. Weber's instructions. However, we note that this letter addresses the incorporation of Goldbridge, and it does not provide any legal advice about soliciting funds for trading lessons from the public by posting advertisements on the internet.

[48] The Respondents posted the advertisements on the internet prior to ever consulting with a lawyer. In addition, when they did mention to their lawyer that they had posted advertisements to provide trading lessons on the internet, their lawyer informed them that they had to be registered. This was admitted to in Mr. Weber's testimony:

> Q. And at that time – you alluded earlier to advice provided by this lawyer regarding [a] posting that's on [c]raigslist. Did you –
>
> A. No. I took it upon myself to post back in March obviously and I think through implication and his mentioning that it would be okay for us to have other people's money, I took it upon myself to assume that it was okay to make those postings based on the fact that if anybody ever responded, I would structure any type of monies between us in the way that

> he suggested. He didn't specifically say you can go post stuff on [c]raigslist and solicit monies.
>
> Q. Okay. And that same lawyer, when he found out about the placement of on-line advertisements, specifically told you that you couldn't do that because you are not registered; is that correct?
>
> A. You know, I read that somewhere but I don't remember him ever – I saw him once. …
>
> Q. Perhaps I could refresh your memory. If you turn to tab 21 of staff's hearing brief, and if you turn to page 23 and at line 5 of page 23, Commissioner Kennedy asks you: Just to make sure I understand, you are not saying that you didn't place that ad we've been discussing where it refers to the – and then Mr. Weber says: No, no. I did in fact place those and it wasn't until July, August we hired a lawyer when Shawn and I incorporated. He said you can't. You are not registered. You can't solicit – you can't solicit public money.
>
> A. Yes. Yeah. …
>
> …
>
> Q. Sorry, again if you turn to page 35 of that same transcript, perhaps this will refresh your memory further. At line 5 of that page, it's you speaking which – the start of the narratives begins on page 33 but at page 35, line 5, you state: In July, when the lawyer who incorporated us said you cannot do that. You can possibly do a loan between your friends and family into your business but you cannot offer trading advice investments. You have to be regulated. You have to have licences. Does that refresh your memory at all about the understanding of the legal advice that your lawyer gave you at that time?
>
> A. Yeah, I had the – yeah, that actually helps out a little bit. I know at that moment I ceased to post. I was in a fury from March until then because our company was going to open in May. So I was posting things and looking around, where would be the best place to put stuff like that, but, yeah, after that conversation, I ceased posting. However, I did not delete the other ones. I actually forgot all about them. No one ever responded until it was brought to light by the Securities Commission to take them off and then I promptly did. …
>
> (Hearing Transcript, February 9, 2010, at page 88 line 17 to page 91 line 23 [Emphasis Added])

[49] Therefore, we find that Mr. Weber did not receive legal advice about posting advertisements for trading lessons on the internet prior to posting them. We also find that Mr. Weber was informed by his lawyer that he could not post such advertisements on the internet without being registered. As a result, Mr. Weber cannot rely on legal advice as a defence for his conduct in this matter.

There were no Exemptions Available to the Respondents

[50] By letter dated February 19, 2010, Staff provided further submissions with respect to registration exemptions. Staff submits that:

> The onus is on the respondent to establish that an exemption applies to registerable conduct. Staff submit that Mr. Weber has not met this onus.
>
> Staff have reviewed the exemptions provided for in Ontario securities law and determined that none apply. The overwhelming majority of the dealer and adviser exemptions are dependent upon the restriction of the offering of the security or investment opportunity to particular circumstances or to a particular subset of investors. The Respondents applied no such restrictions. On the contrary, the advertisements offering trading and advisory services were indiscriminate in their target and were posted on websites readily accessible by the broad investing public. Where there is no restriction applied to the services offered, no exemption can apply.

[51] We agree with Staff's submissions. As stated above at paragraph 34 of these Reasons, the onus falls on the Respondents to demonstrate that they qualified for registration exemptions. At the hearing no evidence was provided by Mr. Weber regarding any applicable registration exemptions nor did Mr. Weber in his reply to Staff's letter of February 19, 2010 demonstrate that any exemptions were available to the Respondents. Regardless, his conduct was not limited to a specific

group of investors (dealt with by exemptions) such as accredited investors or a limited number of close family and friends. By advertising trading services on the internet (which qualifies as acts in furtherance of trades), the Respondents were soliciting potential investors from the public at large. Therefore, we find that there were no applicable registration exemptions available to the Respondents.

iii. Findings

[52] Based on the conduct described above, we find that the Respondents were not registered, engaged in trading and acts in furtherance of trades contrary to subsection 25(1)(a) of the Act and there were no registration exemptions available to them.

2. Did Goldbridge and Mr. Weber breach s. 25(1)(c) of the Act , without any Available Exemptions?

i. The Law

[53] Subsection 25(1)(c) of the Act prohibits acting as an advisor without being registered:

> No person or company shall,
>
> …
>
> (c) act as an adviser unless the person or company is registered as an adviser, or is registered as a representative or as a partner or as an officer of a registered adviser and is acting on behalf of the adviser,
>
> and the registration has been made in accordance with Ontario securities law and the person or company has received written notice of the registration from the Director and, where the registration is subject to terms and conditions, the person or company complies with such terms and conditions.

[54] An "advisor" is defined in subsection 1(1) of the Act as "a person or company engaging in or holding himself, herself or itself out as engaging in the business of advising others as to the investing in or the buying or selling of securities."

[55] In *Costello v. Ontario (Securities Commission)*, [2004] 242 D.L.R. (4th) 301 (Div. Ct.) at para. 62, the court applies a business purpose requirement for advising, but noted that it need not be the only business the person or company in question is engaged in.

[56] The British Columbia Securities Commission set a low threshold for the business purpose requirement in *Re Donas* 1995 LNBCSC 18. The requirement can be met even if the business purpose behind the advising is not the primary business of the person or company (*Jack Maguire and J.K. Maguire & Associates* (1995), 18 O.S.C.B. 4623), or in situations where there is no evidence that investors acted on the advice given (*Re Hrappstead (c.o.b. North American Group)* [1999] 15 B.C.S.C. Weekly Summary 13).

[57] As for the nature of the communication, providing factual information is not sufficient to constitute advising under the Act:

> A person who does nothing more than provide factual information about an issuer and its business activities is not advising in securities. A person who recommends an investment in an issuer or the purchase or sale of an issuer's securities, or who distributes or offers an opinion on the investment merits of an issuer or an issuer's securities, is advising in securities.
>
> (*Re Donas* 1995 LNBCSC 18 at 5 (QL))

[58] Advising requires subjective commentary on the value of the investment.

ii. Discussion

Overview of the Parties' Positions

[59] Staff takes the position that the Respondents were acting as unregistered investment advisors. Specifically at paragraph 11 of the Statement of Allegations, Staff alleges that:

> A further "craigslist" advertisement, posted by Weber in July of 2008, offers "free day trading lessons". To qualify for the "lessons", the student must deposit $300,000 in "the corporate trading

> account." Weber's advertisement states that "a rate can be negotiated" for students with less than $300,000 to deposit, but that nobody with less than $150,000 will be accepted as "[b]elow this level of capitalization it is simply not enough to sustain a standard of living. Which it is assumed you are trying to accomplish through these lessons." As part of the "free" lessons, Weber offered to "trade in real time right beside you and will provide insight and information" into a particular market area.

[60] Mr. Weber took the position that he thought there was nothing wrong with posting trading lesson advertisements on the internet, as discussed earlier.

The Respondents were not Registered Under the Act

[61] As stated above at paragraph 38 of these Reasons, the Respondents were not registered under the Act.

The Respondents Engaged in Advising

[62] The evidence put forth in this matter establishes that that the Respondents engaged in advising. In particular, the Respondents solicited potential clients for trading lessons (through advertisements posted on numerous websites) whereby through these lessons the Respondents could advise individuals how to trade profitably.

[63] For example, in addition to the craigslist advertisement quoted in paragraph 43 of these Reasons, a second craigslist advertisement entitled "NYSE and NASDAQ Day Trading Lessons – Free", was posted on the internet by Mr. Weber and Goldbridge. This advertisement stated as follows:

> I am offering free intraday trading lessons at my office.
>
> No experience is an asset. Not being predispositioned to old market principals [*sic*] and ideologies will assist you. If you do have experience an open mind is required. After our lessons you will eventually develop your own strategies and niches. While you are here, you are here to retain information and experience. Each person will develop differently depending on their personalities. Being able to be in control of your emotions is highly advised. My service offers you a free, safe environment to discover if you have the aptitude and discipline to succeed on World markets without losing a penny.
>
> …
>
> We will not be trading derivatives of any kind! We will be trading NYSE and Nasdaq equities. However the principals [*sic*] learned can be used on options, futures and commodities. I recommend against trading derivatives of any kind. It's hard enough to feel comfortable trading Google at 50x earnings. Meaning it's [*sic*] stock is worth a relative $10 trading at $500, let alone trying to find security from a $516 trillion derivatives market when the value of all the cash and stock on the earth is around $100 trillion!!
>
> Anyway, two days prior to lessons you will deposit $300,000 U.S.D. in the corporate trading account. If lessons are to begin on Monday, the funds will be deposited on Thursday prior. If you have less funds a rate can be negotiated. I will not accept anything less than $150,000 U.S.D. below this level of capitalization it is simply not enough to sustain a standard of living. Which it is assumed you are trying to to accomplish through these lessons. When you set out on your own I will have you earning a conservative $1,000 U.S.D. on your $300,000 U.S.D. every day for the rest of your life!
>
> …
>
> I will trade in real time right beside you and will provide insight and information to a market area I am almost certain you had no idea existed.
>
> …
>
> These are personal lessons so spots are limited. I have just finished two weeks with a client and I am open again for a limited time.
>
> …

> Make no mistake. 90+ percent of people fail at 'day trading'. While you are under my supervision there will be no losses. I am serious, NO losses. Your capital is preserved even secured against other invested capital.
>
> …
>
> I am also certain I can make you profitable by way of my practical lessons.

[64] Through this advertisement, the Respondents gave advice on the type of securities which should be traded during the lessons (NYSE and NASDAQ equities, and not derivatives). The Respondents also made statements that by taking these lessons, individuals would not lose any money, "… there will be no losses. I am serious, NO losses." We find that such pronouncements provide a false sense of security to potential investors. Promising potential investors that they will not lose encourages misunderstanding of the risks involved with day trading and can mislead investors.

[65] Furthermore, the Respondents also posted an advertisement on the Go Big Network website advertising trading lessons. This advertisement stated:

> I've traded NASDAQ and NYSE equities only, no derivatives, for five years now. I began in an Internet cafe [sic] in downtown Toronto and now have a pretty large trading desk I pride myself on. I finally incorporated this year and have started taking on others [*sic*] capital. Eg of some clients: $50,000 at 18%, $10,000 at 15%. I have the capacity to utilize approximately $8 million U.S.D. but I am growing slowly. After the $2 million dollar mark I will begin training others to do exactly what I do. Allowing me the capacity to extend upwards of $50 million.
>
> I read of thousands of traders who think they can do what I do but individuals like me are few and far between. I'd be willing to meet or have anyone interested to come and sit with me real time during market hours. I don't talk and waste time theorizing over markets. I make money period.
>
> I'm looking for someone out there who is going to recognize what I have and take it to the next level.
>
> Sincerely,
>
> Wes

[66] Through all of these advertisements, the Respondents were actively seeking to find clients who they could teach and advise about trading securities. Mr. Weber was of the view that he could provide appropriate advice through trading lessons to get individuals to be comfortable and in control of their finances.

[67] Although the evidence shows that no one contacted the Respondents with respect to taking trading lessons, we find that through these advertisements, the Respondents held themselves out as being in the business of advising (see: *Costello v. Ontario (Securities Commission)*, *supra*). We also agree with the principle established in *Re Hrappstead (c.o.b. North American Group)*, *supra* that even in situations where there is no evidence that investors acted on the advice given, the Respondents can still be found to have been engaging in the business of advising in securities.

[68] Mr. Weber also argued that he had legal advice that he and Goldbridge were acting legally. For the reasons set out at paragraphs 47 to 49 of these Reasons, we found that Mr. Weber was given legal advice that he had to be registered and that there was a problem with posting trading lesson advertisements on the internet.

There were no Exemptions Available to the Respondents

[69] As stated above at paragraph 34 of these Reasons, the burden is on a respondent to demonstrate that they are eligible for an exemption from registering as an advisor. In the present case, as stated above at paragraph 51 of these Reasons, the Respondents failed to demonstrate the availability of any exemptions under the Act or securities Rules.

iii. Findings

[70] Based on the conduct described above, we find that the Respondents were not registered, they engaged in the business of advising contrary to subsection 25(1)(c) of the Act and there were no registration exemptions available to them.

3. Did Mr. Weber make false and misleading statements to the Commission in breach of s. 122(1)(a) of the Act?

i. The Law

[71] Subsection 122(1)(a) prohibits individuals and companies from making misleading, incorrect or false statements in connection with any material, evidence or information submitted to the Commission, Executive Director or agent of the Commission. Subsection 122(1)(a) states:

> 122(1) Offences, general – Every person or company that,
>
> (a) makes a statement in any material, evidence or information submitted to the Commission, a Director, any person acting under the authority of the Commission or the Executive Director or any person appointed to make an investigation or examination under this Act that, in a material respect and at the time and in the light of the circumstances under which it is made, is misleading or untrue or does not state a fact that is required to be stated or that is necessary to make that statement not misleading
>
> is guilty of an offence and on conviction is liable to a fine of not more than $5 million or to imprisonment for a term of not more than five years less a day, or both.

[72] The importance of providing full and accurate information to the Commission was emphasized by the Ontario Court of Appeal in *Wilder et al v. Ontario Securities Commission*, (2001) 53 O.R. (3d) 519 (C.A.) at paragraph 22:

> The [Commission] is charged with the statutory obligation to do its best to ensure that those involved in the securities industry provide fair and accurate information so that public confidence in the integrity of the capital markets is maintained. It is difficult to imagine anything that could be more important to protecting the integrity than ensuring that those involved in those markets, whether as direct participants or as advisers, provide full and accurate information to the [Commission].

ii. Discussion

Overview of the Parties' Positions

[73] Staff alleges that Mr. Weber misled the Commission during (1) the Commission's case assessment stage of the investigation in June 2007; and (2) a temporary cease trade order hearing held on October 28, 2008. Staff takes the position that Mr. Weber advised Staff that he did not trade or hold securities and that no investors had invested funds with him. Staff submits that its investigation revealed that these statements were false.

[74] Staff submits that it is imperative that individuals do not mislead the Commission, and Staff takes the position at paragraph 46 of their Memorandum of Law that:

> Evasion, obfuscation, and untruth in responding to Staff inquiries serves to hinder Staff's performance of their responsibilities to monitor and enforce compliance with Ontario securities law; such conduct is an obstacle to effective regulation of the capital markets.

[75] With respect to misleading the Commission in June 2007, Staff alleges at paragraph 15 of the Statement of Allegations that:

> In a May 2007 article in the Report on Business, Weber claimed to be trading "$1.4 million in my account, mainly from investors". In June 2007, Staff questioned Weber about his statements and Weber claimed that the statements were not true and that he had made the story up. A few days afterward, Weber wrote to Staff, stating, "I have no nature of activity with respect to trading", "there are no individuals who have invested money with me", and "I do not hold any interest in any products/securities".

[76] With respect to the misleading statements made during the October 28, 2008 hearing, Staff alleges at paragraph 14 of the Statement of Allegations that:

> In making submissions to a panel of Commissioners during a hearing to determine whether to continue the Temporary Cease Trade Order, Weber made the following materially misleading statements:

a. that the TD Ameritrade Applications Weber submitted were in the names of people he knew and that he had simply included false countries of residence in the applications, when in fact several of the names Weber used were his own fabrications and one was the name of his dog; and,

b. that the TD Ameritrade Inc. account Weber had used from 2003 to June 2008 was in the name of Ping Long, whom Weber stated lived in China and was the brother of his then girlfriend, when in fact the name "Ping Long" was Weber's fabrication and there was no such person.

[77] Further at paragraph 16 of the Statement of Allegations, Staff alleges that:

> On October 28, 2008, in making submissions during a hearing to determine whether to extend a Temporary Cease Trade Order, Weber admitted to the panel that he was in fact trading during the time of the publication of the Report on Business article and that he had been trading $1.4 million on behalf of his then girlfriend and others during 2006.

[78] Mr. Weber takes the position that he never had the intention to deceive anyone (Hearing Transcript, February 12, 2010 at page 37 lines 12 to 14). However, during his testimony and submissions, Mr. Weber provided vague answers and interpretations as to why he made certain statements to Staff or the Commission during the October 28, 2009 temporary cease trade order hearing.

Mr. Weber Misled Commission Staff

[79] In a letter dated May 29, 2007, Staff requested information relating to Mr. Weber's purported trading activities described in an article entitled "Faking It", which was published in the *Report on Business* in May 2007. Specifically, Staff's letter stated:

> Staff at the Ontario Securities Commission (the "Commission") was recently made aware of an article from the May 2007 issue of Report on Business magazine entitled "Faking It". Of particular interest to the Commission Staff is following quotation, taken from the article: "I'm still trading – I have about $1.4 million in my account, mainly from investors." In light of this statement, Staff are concerned that you may be engaged in trading and advising activities involving securities, activities that normally require registration with the Commission. A search of our records does not find you registered with the Commission. We are now making inquiries regarding your actions in the market, and your business arrangements with your investors, in order to make a determination of whether there is, in fact, a need for registration.
>
> …
>
> In order for us to ensure that you are not conducting business in a manner that requires registration under the Act, we require that you respond to us with the following information:
>
> 1) The nature of your activities, with regards to trading and advising in securities;
>
> 2) The names and contact information of all individuals or corporations that have invested money with/through you, the amount of money invested by each, and the specific products/securities purchased or sold;
>
> 3) Indicate whether you personally hold any interest in the products/securities purchased or sold on behalf of your clients;
>
> 4) A description of the relationships (business or otherwise) between yourself and those listed in response to item 2) listed above;
>
> 5) A list of any regulatory bodies you may have been registered with in the past;
>
> 6) The brokerage(s) and account number(s) used to execute trades; and
>
> 7) An explanation of why you believe that you, and your activities, do not require to be registered with the Commission.

> Please respond to this letter, with the requested information, as soon as possible, but not later that [sic] June 12, 2007.

[80] On June 1, 2007, Mr. Weber called the Commission to respond to Staff's letter. According to the "Record of Conversation" kept by Staff, Mr. Weber provided Staff with the following information:

> Weber claims to have fabricated story that appeared in the article. Claims to not be involved in trading in any regard, and only told the story in order to raise his own publicity.

[81] In addition, Mr. Weber wrote a letter to Staff dated June 19, 2007, to respond to Staff's letter of May 29, 2007, which stated:

> As per a letter received on May 29, 2007 from the Ontario Securities Commission.
>
> 1) I have no nature of activity with respect to trading.
>
> 2) There are no individuals that have invested money with me.
>
> 3) I do not hold any interest in any products/securities.
>
> 4) No relationships.
>
> 5) N/A
>
> 6) N/A
>
> 7) I do not hold the belief that a person exercising activities set out in your letter not be required to be registered with the Commission.

[82] Mr. Weber clearly made statements to Staff in June 2007 that he was not involved in any trading or advising activities.

[83] However, the evidence in this matter demonstrates that Mr. Weber was actually involved in trading and advising activities. At the hearing Mr. Weber admitted that he lied to Commission Staff about this:

> I was most certainly trading approximately $1.4 million in Ms. [redacted] account at the time and I did in fact admit – I admit that I did mislead the Commission by saying I do not.
>
> (Hearing Transcript, February 9, 2010, at page 18 lines 5 to 8)

[84] Mr. Weber explained that he told this lie out of fear, because he was trading his girlfriend's money and if he told the truth then his girlfriend would prevent him from trading in her account and allowing him to live with her:

> I put off responding to the OSC hoping it would go away. It did not of course. I explained to her that I must respond and the position I was in was that I was given a choice: tell them that it was her account and her monies, and she will change the password and I will be jobless, or continue earning $60,000 a month nice and quietly given the privilege she was affording to me. My choice was pretty clear. I sent a letter to OSC staff stating that I did not trade for fear I would – I don't even know where I would even begin picking up the pieces at the time.
>
> (Hearing Transcript, February 9, 2010, at page 19 line 25 to page 20 line 10)

[85] It is clear from the admissions in Mr. Weber's testimony that, during the case assessment stage of the investigation, Mr. Weber lied about his trading activities to Staff.

Mr. Weber Misled a Commission Panel

[86] At the temporary cease trade order hearing in this matter on October 28, 2008, Mr. Weber informed the Commission Panel that when he opened on-line brokerage accounts at TD Ameritrade he used the names of people that he knew and that he had simply included false countries of residence in the applications. Specifically he stated:

> I said the only thing I've misrepresented are people's addresses. If I put Canada, it doesn't allow me the option of Canada, so I pick like Bahamas or Barbados or whatever. But all those people and the birthdays and the whole bit are people I actually know.

> (Hearing Transcript, October 28, 2008, at page 32 lines 2 to 7)
>
> They are people that I know and then I just filled in the information and I picked an address in Timbuktu. Actually, a couple of the accounts they shut off were actual real accounts.
>
> (Hearing Transcript, October 28, 2008, at page 32 lines 17 to 20)

[87] However, during his compelled examination on March 4, 2009, Mr. Weber gave a different explanation. He told Staff that some of the names he used to open the TD Ameritrade accounts were his friends and family, but others were his own fabrication and one was the name of his dog.

[88] When asked about fabricating names to open accounts at the hearing, Mr. Weber gave the following answer in his testimony:

> They were all fabrications, some of them – the majority of – 90 percent of them were people I knew, maybe a different spelling, […]
>
> (Hearing Transcript, February 9, 2010, at page 45 lines 1 to 3)

[89] Mr. Weber did not give consistent and truthful answers to Staff and the Commission during the compelled examination and temporary cease trade order hearing. As a result, we find that Mr. Weber misled the Commission.

iii. Findings

[90] Based on the conduct described above, we find that Mr. Weber misled:

(i) Staff of the Commission during the case assessment stage of the investigation; and

(ii) the Commission Panel during the October 28, 2008 temporary cease trade order hearing.

4. Did Goldbridge and Mr. Weber act contrary to the public interest?

i. The Law

[91] As set out in section 1.1 of the Act, it is the Commission's mandate to:

(a) provide protection to investors from unfair, improper or fraudulent practices; and

(b) foster fair and efficient capital markets and confidence in those capital markets.

[92] In pursuing the purposes of the Act, the Commission must consider fundamental principles as stated in section 2.1 of the Act. The relevant parts of section 2.1 of the Act are as follows:

i. requirements for timely, accurate and efficient disclosure of information;

ii. restrictions on fraudulent and unfair market practices and procedures; and

iii. requirements for the maintenance of high standards of fairness and business conduct to ensure honest and responsible conduct by market participants.

[93] Staff alleges that the Respondents engaged in conduct contrary to the public interest by: (1) engaging in unregistered trading and advising contrary to sections 25(1)(a) and 25(1)(c) of the Act; (2) intentionally communicating false information to financial institutions; and (3) breaching the Commission order dated October 28, 2008.

ii. Discussion

a. Unregistered Trading and Advising

[94] As described above, Mr. Weber and Goldbridge engaged in unregistered trading and advising contrary to sections 25(1)(a) and 25(1)(c) of the Act without the availability of any exemptions.

[95] This is serious conduct that is contrary to the public interest. The registration requirements in the Act serve an important role to protect investors and ensure that the public deals with individuals who have met the necessary proficiency

requirements, good character and ethical standards. The Respondents should have taken the necessary steps to ensure that they had the proper registration in place and that their activities were in compliance with securities law. For the reasons set out at paragraphs 47 to 49 of these Reasons, we found that Mr. Weber was aware that he had to be registered and that there was a problem with posting trading lesson advertisements on the internet. The Respondents should have ceased their illegal activities and sought registration. That they did not, compounds their misconduct, which was clearly contrary to the public interest.

b. Intentionally communicating false information to financial institutions for the purpose of obtaining trading accounts in names other than that of the Respondents

Overview of the Parties' Positions

[96] In paragraphs 12 and 13 of the Statement of Allegations, Staff alleges that:

> In the period up to and including August, 2008, Weber attempted to open as many as 40 separate online trading accounts at TD Ameritrade Inc. using false names and the names of people other than himself (the "TD Ameritrade Applications"). When the names pertained to real people, with few exceptions, Weber used them without permission. The applications used different email addresses and contact information, as well as mailing addresses including the Ukraine, the Bahamas, Michigan, Hong Kong and the Barbados.
>
> Weber provided the false names and addresses to TD Ameritrade Inc. for the purpose of gaining access to the trading information resources of TD Ameritrade Inc. without the permission of TD Ameritrade Inc.

[97] During the hearing, Mr. Weber admitted in his testimony that he opened accounts at TD Ameritrade using names other than his own, and false names. The details of this are discussed further below. However, Mr. Weber took the position that he only did this in order to have access to more TD Ameritrade trading tools and screens and he also explained that he had "… no intention of funding [the accounts] or committing fraud of any sort or harm [to] anyone" (Hearing Transcript, February 9, 2010, at page 45, lines 10 to 11). Mr. Weber also submitted that it was very easy to open up an on-line brokerage trading account, anyone could do it and that at the time, he did not think there was anything wrong with opening multiple accounts in the names of other people and fictitious people. Specifically, Mr. Weber also argued that there was no law against opening multiple accounts under false names, however, he did admit it was an immoral practice:

> I wanted to submit that there is no law to prevent someone from opening up an e-mail account or any type of account that's – that is an open public portal on the Internet. … I do agree it is somewhat immoral but at the time, there were no laws that TD Ameritrade could, in my opinion, go out on to penalize me.
>
> (Hearing Transcript, February 9, 2010, at page 48, lines 13 to 21)

The Respondents Opened Accounts at a Financial Institution Using False Information

[98] We were provided in evidence with a letter dated February 12, 2009, from TD Ameritrade to the U.S. Securities and Exchange Commission. This letter provided details about trading accounts that Mr. Weber was attempting to open using names other than his own.

[99] During the hearing in this matter, Mr. Weber explained that:

> bank accounts were opened, I think, on May 17th, 2008, and by the end of the month, the money had been transferred and in anticipation of the opening of our account, I opened up four or five other accounts, my mother's name, my name with two Bs, a few accounts such that I'd be able to be afforded the opportunity to receive these charts when we were ready.
>
> (Hearing Transcript, February 9, 2010, at page 42 lines 1 to 7)
>
> So up until that point, I opened up these accounts and we started trading. It was in July of 2008, I think just right after we had just opened, and I woke up one morning and I think it's been quoted in staff's hearing brief that I panicked, I logged into the account and it was closed and I logged into another one, and it was closed and I logged into another one – all of a sudden, the market is going to open and I'm not sure if I had positions in at the time. Usually I did not but sometimes I held a position overnight. I just panicked. So I got on the computer. I started opening up, you know, eight accounts, Wes Weber, triple Bs. They are all listed. Sorry, I don't have to go so fast. They are actually all listed on tab 19, list of names and account numbers for TD Ameritrade accounts.

> And within those couple of days is where these accounts popped up. I would use names that I was familiar with because I had to remember them every single day to log in. So if I just made up complete fabrications, I wouldn't remember what the name was or acronyms or whatever, so I would just have an order list on my desk on a sticky note whereby I would log in number one, Steve Levesque; number two, Sherry Weber, my sister; number three, Wes Weber, and I could remember these names.
>
> (Hearing Transcript, February 9, 2010, at page 43 line 12 to page 44 line 13)
>
> They were all fabrications, some of them – the majority of – 90 percent of them were people I knew, maybe a different spelling, but in those few seconds before market open, I simply just did what I was used to doing that I did not think was illegal to open up these accounts. As for misleading the Commission, maybe an understanding or a different perception of what I said, I'm not sure, but the fact is that I did open these accounts, I had no intention of funding them or committing fraud of any sort or harm anyone. It was to receive these graphs and for five years, that had – that had been what I was doing. That was what I was doing up to that point
>
> (Hearing Transcript, February 9, 2010, at page 45 lines 1 to 14)
>
> Q. […] And when going through the account opening process, you would include false countries of residence when you would open these accounts; is that correct?
>
> A. That's correct.
>
> Q. And you stated in your previous testimony that you had conversations with TD Ameritrade representatives over the phone; is that correct?
>
> A. Yes, that's correct.
>
> Q. And during these conversations, you stated that you assumed the identity of Mr. James Cook.
>
> A. To my recollection, he had called one time asking for Mr. Cook and I said, yes, this is Mr. Cook.
>
> (Hearing Transcript, February 9, 2010, at page 71 line 23 to page 72 line 13)

[100] Clearly Mr. Weber opened numerous accounts at TD Ameritrade using false information.

[101] During the hearing, Mr. Weber requested to demonstrate to the Panel the process of how to open an on-line brokerage account at TD Ameritrade. Mr. Weber submitted that this was relevant because he wanted to show how easy it is for anyone to open an account. In our view, it was not appropriate for Mr. Weber to actually open a new on-line brokerage account during the hearing to demonstrate this process. Instead, we accepted the explanation in Mr. Weber's testimony as to how easy it is to open an account on-line.

[102] We accept that Mr. Weber and Goldbridge never actually invested any money in the accounts that were opened using false information. There is no evidence that there was ever any harm to investors as a result of this conduct. The Respondents only used the extra accounts for the purpose of obtaining extra trading graph tools. Regardless of the fact that it might be "easy" to open on-line accounts, it is inappropriate and unethical that Mr. Weber lied and created accounts using names of other individuals and fictitious names. However, we are not prepared to use the Commission's public interest jurisdiction to find against the Respondents specifically in regard to the opening of fictitious accounts. Mr. Weber's actions have been considered already in our finding that he mislead the Commission contrary to subsection 122(1)(a) of the Act. In addition, we accept that the accounts were opened to access trade graphing tools without intent to fund them or harm investors. While reprehensible, we consider the facts in this case to make this more of a matter between Mr. Weber and TD Ameritrade than a matter to use the Commission's public interest jurisdiction.

c. Breaching the Commission Order Dated October 28, 2008

The Terms of the Commission Order Dated October 28, 2008

[103] The first *ex parte* temporary cease trade order in this matter was issued on October 10, 2008, pursuant to subsection 127(5) of the Act, and it provided, inter alia, that pursuant to clause 2 of subsection 127(1) of the Act all trading in securities by

Goldbridge, Weber, and Lesperance shall cease, and pursuant to clause 3 of subsection 127(1) of the Act the exemptions contained in Ontario securities law do not apply to Goldbridge, Weber and Lesperance.

[104] On October 28, 2008, a hearing was held before the Commission to consider whether to continue the temporary cease trade order. After considering submissions from Staff, Mr. Weber and Mr. Lesperance, the Commission issued an order dated October 28, 2008, extending the temporary cease trade order and provided a carve-out to permit Goldbridge to trade. The content of the October 28, 2008 order that is relevant to this matter is set out below:

> **IT IS ORDERED** pursuant to clause 2 of subsection 127(1) of the Act that all trading in securities by Goldbridge, Weber and Lesperance shall cease, subject to the exception below;
>
> **IT IS FURTHER ORDERED** notwithstanding the foregoing order, Goldbridge may trade solely as principal in one account ("the account") in accordance with the following conditions:
>
> 1. the account shall be at E*TRADE Canada ("E*Trade");
>
> 2. the account shall be in the name of Goldbridge Financial Inc.;
>
> 3. the account shall contain only funds belonging to Goldbridge contributed by Weber or Lesperance, and shall not be used directly or indirectly to trade on behalf of any other person or company;
>
> 4. Goldbridge shall provide Staff with particulars of the account, including the account number, within 7 days of the date of this Order;
>
> 5. Goldbridge shall instruct E*Trade to provide copies of all trade confirmation notices with respect to the account directly to Staff at the same time that such notices are provided to Goldbridge;
>
> 6. securities traded in the account shall consist solely of securities listed or quoted on the New York Stock Exchange ("NYSE") or the National Association of Securities Dealers Automated Quotations ("NASDAQ"); and
>
> 7. the Respondents shall immediately take steps to remove from the internet all advertising and postings on behalf of the Respondents offering to provide investment services and lessons in day trading;
>
> …
>
> **IT IS FURTHER ORDERED** that this Order shall expire at the close of business on January 20, 2009, unless it is extended by the Commission, and this matter shall be adjourned to January 19, 2009, at 10:00 a.m.

[105] At the hearing on October 28, 2008, the Commission Panel also explained to the Respondents what the terms of this order meant:

> CHAIR: […] But what we would propose to do is issue a Cease Trade Order from today against all three parties but with an exception allowing the corporate entity here to trade out of the one E-trade account that has been identified to us. That trading would have to be by the corporate entity as principal trading only through the NYSE and NASDAQ. Trading confirmations will be copied to staff, and staff is entitled at any time to apply for a variation of that order depending on what their views are at the time. And so, Mr. Weber, that means, for our purposes, that account only is authorized to trade.
>
> MR. WEBER: I understand.
>
> CHAIR: You cannot solicit third parties for monies. You can't solicit friends or family to contribute money to that account.
>
> MR WEBER: Okay.
>
> (Hearing Transcript, October 28, 2008 at page 58 lines 8 to 24)

[106] The October 28, 2008 order was subsequently extended by the Commission on January 19, March 20, May 1, and June 29, 2009, and on July 29, 2009, the Commission extended the order until the completion of the Hearing on the Merits or until further order of the Commission.

Overview of the Parties' Positions

[107] Staff takes the position that the Respondents' conduct in this matter breached the Commission Order dated October 28, 2008. Specifically, at paragraphs 18 and 19 of the Statement of Allegations, Staff alleges that:

> In December 2008, while the Temporary Order remained in effect, Goldbridge accepted a loan of $10,000 in cash from [redacted], which was placed in Goldbridge's account to facilitate trading in securities, in breach of the Temporary Order. Weber signed the loan agreement on behalf of Goldbridge. Lesperance, as Treasurer and a Director of Goldbridge, authorized, permitted or acquiesced in the loan agreement transaction and the acceptance and disposition of the funds provided pursuant to that transaction.
>
> In December 2008, Weber opened an online trading account at E*Trade Canada in his own name, contrary to the terms of the October 28, 2008, Temporary Cease Trade Order.

[108] In his closing submissions, Mr. Weber acknowledged that their conduct breached the October 28, 2008 cease trade order and provided the following explanation:

> … when I opened an account at E*Trade when it was strictly prohibited to do so, I just submit that I really did not understand that I personally – my livelihood was threatened. That was my only source of income. I figured, well, if Goldbridge doesn't survive or whatever we've done wrong here, I have to at least be able to trade my own monies. So I went and opened an account. The instant I found out that that was not right, I closed it right away. There were maybe five or six trades, 10 trades that occurred in that account before the Christmas holidays and that account was instantly closed when I realized I'd done wrongdoing. Again, I was forthwith [*sic*] with my lawyer in mentioning that to him and getting his advice as to tell counsel.
>
> Like I mentioned, this is overwhelming to me. I'm sitting here, standing here trying to defend my privilege to trade. I hope that the mitigating circumstances I've mentioned might offer me that privilege in the future.
>
> (Hearing Transcript, February 12, 2010 at page 44 line 22 to page 45 line 15)

The Respondents Breached the Temporary Cease Trade Order

[109] The terms of the October 28, 2008 temporary cease trade order were such that it permitted the Respondents to conduct trading in limited circumstances. Namely, they were only able to trade using money contributed personally by Mr. Weber and Mr. Lesperance, and they were only able to conduct trading activities in a brokerage account at E*Trade in the name of Goldbridge.

[110] The evidence presented at the hearing demonstrates that the Respondents engaged in conduct that went beyond the scope of trading permitted by the cease trade order.

[111] First of all, Mr. Weber did not trade with money contributed personally by himself or Mr. Lesperance. Mr. Weber accepted money from a third party for the purpose of trading. While the temporary cease trade order was still in effect, Goldbridge accepted a loan of $10,000 from an acquaintance of Mr. Weber for the purpose of using these funds in Goldbridge's E*Trade account to facilitate the trading of equities on the NASDAQ and NYSE. Mr. Weber signed the loan agreement dated December 16, 2008 on behalf of Goldbridge (although during a compelled examination with Staff on March 4, 2009, Mr. Weber remarked that the loan agreement was actually signed on December 25, 2008) in direct contravention of the October 28, 2008 temporary cease trade order.

[112] In addition, Mr. Weber also breached the October 28, 2008 temporary cease trade order in December 2008 by opening an on-line trading margin account at E*Trade in his name and trading in this new account. In addition to Mr. Weber's admissions, we were provided with the following evidence to support this: (1) Mr. Weber's E*Trade New Client Application Form, signed by him on December 8, 2008; and (2) Mr. Weber's E*Trade account statement for this new account for the period of December 1 to December 31, 2008, which show that Mr. Weber actively traded in this account.

[113] Mr. Weber and Goldbridge engaged in conduct that was not permitted by the October 28, 2008 temporary cease trade order. With respect to Mr. Weber's submission regarding him being able to trade in the future, this is something that can be

addressed during the sanctions and costs hearing in this matter. We have issued a temporary order along with these reasons to extend the current temporary order until the issuance of a decision and order in a sanctions and costs hearing in this matter.

iii. Findings

[114] Based on the conduct described above, we find that Goldbridge and Mr. Weber engaged in conduct contrary to the public interest by:

(i) engaging in unregistered trading and advising without the availability of exemptions in breach of sections 25(1)(a) and 25(1)(c) of the Act;

(ii) breaching the Commission order dated October 28, 2008.

D. CONCLUSION

[115] For the reasons stated above we find that:

(a) the Respondents breached subsection 25(1)(a) of the Act;

(b) the Respondents breached subsection 25(1)(c) of the Act;

(c) there were no exemptions available to the Respondents;

(d) Mr. Weber breached subsection 122(1)(a) of the Act; and

(e) The Respondents engaged in conduct contrary to the public interest by:

(i) engaging in unregistered trading and advising without out the availability of exemptions in breach of sections 25(1)(a) and 25(1)(c) of the Act; and

(ii) breaching the Commission order dated October 28, 2008.

[116] The parties are directed to contact the Office of the Secretary within the next 10 days to set a date for a sanctions and costs hearing, failing which a date will be set by the Office of the Secretary.

Dated at Toronto this 21st day of January, 2011.

"David L. Knight"
David L. Knight, FCA

"Margot C. Howard"
Margot C. Howard, CFA

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
Q2 Gold Resources Inc.	14 Jan 11	26 Jan 11	26 Jan 11	
Greengreen Capital Corp.	10 Jan 11	21 Jan 11	21 Jan 11	
Mahdia Gold Corp.	10 Jan 11	21 Jan 11		24 Jan 11
Rain Resources Inc.	12 Jan 11	24 Jan 11		26 Jan 11

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
Mint Technology Corp.	07 Jan 11	19 Jan 11	21 Jan 11		

4.2.2 Outstanding Management and 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
Cathay Forest Products Corp.	08 Dec 10	20 Dec 10	20 Dec 10		
Seprotech Systems Incorporated	04 Jan 11	17 Jan 11	17 Jan 11		
Mint Technology Corp.	07 Jan 11	19 Jan 11	21 Jan 11		

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Chapter 7

Insider Reporting

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

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

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

Chapter 8

Notice of Exempt Financings

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

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
12/03/2010	57	Adira Energy Ltd. - Common Shares	11,220,000.00	41,250,000.00
02/26/2010 to 06/30/2010	14	AFINA Growth & Income Opportunities Fund LP - Limited Partnership Units	3,925,200.00	39,252.00
12/01/2010	1	Appletree Franchise Corporation - Common Shares	200,000.00	20,000.00
12/16/2010	1	Argus Metals Corp. - Common Shares	46,000.00	200,000.00
12/13/2010	23	Arianne Resources Inc. - Common Shares	593,979.48	3,299,886.00
12/13/2010	20	Arianne Resources Inc. - Common Shares	1,540,000.00	11,000,000.00
11/12/2010	2	Asia Now Resources Corp. - Common Shares	13,572,600.00	45,242,000.00
12/06/2010	14	Athabasca Uranium Inc. - Common Shares	1,489,800.00	6,477,391.00
11/09/2010	2	Atikwa Resources Inc. - Flow-Through Shares	800,000.00	9,411,764.00
11/25/2010 to 11/26/2010	59	Auracle Resources Ltd. - Units	3,343,100.00	16,715,500.00
12/21/2010	91	Aurora Oil & Gas Limited - Common Shares	39,026,910.07	24,090,000.00
12/31/2009 to 11/30/2010	21	Auspice Capital Advisors Ltd. - Trust Units	603,549.00	62,327.30
12/09/2010	1	Bio-Rad Laboratories Inc. - Notes	502,187.15	500,000.00
01/01/2010 to 12/01/2010	105	Blair Franklin Global Credit Fund LP - Units	82,649,010.00	82,649.01
04/01/2010 to 12/01/2010	35	Blair Franklin Global Rates Fund LP - Units	27,600,000.00	27,600.00
12/01/2010	218	Bonanza Resources Corporation - Units	6,250,000.00	37,500,000.00
12/07/2010	5	Bralorne Gold Mines Ltd, - Flow-Through Units	1,000,000.00	689,655.00
01/01/2010 to 09/01/2010	9	Broadview Dark Horse LP - Limited Partnership Units	1,510,000.00	11,227.90
11/05/2010	9	Call Genie Inc. - Debentures	1,500,000.00	1,500.00
03/31/2010 to 10/31/2010	5	Calrossie Partners Fund L.P. - Units	1,100,000.00	10,244.00
01/01/2010 to 12/31/2010	2	Canadian Dollar Liquidity Fund - Units	737,111,658.00	737,111,658.00
12/15/2010	79	Canadian Platinum Corp - Common Shares	3,161,686.00	14,043,745.00
12/06/2010	20	Canasur Gold Limited - Common Shares	374,900.00	1,874,500.00

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
12/14/2010	23	Capella Resources Ltd. - Units	535,000.00	5,350,000.00
07/21/2010	48	Cemcorp Cement Inc. - Common Shares	1,887,000.00	75,480.00
12/31/2010	39	Centurion Apartment Real Estate Investment Trust - Units	1,951,190.00	195,119.00
12/22/2010 to 12/31/2010	8	Cleanfield Alternative Energy Inc. - Common Shares	1,264,700.10	9,662,693.00
12/15/2010	7	Cloud Peak Energy Inc. - Common Shares	16,145,250.00	825,000.00
01/01/2011	3	CommScope, Inc. - Notes	12,622,500.00	N/A
12/13/2010	51	Constantine Metal Resources Ltd. - Units	3,499,100.13	22,190,477.00
12/17/2010	1	ConvaTec Healthcare E S.A. - Notes	3,037,200.00	1.00
02/28/2010 to 11/30/2010	6	Core Canadian Equity Fund - Units	451,200.00	41,704.00
01/10/2011	20	DB Mortgage Investment Corporation #1 - Common Shares	1,360,000.00	1,360.00
10/01/2010	10	Delbrook Enhanced Return Fund - Units	1,163,513.00	116,351.29
11/01/2010	12	Delbrook Enhanced Return Fund - Units	525,704.62	51,525.02
12/01/2010	2	Delbrook Enhanced Return Fund - Units	2,000.00	186.72
12/20/2010	14	Derek Oil & Gas Corporation - Units	437,500.00	8,750,000.00
12/13/2010	9	E-Commerce China DangDang, Inc. - American Depository Shares	3,645,881.25	226,875.00
12/22/2010	98	East West Petroleum Corp. - Units	30,000,300.00	27,273,000.00
01/14/2011	1	Edgewater Growth Capital Partners III, L.P. - Limited Partnership Interest	990,400.00	990,400.00
01/13/2011	3	Elizabeth Arden Inc. - Notes	2,786,850.00	3.00
12/29/2010 to 12/31/2010	4	First Leaside Ultimate Limited Partnership - Limited Partnership Interest	304,940.00	304,940.00
12/29/2010	2	First Leaside Visions II Limited Partnership - Limited Partnership Interest	150,000.00	150,000.00
01/05/2011 to 01/10/2011	8	First Leaside Wealth Management Fund - Units	372,748.00	372,748.00
12/20/2010	1	FleetCor Technologies, Inc. - Common Shares	702,300.00	12,675,000.00
12/14/2010 to 12/16/2010	35	Functional Technologies Corp. - Units	4,000,064.75	7,272,845.00
11/23/2010	14	General Motors Company - Common Shares	63,258,510.00	1,871,000.00
12/16/2010	8	Georgian Partners Growth Fund I, LP - Limited Partnership Interest	11,224,606.25	11,224,606.25
12/16/2010	2	Georgian Partners Growth Fund (International) I, LP - Limited Partnership Interest	596,087.04	596,087.04

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
11/25/2010	2	Globex Mining Enterprises Inc. - Common Shares	1,150,000.00	400,000.00
11/03/2010	1	Globex Mining Enterprises Inc. - Common Shares	130,900.00	70,000.00
12/20/2010 to 12/21/2010	2	Gold Yield Trust - Trust Units	47,115,080.00	4,711,422.21
09/28/2010	17	Great GulfCan Energy Inc. - Common Shares	998,170.00	3,327,233.00
09/28/2010	17	Great GulfCan Energy Inc. - Common Shares	998,170.00	3,327,233.00
01/29/2010 to 08/30/2010	8	Greenchip Global Equity Fund - Units	1,099,750.00	129,947.30
12/06/2010	2	Health Care REIT, Inc. - Common Shares	8,800,750.00	10,000,000.00
12/16/2009 to 12/15/2010	698	Heathridge Checkmark Equity Pooled Fund - Units	9,738,953.78	985,502.37
02/02/2010 to 05/03/2010	32	HorizonOne Energy Private Equity Fund II L.P. - Units	4,020,000.00	67,000.00
12/20/2010 to 12/21/2010	45	HSE Integrated Ltd. - Debentures	1,925,000.00	385.00
01/06/2011 to 01/07/2011	6	IGW Real Estate Investment Trust - Units	141,045.42	140,030.93
12/14/2010	16	Impact Silver Corp. - Units	15,000,000.00	12,000,000.00
12/03/2010	3	Interface Biologics Inc. - Notes	5,500,000.00	5,500,000.00
12/31/2010	1	Investeco Private Equity Fund III, L.P - Limited Partnership Units	199,829.52	198.00
01/29/2010 to 12/31/2010	35	King & Victoria RSP Fund - Units	1,468,582.68	121,181.12
01/15/2011	7	Kingwest Avenue Portfolio - Units	640,500.00	21,380.65
11/18/2010	1	Knick Exploration Inc. - Common Shares	200,000.00	1,000,000.00
11/23/2010	6	Knightscove Media Corp. - Units	306,180.00	2,551,500.00
04/19/2010 to 10/01/2010	5	Longwood L.P. - Limited Partnership Units	1,800,000.00	18,000.00
01/15/2010 to 12/31/2010	5	M-L International Investment Fund - Units	210,121,108.52	2,353,109.37
12/16/2010 to 01/04/2011	19	Maple Leaf Foods Inc. - Notes	352,500,000.00	19.00
01/18/2011	1	Merrill Lynch International & Co. C.V. - Warrants	1,092,740.00	5,000.00
01/10/2011	1	Merrill Lynch International & Co. C.V. - Warrants	1,100,990.00	5,000.00
01/18/2011	1	Merrill Lynch International & Co. C.V. - Warrants	1,092,740.00	5,000.00
11/05/2010	4	MetroPCS Wireless, Inc. - Notes	25,037,500.00	4.00
12/03/2010	53	Microbix Biosystms Inc. - Units	600,250.00	1,175,000.00

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
11/30/2010	1	Micromem Technologies Inc. - Common Shares	80,000.00	400,000.00
12/10/2010 to 12/22/2010	3	Miocene Metals Limited - Units	520,000.00	2,311,111.00
01/04/2010 to 09/21/2010	10	Miralta Capital L.P. - Units	7,015,999.33	7,016.00
12/16/2010	35	Morrison Laurier Mortgage Corporation - Preferred Shares	1,156,180.00	115,618.00
12/21/2010	19	Nanalysis Corp. - Common Shares	670,000.00	6,700,000.00
12/17/2010	32	New Moon Minerals Corp. - Common Shares	338,900.00	0.00
12/23/2010	76	New Zealand Energy Corp. - Common Shares	5,917,500.00	23,670,000.00
12/22/2010	8	Newcastle Minerals Ltd. - Common Shares	240,000.00	2,400,000.00
01/01/2010 to 12/31/2010	1	NexGen American Growth Tax Managed Fund - Debt	2,900.00	290.00
01/01/2010 to 12/31/2010	1	NexGen Canadian Balanced Growth Tax Managed Fund - Debt	5,986,400.00	598,640.00
01/01/2010 to 12/31/2010	1	NexGen Canadian Diversified Income Tax Managed Fund - Debt	253,150.00	25,315.00
01/01/2010 to 12/31/2010	1	NexGen Canadian Dividend and Income Tax Managed Fund - Debt	424,100.00	42,410.00
01/01/2010 to 12/31/2010	1	NexGen Canadian Growth Tax Managed Fund - Debt	162,650.00	16,265.00
01/01/2010 to 12/31/2010	1	NexGen Canadian Growth & IncomeTax Managed Fund - Debt	146,300.00	14,630.00
01/01/2010 to 12/31/2010	1	NexGen Canadian Large Cap Tax Managed Fund - Debt	32,000.00	3,200.00
01/01/2010 to 12/31/2010	1	NexGen Global Dividend Tax Managed Fund - Debt	8,850.00	885.00
01/01/2010 to 12/31/2010	1	NexGen Global Resource Tax Managed Fund - Debt	1,572,300.00	157,230.00
01/01/2010 to 12/31/2010	1	NexGen Global Value Tax Managed Fund - Debt	199,950.00	19,995.00
01/01/2010 to 12/31/2010	1	NexGen North American Growth Tax Managed Fund - Debt	74,400.00	7,440.00
01/01/2010 to 12/31/2010	1	NexGen North American Large Cap Tax Managed Fund - Debt	4,300.00	430.00
01/01/2010 to 12/31/2010	1	NexGen North American Small/Mid Cap Tax Managed Fund - Debt	97,350.00	9,735.00
01/01/2010 to 12/31/2010	1	NexGen North American Value Tax Managed Fund - Debt	20,650.00	2,065.00
05/27/2010 to 12/31/2010	1	NexGen Turtle Canadian Balanced Tax Managed Fund - Debt	7,018,300.00	701,830.00

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
06/01/2010 to 12/31/2010	1	NexGen Turtle Canadian Equity Tax Managed Fund - Debt	1,533,850.00	153,385.00
12/07/2010	16	Nordic Oil and Gas Ltd. - Common Shares	462,650.00	5,140,555.00
11/01/2010	1	NWM Mining Corporation - Common Shares	196,825.60	1,968,256.00
05/01/2010 to 12/01/2010	5	One E LP - Limited Partnership Units	1,250,000.00	1,250.00
12/09/2010	67	Oracle Energy Corp. - Units	1,050,000.00	14,000,000.00
12/02/2010	66	P1 Energy Corp. - Receipts	50,910,153.25	18,512,783.00
11/08/2010	1	Pacific & Western Credit Corp. - Notes	3,000,000.00	1.00
11/17/2010	1	Parlay Entertainment Inc. - Common Shares	320,000.00	800,000.00
12/15/2010	12	Pavilion Energy Corp. - Common Shares	675,000.00	450,000.00
12/09/2010	4	Pilgrim's Pride Corporation - Notes	6,563,700.00	6,563,700.00
11/22/2010	18	Pro Minerals Inc. - Units	160,405.00	2,116,500.00
12/31/2010	199	Prodev Trust - Units	252,414.00	252,414.00
11/01/2010	5	ProLogis - Common Shares	37,094,217.00	30,010,000.00
11/08/2010	3	Queenston Mining Inc. - Common Shares	0.00	30,000.00
11/25/2010	4	Rainy River Resources Ltd. - Common Shares	227,000.00	20,000.00
12/23/2010	113	Rallyemont Energy Inc. - Common Shares	4,062,986.60	5,473,932.00
01/01/2010 to 12/31/2010	13	Rayne Capital Limited Partnership - Limited Partnership Units	9,850,292.00	5,909.81
01/01/2010 to 12/31/2010	85	Resolute Performance Fund - Trust Units	11,296,134.70	950,579.61
10/22/2010	48	Ressources Appalaches Inc. - Common Shares	700,000.00	14,000,000.00
12/09/2010	42	Ressources Plexmar Inc. - Common Shares	2,200,000.00	36,666,667.00
11/30/2010	141	Rio Alto Mining Limited - Common Shares	20,372,111.76	12,066,257.00
12/21/2006 to 10/18/2010	49	RON Resources Ltd. - Common Shares	5,345,000.00	804.00
12/29/2010 to 12/30/2010	3	Royal Bank of - Notes	1,693,100.00	1,700.00
12/03/2010	1	Ryan Gold Inc. - Common Shares	2,003,750.00	2,290,000.00
07/21/2009	3	Shoreham Resources Ltd. - Common Shares	118,750.00	625,000.00
06/05/2009	22	Shoreham Resources Ltd. - Common Shares	260,100.00	867,000.00
02/20/2006	1	Shoreham Resources Ltd. - Common Shares	37,500.00	250,000.00
07/26/2007	2	Shoreham Resources Ltd. - Common Shares	300,000.00	666,666.00

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
07/31/2007	4	Shoreham Resources Ltd. - Common Shares	223,500.00	600,000.00
07/25/2008	2	Shoreham Resources Ltd. - Common Shares	32,000.00	200,000.00
03/10/2009	2	Shoreham Resources Ltd. - Common Shares	60,000.00	400,000.00
01/16/2006	12	Shoreham Resources Ltd. - Common Shares	500,000.00	3,333,333.00
05/14/2009 to 05/22/2009	26	Shoreham Resources Ltd. - Common Shares	510,000.00	1,700,000.00
01/17/2007	21	Shoreham Resources Ltd. - Common Shares	500,000.00	3,333,333.00
03/28/2007	28	Shoreham Resources Ltd. - Common Shares	1,360,000.00	5,440,000.00
12/20/2005	5	Shoreham Resources Ltd. - Common Shares	253,803.00	1,692,020.00
08/19/2008	17	Shoreham Resources Ltd. - Common Shares	638,700.00	3,193,500.00
06/22/2007	74	Shoreham Resoures Ltd. - Flow-Through Shares	2,183,249.70	4,851,666.00
12/31/2010	4	Silver Shield Resources Corp. - Units	500,000.00	8,333,333.00
12/07/2010	181	Skywest Energy Corp. - Warrants	30,113,980.00	57,911,500.00
12/16/2010	73	Skywest Energy Corp. - Warrants	1,886,040.00	3,627,000.00
12/22/2010	55	Sonoro Energy Ltd. - Units	5,105,000.00	20,420,000.00
11/03/2010	1	Sprott Physical Silver Trust - Units	6,048,000.00	600,000.00
12/21/2010	35	Stellar Pacific Ventures Inc. - Common Shares	346,680.00	346,500.00
12/31/2010	95	Sunridge Investments Corp. - Units	827,499.90	5,516,666.00
12/09/2010 to 12/22/2010	17	Swala Resources Plc - Common Shares	2,918,549.70	8,338,712.00
12/15/2010	2	Swift Services Holdings, Inc. - Notes	1,003,500.00	1,003,500.00
10/25/2010	1	TenXc Wireless Inc. - Debentures	151,245.00	150,000.00
12/31/2010	614	Terra 2010 Mining & Energy Flow-Through Limited Partnership - Limited Partnership Units	36,000,000.00	360,000.00
12/09/2010 to 12/11/2010	144	TerraX Minerals Inc. - Common Shares	1,434,559.50	4,546,025.00
04/30/2010 to 07/31/2010	2	The Black Creek Focus Fund - Units	450,000.00	4,583.13
01/12/2010 to 12/31/2010	36	The Pembroke Canadian Growth Fund - Units	6,852,596.82	759,919.67
01/05/2010 to 12/31/2010	89	The Pembroke Corporate Bond Fund - Units	14,591,879.07	1,221,395.05
01/05/2010 to 12/31/2010	31	The Pembroke U.S. Growth Fund - Units	3,578,717.35	443,490.60
12/02/2010	62	Traverse Energy Ltd. - Common Shares	2,375,000.00	2,500,000.00
12/31/2010	108	Vertex Fund - Trust Units	14,214,439.17	583,961.41

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
12/31/2010	7	Vertex Managed Value Portfolio - Trust Units	1,090,912.83	98,632.28
09/21/2010 to 10/17/2010	7	Viking Cold Solutions, Inc. - Preferred Shares	190,109.00	185,000.00
11/30/2010	50	Wealth Minerals Inc. - Units	1,440,000.00	4,028,000.00
12/21/2010	2	Webster Financial Corporation - Common Shares	1,849,815.00	101,000.00
10/29/2010 to 11/09/2010	25	Wildcat Exploration Ltd. - Flow-Through Units	1,699,998.00	26,904,734.00
12/29/2010	1	Wimberly Fund - Trust Units	100,000.00	100,000.00
12/30/2010	1	Wimberly Fund - Trust Units	21,779.00	21,779.00
12/30/2010	1	Wimberly Fund - Trust Units	639,424.00	640,000.00
01/10/2011 to 01/11/2011	4	Wimberly Fund - Trust Units	20,212.00	20,212.00
01/10/2011	1	Wimberly Fund - Trust Units	5,000.00	5,000.00
12/14/2010	70	Wolverine Minerals Corp. - Flow-Through Shares	3,560,560.12	5,000,000.00
12/08/2010	51	XDM Resources Inc. - Units	10,968,500.00	10,968,500.00
12/03/2010	6	Yankee Hat Minerals Ltd. - Common Shares	1,000,000.00	13,333,333.00
11/15/2010	1	Yukon-Nevada Gold Corp. - Common Shares	20,376.00	27,535.00
11/05/2010	3	Yukon Gold Corporation, Inc. - Common Shares	36,181.47	14,466,800.00
11/29/2010	1	Zogenix Inc. - Common Shares	4,090.80	1,000.00

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
Alange Energy Corp.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated January 25, 2011
NP 11-202 Receipt dated January 25, 2011
Offering Price and Description:
$60,900,000.00 - 203,000,000 Units and Issuance of 1,566,222 Units in Settlement of Outstanding Debt
Price: $0.30 per Unit
Underwriter(s) or Distributor(s):
GMP Securities L.P.
Canaccord Genuity Corp.
Jennings Capital Inc.
Raymond James Ltd.
Promoter(s):
-
Project #1690117

Issuer Name:
Aurora Oil & Gas Limited
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated January 20, 2011
NP 11-202 Receipt dated January 21, 2011
Offering Price and Description:
$9,884,800.00 -Up to 6,178,000 Ordinary Shares Issuable on Conversion of 6,178,000 Special Warrants
Price: $1.60 per Special Warrant
Underwriter(s) or Distributor(s):
TD Securities Inc.
GMP Securities L.P.
FirstEnergy Capital Corp.
Promoter(s):
-
Project #1688923

Issuer Name:
Bri-Chem Corp.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated January 19, 2011
NP 11-202 Receipt dated January 19, 2011
Offering Price and Description:
Up to $6,000,000.00 - Up to 2,000,000 Common Shares
Price: $3.00 Per Offered Share
Underwriter(s) or Distributor(s):
Macquarie Private Wealth Inc.
Promoter(s):
-
Project #1688284

Issuer Name:
Brookfield Asset Management Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated January 25, 2011
NP 11-202 Receipt dated January 25, 2011
Offering Price and Description:
$215,000,000.00 -8,600,000 Cumulative Class A Preference Shares, Series 28 Offering Price: $25.00 per Series 28 Share to yield initially 4.60% per Annum
Underwriter(s) or Distributor(s):
TD Securities Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
HSBC Securities (Canada) Inc.
Brookfield Financial Corp.
Canaccord Genuity Corp.
Desjardins Securities Inc.
Dundee Securities Corporation
Macquarie Capital Markets Canada Ltd.
Promoter(s):
-
Project #1689931

Issuer Name:
Canexus Income Fund
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated January 24, 2011
NP 11-202 Receipt dated January 24, 2011
Offering Price and Description:
$477,053,465.60 - 74,539,604 Fund Units Price: $6.40 per Offered Unit
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
TD Securities Inc.
RBC Dominion Securities Inc.
HSBC Securities (Canada) Inc.
National Bank Financial Inc.
Acumen Capital Finance Partners Limited
Promoter(s):
-
Project #1689758

Issuer Name:
Chrysalis Capital VIII Corporation
Principal Regulator - Ontario
Type and Date:
Preliminary CPC Prospectus dated January 24, 2011
NP 11-202 Receipt dated January 25, 2011
Offering Price and Description:
MINIMUM OFFERING: $200,000.00 or 1,000,000 Common Shares; MAXIMUM OFFERING: $400,000.00 or 2,000,000 Common Shares PRICE: $0.20 per Common Share
Underwriter(s) or Distributor(s):
Union Securities Inc.
Promoter(s):
Robert Muro
Project #1689760

Issuer Name:
Copper Mountain Mining Corporation
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated January 24, 2011
NP 11-202 Receipt dated January 24, 2011
Offering Price and Description:
$35,109,000.00 - 4,980,000 Common Shares Price: $7.05 per Common Share
Underwriter(s) or Distributor(s):
Wellington West Capital Markets Inc.
BMO Nesbitt Burns Inc.
Raymond James Ltd.
Canaccord Genuity Corp.
Jennings Capital Inc.
Promoter(s):
-
Project #1689813

Issuer Name:
Dundee Real Estate Investment Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated January 21, 2011
NP 11-202 Receipt dated January 21, 2011
Offering Price and Description:
$125,139,000.00 - 4,130,000 REIT Units, Series A Price: $30.30 per Unit
Underwriter(s) or Distributor(s):
TD Securities Inc.
Scotia Capital Inc.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
Dundee Securities Corporation
Canaccord Genuity Corp.
Raymond James Ltd.
Brookfield Financial Corp.
Desjardins Securities Inc.
HSBC Securities (Canada) Inc.
National Bank Financial Inc.
Promoter(s):
-
Project #1689176

Issuer Name:
Dynamic American Value Class
Dynamic Focus+ Balanced Class
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectuses dated January 21, 2011
NP 11-202 Receipt dated January 24, 2011
Offering Price and Description:
Series A, F, I, O and T Shares
Underwriter(s) or Distributor(s):
Goodman & Company, Investment Counsel Ltd.
Promoter(s):
Goodman & Company, Investment Counsel Ltd.
Project #1689508

Issuer Name:
Exall Energy Corporation
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated January 20, 2011
NP 11-202 Receipt dated January 21, 2011
Offering Price and Description:
$10,000,000.00 - * Common Shares issuable on the exercise of outstanding Special Warrants Price: $2.00 per Special Warrant
Underwriter(s) or Distributor(s):
Dundee Securities Corporation
Clarus Securities Inc.
Stonecap Securities Inc.
D&D Securities Inc.
Promoter(s):
-
Project #1689034

Issuer Name:
F.D.G. Mining Inc.
Principal Regulator - British Columbia
Type and Date:
Preliminary Long Form Prospectus dated January 14, 2011
NP 11-202 Receipt dated January 19, 2011
Offering Price and Description:
Minimum of 13,500,000 Shares and a Maximum of 15,500,000 Shares at $0.25 per Share
- and – Distribution of 4,372,969 SW Shares issuable upon the deemed exercise of 4,372,969 previously issued Special Warrants @ $0.16 per Special Warrant
Underwriter(s) or Distributor(s):
Jordan Capital Markets Inc.
Promoter(s):
Mit D. Tilkov
Tibor F. Gajdics
Project #1688346

Issuer Name:
Horizons AlphaPro Cdn Energy Enhanced Income ETF
Horizons AlphaPro Cdn Financials Enhanced Income ETF
Horizons AlphaPro Cdn Large Cap Enhanced Income ETF
Horizons AlphaPro Gold Producers Enhanced Income ETF
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated January 21, 2011
NP 11-202 Receipt dated January 24, 2011
Offering Price and Description:
Class E Units Price: Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
AlphaPro Management Inc.
Project #1689529

Issuer Name:
Kallisto Energy Corp.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated January 25, 2011
NP 11-202 Receipt dated January 25, 2011
Offering Price and Description:
$4,000,000.55 - 4,705,883 Flow-Through Common Shares Price: $0.85 per Flow-Through Common Share
Underwriter(s) or Distributor(s):
Acumen Capital Finance Partners Limited
Promoter(s):
-
Project #1690140

Issuer Name:
Keegan Resources Inc.
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated January 24, 2011
NP 11-202 Receipt dated January 24, 2011
Offering Price and Description:
$185,250,000.00 - 24,700,000 Common Shares Price: $7.50 per Common Share
Underwriter(s) or Distributor(s):
Canaccord Genuity Corp.
Clarus Securities Inc.
Dundee Securities Corp.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Promoter(s):
-
Project #1689732

Issuer Name:
Mega Precious Metals Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated January 25, 2011
NP 11-202 Receipt dated January 25, 2011
Offering Price and Description:
$10,000,000.00 - 12,500,000 Common Shares Price: $0.80 per Offered Share
Underwriter(s) or Distributor(s):
Stonecap Securities Inc.
Octagon Capital Corporation
Promoter(s):
-
Project #1690047

Issuer Name:
Rodinia Lithium Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated January 24, 2011
NP 11-202 Receipt dated January 24, 2011
Offering Price and Description:
$10,005,000.00 -17,250,000 Units Price: $0.58 per Unit
Underwriter(s) or Distributor(s):
Dundee Securities Corporation
Byron Securities Limited
Macquarie Capital Markets Canada Ltd.
Raymond James Ltd.
Promoter(s):
-
Project #1689606

Issuer Name:
Talison Lithium Limited
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated January 19, 2011
NP 11-202 Receipt dated January 19, 2011
Offering Price and Description:
$69,569,500.00 - 10,703,000 Ordinary Shares Price: $6.50 per Ordinary Share
Underwriter(s) or Distributor(s):
Cormark Securities Inc.
Scotia Capital Inc.
Haywood Securities Inc.
Byron Securities Limited
Promoter(s):
-
Project #1688155

Issuer Name:
Temple Real Estate Investment Trust
Principal Regulator - Manitoba
Type and Date:
Preliminary Short Form Prospectus dated January 19, 2011
NP 11-202 Receipt dated January 19, 2011
Offering Price and Description:
PARTICIPATING VOTING UNITS a Minimum of 2,000,000 Participating Voting Units ($*)
and a Maximum of 4,000,000 Participating Voting Units ($*)
Price: $* per Participating Voting Unit
Underwriter(s) or Distributor(s):
Wellington West Capital Inc.
HSBC Securities (Canada) Inc.
Macquarie Capital Markets Canada Ltd.
Raymond James Ltd.
Desjardins Securities Inc.
Mackie Research Capital Corporation
Stonecap Securities Inc.
Promoter(s):
-
Project #1688117

Issuer Name:
The Keg Royalties Income Fund
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated January 21, 2011
NP 11-202 Receipt dated January 21, 2011
Offering Price and Description:
$10,237,500.00 -750,000 Units Price: $13.65 per Offered Unit
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
CIBC World Markets Inc.
Promoter(s):
-
Project #1689317

Issuer Name:
Total Energy Services Inc.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated January 24, 2011
NP 11-202 Receipt dated January 24, 2011
Offering Price and Description:
$60,000,000.00 - 5.75% Convertible Unsecured Subordinated Debentures Due March 31, 2016
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
HSBC Securities (Canada) Inc.
Cormark Securities Inc.
Macquarie Capital Markets Canada Ltd.
Paradigm Capital Inc.
FirstEnergy Capital Corp.
Stifel Nicolaus Canada Inc.
Promoter(s):
-
Project #1689751

Issuer Name:
Wi-LAN Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated January 20, 2011
NP 11-202 Receipt dated January 20, 2011
Offering Price and Description:
$75,240,000.00 - 11,400,000 COMMON SHARES Price: $6.60 per Common Share
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
Paradigm Capital Inc.
Wellington West Capital Markets Inc.
Canaccord Genuity Corp.
Fraser Mackenzie Limited
NCP Northland Capital Partners Inc.
Promoter(s):
-
Project #1688658

Issuer Name:
Argex Mining Inc.
Principal Regulator - Quebec
Type and Date:
Final Short Form Prospectus dated January 17, 2011
NP 11-202 Receipt dated January 19, 2011
Offering Price and Description:
$5,250,000.00 - 17,500,000 Common Shares and Common Share Purchase Warrants Issuable Upon the Exercise of Previously-Issued Special Warrants
Underwriter(s) or Distributor(s):
MGI Securities Inc.
Promoter(s):
-
Project #1663421

Issuer Name:
Asia Bio-Chem Group Corp.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated January 25, 2011
NP 11-202 Receipt dated January 25, 2011
Offering Price and Description:
$10,080,000.00 - 7,200,000 Common Shares PRICE: $1.40 PER COMMON SHARE
Underwriter(s) or Distributor(s):
Canaccord Genuity Corp.
Dundee Securities Corporation
Jennings Capital Inc.
Mackie Research Capital Corporation
Octagon Capital Corporation
Raymond James Ltd.
Northern Securities Inc.
Promoter(s):
-
Project #1687798

Issuer Name:
Brigata Canadian Balanced Fund
Brigata Canadian Equity Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated January 14, 2011
NP 11-202 Receipt dated January 20, 2011
Offering Price and Description:
Series A Units and Series F Units
Underwriter(s) or Distributor(s):
Independent Planning Group Inc.
Promoter(s):
Brigata Capital Management Inc.
Project #1674404

Issuer Name:
Canada Lithium Corp.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated January 24, 2011
NP 11-202 Receipt dated January 25, 2011
Offering Price and Description:
$110,025,000.00 - 73,350,000 Common Shares Price: $1.50 per Offered Share
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
Macquarie Capital Markets Canada Ltd.
Casimir Capital Ltd.
Cormark Securities Inc.
Dundee Securities Corporation
Jacob Securities Inc.
Promoter(s):
-
Project #1687272

Issuer Name:
Dundee Capital Markets Inc.
Type and Date:
Final Long Form Non-Offering Prospectus dated January 21, 2011
Receipted on January 21, 2011
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
Dundee Wealth Inc.
Dundee Corporation
Project #1679608

Issuer Name:
EnerVest Natural Resource Fund Ltd.
Principal Regulator - Alberta
Type and Date:
Final Simplified Prospectus and Annual Information Form dated January 14, 2011
NP 11-202 Receipt dated January 19, 2011
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
Enervest Funds Management Inc.
Project #1675045

Issuer Name:
MRF 2011 Resource Limited Partnership
Principal Regulator - Alberta
Type and Date:
Final Long Form Prospectus dated January 21, 2011
NP 11-202 Receipt dated January 24, 2011
Offering Price and Description:
$100,000,000.00 (maximum) (maximum – 4,000,000 Units)
$5,000,000 (minimum)
(minimum – 200,000 Units)
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
GMP Securities L.P.
Canaccord Genuity Corp.
Dundee Securities Corporation
HSBC Securities (Canada) Inc.
Manulife Securities Incorporated
Macquarie Private Wealth Inc.
Middlefield Capital Corporation
Raymond James Ltd.
Wellington West Capital Markets Inc.
Promoter(s):
Middlefield Limited
Project #1678657

Issuer Name:
NCE Diversified Flow-Through (11) Limited Partnership
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated January 20, 2011
NP 11-202 Receipt dated January 25, 2011
Offering Price and Description:
$100,000,000.00 (Maximum Offering) - $5,000,000.00 (Minimum Offering) A maximum of 4,000,000 and a minimum of 200,000 Limited Partnership Units Subscription Price: $25 per Unit
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
National Bank Financial Inc.
BMO Nesbitt Burns Inc.
TD Securities Inc.
GMP Securities L.P.
HSBC Securities (Canada) Inc.
Scotia Capital Inc.
Canaccord Genuity Corp.
Dundee Securities Corporation
Raymond James Ltd.
Macquarie Private Wealth Inc.
Manulife Securities Incorporated
Desjardins Securities Inc.
Industrial Alliance Securities Inc.
Laurentian Bank Securities Inc,
M Partners Inc.
Mackie Research Capital Corporation
Wellington West Capital Markets Inc.
Promoter(s):
PETRO ASSETS INC.
Project #1678093

Issuer Name:
Pure Industrial Real Estate Trust
Principal Regulator - British Columbia
Type and Date:
Final Short Form Prospectus dated January 20, 2011
NP 11-202 Receipt dated January 21, 2011
Offering Price and Description:
$30,000,000.00 - 7,500,000 Units Price: $4.00 Per Unit
Underwriter(s) or Distributor(s):
Canaccord Genuity Corp.
Dundee Securities Corporation
RBC Dominion Securities Inc.
National Bank Financial Inc.
HSBC Securities (Canada) Inc.
Raymond James Ltd.
GMP Securities L.P.
Macquarie Capital Markets Canada Ltd.
Promoter(s):
Sunstone Industrial Advisors Inc.
Project #1686550

Issuer Name:
Quetzal Energy Ltd.
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated January 20, 2011
NP 11-202 Receipt dated January 21, 2011
Offering Price and Description:
$30,000,000.00 (Minimum Offering) - $40,000,000.00 (Maximum Offering) Minimum of 240,000,000 Common Shares - Maximum of 320,000,000 Common Shares Price: $0.125 Per Common Share
Underwriter(s) or Distributor(s):
Canaccord Genuity Corp.
All Group Financial Services Inc.
Jennings Capital Inc.
Promoter(s):
-
Project #1686551

Issuer Name:
Sentry Canadian Income Class*
Sentry Canadian Income Fund
Sentry Conservative Income Fund
Sentry Diversified Income Fund
Principal Regulator - Ontario
Type and Date:
Amendment #2 dated January 17, 2011 to the Simplified Prospectuses and Annual Information Form dated May 28, 2010
NP 11-202 Receipt dated January 20, 2011
Offering Price and Description:
Series A, Series F and Series I Securities @ Net Asset Value
Underwriter(s) or Distributor(s):
Sentry Select Capital Inc.
Promoter(s):
Sentry Select Capital Inc.
Project #1573012

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Name Change	From: EquiLend Canada Inc. To: EquiLend Canada Corp.	Investment Dealer	January 1, 2011
Change in Registration Category	Nexus Investment Management Inc.	From: Exempt Market Dealer, Portfolio Manager and Investment Fund Manager To: Portfolio Manager and Investment Fund Manager	January 19, 2011
Consent to Suspension (Pending Surrender)	Greenwich Prime Trading Group, LLC	Exempt Market Dealer	January 20, 2011
Change in Registration Category	Alphanorth Asset Management	From: Exempt Market Dealer and Portfolio Manager To: Exempt Market Dealer, Portfolio Manager and Investment Fund Manager	January 21, 2011
Name Change	From: Navina Asset Management Inc. To: Aston Hill Asset Management Inc.	Exempt Market Dealer, Portfolio Manager and Investment Fund Manager	January 21, 2011
Consent to Suspension (Pending Surrender)	Oxford Atlantic Inc.	Exempt Market Dealer	January 21, 2011
Change in Registration Category	Aurion Capital Management Inc.	From: Exempt Market Dealer, Portfolio Manager and Investment Fund Manager To: Portfolio Manager and Investment Fund Manager	January 21, 2011

Type	Company	Category of Registration	Effective Date
Change in Registration Category	ETF Capital Management	From: Exempt Market Dealer, Portfolio Manager To: Portfolio Manager	January 25, 2011

Chapter 13

SROs, Marketplaces and Clearing Agencies

13.1 SROs

13.1.1 IIROC Provisions Respecting the Implementation of the Order Protection Rule

INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA (IIROC)

PROVISIONS RESPECTING THE IMPLEMENTATION OF THE ORDER PROTECTION RULE

Summary

This IIROC Notice provides notice that, on January 28, 2011, the applicable securities regulatory authorities approved amendments ("Amendments") to the Universal Market Integrity Rules ("UMIR") that are consequential to the implementation by the Canadian Securities Administrators ("CSA") of changes to National Instrument 23-101 – *Trading Rules* ("Trading Rules") regarding trade-through protection ("Order Protection Rule").[1]

In particular, the Amendments which are **effective February 1, 2011**:

- repeal the rule and policies respecting the "best price" obligation of Participants;
- provide that the Order Protection Rule can not be avoided when a Participant is considering a trade on a foreign organized regulated market;
- require a Participant or Access Person to have adequate policies and procedures for the handling of orders that do not rely on a marketplace to ensure compliance with the Order Protection Rule; and
- make a number of consequential changes to UMIR including:
    - repealing those portions of the rules and policies on trading supervision and gatekeeper reports dealing with the "best price" obligation,
    - confirming that the "best execution" obligation is subject to the Order Protection Rule,
    - introducing a marker for a "directed action order" as defined for the Order Protection Rule, and
    - extending the existing provisions of UMIR governing foreign currency translation and the calculation of the value of an order to the determination whether the execution of certain trades on a foreign organized regulated market may give rise to an obligation to fill "better-priced" orders on a marketplace.

The Amendments and the Order Protection Rule come into force on February 1, 2011.

Summary of the Amendments

Repeal of the "Best Price" Obligation

With the adoption of the Order Protection Rule, the "best price" obligation is essentially redundant to the protection of better-priced orders disclosed in a consolidated market display. For this reason, the Amendments repeal Rule 5.2 and Policy 5.2.

Relationship to the "Best Execution" Obligation

The obligation not to trade-through, like the previous "best price" obligation, is an obligation which is owed by market participants to the market generally. UMIR recognizes that the "best execution" obligation is owed by a Participant to its client. The

[1] Canadian Securities Administrators Notice, Notice of Amendments to National Instrument 21-101 *Marketplace Operation* and National Instrument 23-101 *Trading Rules*, (2009) 32 OSCB 9401. Reference should be made to this notice for particulars on the Order Protection Rule including a discussion of the development of the Order Protection Rule and the policy rationale underlying the rule.

Amendments add Part 4 to Policy 5.1 to confirm that the "best execution" obligation is subject to the "trade-through protection" obligation under the Order Protection Rule (in the same manner that the "best execution" obligation was subject to the "best price" obligation).

Trading Supervision Requirements

The Amendments repeal the requirement under Policy 7.1 that the policies and procedures adopted by a Participant as part of its trading supervision obligation include specific provisions respecting the "best price" obligation. However, this requirement has been replaced by a requirement that a Participant or Access Person adopt policies and procedures to ensure compliance with trade-through obligations under the Order Protection Rule if the Participant or Access Person intends to use a "directed action order" or if a Participant intends to undertake certain trades on foreign organized regulated markets.

The "directed action order" acts as an instruction to the marketplace on which the order is entered not to check for better-priced orders on other marketplaces and to immediately execute or book the order (in which case the Participant or Access Person entering the order assumes the responsibility for the execution or booking of the order not to result in a trade-through). In using a "directed action order", the Participant or Access Person have assumed the obligation for trade-through protection and the marketplace will be able to execute the order without delay or regard to any other better-priced orders displayed by another marketplace. In order to be able to use a "directed action order", the Order Protection Rule requires that the person entering the order must "establish, maintain and ensure compliance with written policies and procedures that are reasonably designed to prevent trade-throughs …"[2]

In the view of IIROC, the policies and procedures which a Participant or Access Person must adopt are comparable to the policies and procedures which a Participant was required to have for compliance with the "best price" obligation under Rule 5.2 of UMIR. The policies and procedures must specifically address the circumstances when the bypass order marker will be used in conjunction with a "directed action order".[3]

Each Participant or Access Person must test the adequacy of the policies and procedures in preventing trade-throughs on a regular basis which shall not be less than monthly. IIROC expects that the results of the compliance testing are retained by the Participant or Access Person in order that IIROC would be able to review any test and its results as part of trade desk review or other compliance audit by IIROC.

Condition on the Conduct of Certain Trades on a Foreign Organized Regulated Market

Condition on "Off-Marketplace" Trades

The Amendments buttress the anti-avoidance provisions in the Order Protection Rule.[4] Rule 6.4 of UMIR requires a Participant, subject to certain enumerated exceptions, to execute a trade in a listed security on a marketplace. One of the enumerated exceptions, allows a Participant to execute a trade on a foreign organized regulated market. The Amendments limit the availability of this exception if the order which is to be entered on a foreign organized regulated market would have executed against better-priced orders on a marketplace had the order been entered on a marketplace. The Amendments do not impose the obligation to consider better-priced orders on a marketplace when a Participant executes a trade on behalf of:

- a non-Canadian account; or
- a Canadian account that is denominated in a foreign currency.

The Amendments also limit the types of orders to which the obligation would apply. The obligation to consider better-priced orders on a marketplace only apply when a Participant is executing on a foreign organized regulated market an order that meets on of the following four conditions:

- is part of an intentional cross;
- is part of a pre-arranged trade;
- is for more than 50 standard trading units; or
- has a value of $250,000 or more.

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2 Section 6.4 of NI 23-101.

3 For more information on the use of a "bypass order" see IIROC Notice 09-0128 – Rules Notice – Guidance Note – UMIR – *Specific Questions Related to the Use of the Bypass Order Marker* (May 1, 2009) and IIROC Notice 09-0034 – Rules Notice – Guidance Note – UMIR – *Implementation Date for Marking of Bypass Orders* (February 3, 2009).

4 Section 6.7 of NI 23-101. The text of the provision is:

> No person or company shall send an order to an exchange, quotation and trade reporting system or alternative trading system that does not carry on business in Canada in order to avoid executing against better-priced orders on a marketplace.

The Amendments do not impose a similar obligation on Access Persons to consider better-priced orders on a marketplace as UMIR does not require that an Access Person execute trades on a marketplace.

Compliance with the Condition on Executing "Off-Marketplace" Trades

For orders which a Participant intends to execute "off-marketplace" on a foreign organized regulated market, the Amendments continue the existing UMIR obligation to consider and honour better-priced orders on a protected marketplace. With the adoption of the Order Protection Rule, a Participant has several means of complying with this obligation, including:

1. *Continuation of Existing Policies and Procedures of the Participant*

   If a Participant has access to each protected marketplace, the Participant will be aware at the time that the Participant is considering the entry of the order on a foreign organized regulated market whether better-priced orders are displayed on a protected marketplace. In these circumstances, a Participant would enter a "directed action order" as contemplated by the Order Protection Rule on each of the marketplaces displaying a better-priced order. In order to enter a "directed action order", the Participant must have in place policies and procedures that, in the opinion of IIROC, are comparable to the existing policies and procedures which a Participant must have for the purposes of complying with the "best price" obligation under Rule 5.2 of UMIR.

2. *Reliance on Marketplace Policies and Procedures*

   Under the Order Protection Rule, each marketplace must establish, maintain and ensure compliance with written policies and procedures that are reasonably designed to prevent trade-throughs on that marketplace. If at least one marketplace offers trade-through protection by the establishment of direct linkages to all other marketplace that may have a "protected order", then a Participant would be able to satisfy any obligation that would be imposed by the Amendments by entering a "fill and kill" order on such a marketplace at the intended price that the balance of the order would execute on entry on a foreign organized regulated market. The Participant that entered the order on the marketplace need not have access to all of the other marketplaces or even been aware that better-priced orders were present on other marketplaces in order to be able to comply with the condition under the Amendments. (If no marketplace offers trade-through protection by the establishment of direct linkages to all other marketplaces that may have a "protected order", a Participant may have to enter orders on one or more marketplaces depending upon the way marketplaces have chosen to provide trade-through protection.)

Consequential Amendments

With the repeal of Rule 5.2 dealing with the "best price" obligation, the Amendments also make several consequential changes to UMIR including:

- *Gatekeeper Requirements* – The Amendments repeal the requirement under Rule 10.16 that a Participant investigate and report on a possible violation of the "best price" obligation that the Participant becomes aware of as part of its gatekeeper obligation.

- *Foreign Currency Translation* - The Amendments move the provisions related to foreign currency translation for the purpose of determining when a better-priced order exists on a marketplace from Part 3 of Policy 5.2 (which was repealed by the Amendments) to Part 6 of Rule 6.4.

- *Interpretation* – Determination of Value of an Order - The Amendments also extend the current methodology used for determining the value of an order for the purposes of Rule 6.3 and Rule 8.1 to the determination of the value of an order in Rule 6.4(3)(d).

- *Order Markers* – The Amendments introduce a requirement in Rule 6.2 for "directed action orders" entered on a marketplace to carry an acceptable designation. While such designation ordinarily would be displayed in the order information provided to the information processor or information vendors, IIROC has directed, in accordance with the provisions of subsection (6) of Rule 6.2, that the designation not be made publicly available.

Summary of the Impact of the Amendments

The most significant impacts of the adoption of the Amendments are that Participants are relieved of the obligation of ensuring that when an order entered on a marketplace is executed, better-priced order in the disclosed volume of orders on a protected marketplace are not ignored or traded-through. Effective February 1, 2011, this obligation is placed upon the marketplace

receiving the order, in accordance with their policies and procedures adopted in accordance with the provisions of Part 6 of the Trading Rules.

However, if a Participant or Access Person has marked an order as a "directed action order", they have an obligation to ensure that better-priced orders on a marketplace displayed in a consolidated market display are honoured when executing that order on a marketplace. A Participant or Access Person is not be entitled to use the "directed action order" marker unless they have established, maintained and ensured compliance with written policies and procedures that are reasonably designed to prevent trade-throughs. Similar policies and procedures would also apply when a Participant intends to execute certain orders at an inferior price on a foreign organized regulated market.

Designations and Implementation Plan

"Best Price" Policies and Procedures

To the extent that a Participant intends to rely on a marketplace for compliance with the Order Protection Rule, a Participant will be able to delete its policies and procedures that have been put in place to ensure compliance with the "best price" obligation under UMIR. If a Participant or Access Person intends to use the "directed action order", then the Participant or Access Person must have policies and procedures to reasonably ensure that the entry of their order will not result in a trade-through. These policies and procedures would be essentially the same as those required of a Participant to ensure compliance with the "best price" obligation. A Participant may also have to essentially retain the policies and procedures to ensure compliance with the "best price" obligation if the Participant intends to execute certain types of trades on a foreign organized regulated market.

Gatekeeper Reports on Use of "Directed Action Orders"

Rule 10.16 of UMIR allows IIROC to designate any requirement for which a Participant or Access Person must undertake a review of any activity that may be a violation of the requirement and to provide a report to IIROC if the review finds that a violation has occurred. With the approval of the Amendments, this IIROC Notice constitutes notice that IIROC has designated, effective February 1, 2011, that a "gatekeeper report"[5] is required from any Participant or Access Person that determined that:

- an order marked as a "directed action order" did not comply with the policies and procedures of the Participant or Access Person; and
- a periodic test of the policies and procedures adopted by the Participant or Access Person found that the policies and procedures with respect to the use of a "directed action order" were not adequate.

Appendices

- Appendix "A" sets out the text of the Amendments to UMIR that are consequential to changes to the Trading Rules regarding the Order Protection Rule; and
- Appendix "B" sets out a summary of the comment letters received in response to the Request for Comments on the proposed amendments as set out in IIROC Notice 09-0328 – Rules Notice – Request for Comments – UMIR – Provisions Respecting the Implementation of the Order Protection Rule (November 13, 2009). Appendix "B" also sets out the response of IIROC to the comments received and provides additional commentary on the Amendments. Appendix "B" also contains the text of the relevant provisions of the Rules and Policies as they read following the adoption of the Amendments.

[5] For additional information on the filing of a "gatekeeper report", reference should be made to Market Integrity Notice 2008-011 – *Guidance – New Procedures for Gatekeeper Reports* (May 18, 2008).

Appendix "A"

Provisions Respecting Implementation of the Order Protection Rule

The Universal Market Integrity Rules are amended as follows:

1. Subsection (3) of Rule 1.2 is amended by deleting the word "and" and inserting the phrase ", Rule 6.4 and Rule" after the phrase "Rule 6.3".

2. Rule 5.2 is deleted.

3. Rule 6.2 is amended by inserting the following as subclause (v.4) in clause (b) of subsection (1):

   (v.4) a directed action order as defined in the Trading Rules,

4. Rule 6.4 is amended by:

   (a) inserting a period after the first occurrence of the word "marketplace" and renumbering that sentence as subsection (1);

   (b) deleting the phrase "unless the trade is" and substituting the phrase "Subsection (1) does not apply to a trade" and renumbering the sentence as subsection (2); and

   (c) inserting the following as subsection (3):

      (3) The exemption provided for in clause (d) of subsection (2) is unavailable to an order of a Canadian account denominated in Canadian funds that:

         (a) is part of an intentional cross;

         (b) is part of a pre-arranged trade;

         (c) is for more than 50 standard trading units; or

         (d) has a value of $250,000 or more

      if the entry of the order on a foreign organized regulated market would avoid execution against a better-priced order entered on a marketplace pursuant to Part 6 of the Trading Rules.

5. Rule 7.1 is amended by adding the following as subsection (5):

   (5) Notwithstanding any other provision of this Rule, a Participant or Access Person shall not mark an order on entry to a marketplace as a directed action order unless the Participant or Access Person has established, maintained and ensured compliance with written policies and procedures that are reasonably designed to prevent trade-throughs other than those trade-throughs permitted in Part 6 of the Trading Rules.

6. Rule 10.16 is amended by deleting clause (f) of subsection (1) and renumbering the remaining clauses accordingly.

The Policies to the Universal Market Integrity Rules are amended as follows:

1. Part 4 of Policy 5.1 is deleted and the following substituted:

   Part 4 – Subject to Order Protection Rule

   Notwithstanding any instruction or consent of the client, the provision of "best execution" for a client order is subject to compliance with the "order protection rule" under Part 6 of the Trading Rules by the marketplace on which the order is entered or by the Participant if the Participant has marked the order as a directed action order in accordance with Rule 6.2. Similarly, if a Participant considers a foreign organized regulated market in order to provide a client with "best execution", the Participant must ensure that the condition in subsection (3) of Rule 6.4, if applicable, is satisfied prior to the execution on the foreign organized regulated market.

2. Policy 5.2 is deleted.

3. Policy 6.4 is amended by adding the following as Part 6:

Part 6 – Foreign Currency Translation

If a trade is to be executed on a foreign organized regulated market in a foreign currency, the foreign trade price shall be converted to Canadian dollars using the exchange rate the Participant would have applied in respect of a trade of similar size on a foreign organized regulated market in that foreign jurisdiction in order to determine whether the condition in subsection (3) of Rule 6.4 restricting avoidance of Part 6 of the Trading Rules has been met. The Market Regulator regards a difference of one trading increment or less as "marginal" because the difference would be attributable to currency conversion. A Participant shall maintain with the record of the order the exchange rate used for the purpose of determining whether a better priced order existed on a marketplace and such information shall be provided to the Market Regulator upon request in such form and manner as may be reasonably required by the Market Regulator in accordance with subsection (3) of Rule 10.11

4. Part 6 of Policy 7.1 is deleted and the following substituted:

Part 6 – Specific Provisions Respecting Trade-throughs

Each Participant must adopt written policies and procedures that are adequate, taking into account the business and affairs of the Participant, to ensure that an order:

- marked as “directed action order” in accordance with Rule 6.2 does not result in a trade-through other than a trade-through permitted under Part 6 of the Trading Rules; or
- entered on a foreign organized regulated market complies with the conditions in subsection (3) of Rule 6.4.

Each Access Person must adopt written policies and procedures that are adequate, taking into account the business and affairs of the Access Person, to ensure that an order marked as a “directed action order” in accordance with Rule 6.2 does not result in a trade-through other than a trade-through permitted under Part 6 of the Trading Rules.

The policies and procedures must set out the steps or process to be followed by the Participant or Access Person to ensure that the execution of an order does not result in a trade-through. The policies and procedures must specifically address the circumstances when the bypass order marker will be used in conjunction with a “directed action order”. These policies and procedures must address the steps which the Participant or Access Person will undertake on a regular basis, which shall not be less than monthly, to test that the policies and procedures are adequate.

Appendix "B"

Comments Received in Response to

IIROC Notice 09-0328 – *Rules Notice - Request for Comments – UMIR -*

Provisions Respecting Implementation of the Order Protection Rule

On November 13, 2009, IIROC issued IIROC Notice 09-0328 requesting comments on proposed revised amendments to UMIR ("Revised Proposed Amendments") consequential to the implementation by the Canadian Securities Administrators of changes to National Instrument 23-101 – *Trading Rules* regarding the implementation of trade-through protection.[6] IIROC received comments on the Revised Proposed Amendments from:

Questrade Inc. ("Questrade")

RBC Dominion Securities Inc. ("RBCDS")

A copy of each comment letter submitted in response to the Request for Comments is publicly available on the IIROC website (www.iiroc.ca under the heading "Policy" and sub-heading "Market Proposals/Comments"). The following table presents a summary of the comments received on the Revised Proposed Amendments together with the response of IIROC to those comments.

Text of Provisions Following Adoption of the Amendments	Commentator and Summary of Comment	IIROC Response to Comment and Additional IIROC Commentary
1.2 Interpretation (3) In determining the value of an order for the purposes of Rule 6.3, Rule 6.4 and Rule 8.1, the value shall be calculated as of the time of the receipt or origination of the order and shall be calculated by multiplying the number of units of the security to be bought or sold under the order by: (a) in the case of a limit order for the purchase of a security, the lesser of: (i) the specified maximum price in the order, and (ii) the best ask price; (b) in the case of a limit order for the sale of a security, the greater of: (i) the specified minimum price in the order, and (ii) the best bid price; (c) in the case of a market order for the purchase of a security, the best ask price; and (d) in the case of a market order for the sale of a security, the best bid price.		
5.2 Best Price Obligation – repealed		

[6] IIROC originally published proposed amendments and a concept proposal related to the implementation of trade-through protection as IIROC Notice 08-0163 – Rules Notice – Request for Comments – UMIR – *Provisions Respecting Implementation of Trade-through Protection* (October 27, 2008).

Text of Provisions Following Adoption of the Amendments	Commentator and Summary of Comment	IIROC Response to Comment and Additional IIROC Commentary
6.2 Designations and Identifiers (1) Each order entered on a marketplace shall contain: … (b) a designation acceptable to the Market Regulator for the marketplace on which the order is entered, if the order is: … (v.4) a directed action order as defined in the Trading Rules,		
6.4 Trades to be on a Marketplace (1) A Participant acting as principal or agent may not trade nor participate in a trade in a security by means other than the entry of an order on a marketplace. (2) Subsection (1) does not apply to a trade: (a) **Unlisted or Non-Quoted Security** - in a security which is not a listed security or a quoted security; (b) **Regulatory Exemption** – required or permitted by a Market Regulator to be executed other than on a marketplace in order to maintain a fair or orderly market and provided, in the case of a listed security or quoted security, the Market Regulator requiring or permitting the order to be executed other than on a marketplace shall be the Market Regulator of the Exchange on which the security is listed or of the QTRS on which the security is quoted; (c) **Error Adjustment** - to adjust by a journal entry an error in connection with a client order; (d) **On a Foreign Organized Regulated Market** – executed on a foreign organized regulated market; (e) **Outside of Canada** – executed as principal with a non-Canadian account or as agent if both the purchasers and seller are non-Canadian accounts provided the trade is reported to a marketplace or a	**Questrade –** Believes that there should not be a requirement to take into account prices on foreign markets. Also believes that the application of the restriction to Canadian accounts denominated in Canadian currency may be problematic for "registered" accounts and for those that allow access to multiple currencies. Clients should be able to continue to have the right to determine when they want to execute a trade in the U.S. marketplace and when they don't.	The amendment does not add a "foreign smart routing requirement". The provision is applicable only if the Participant chooses to take into account a foreign market and seeks to execute on that organized foreign regulated market when there are better priced orders displayed on a marketplace in Canada. Registered accounts will, by definition, be considered to be Canadian denominated as would other accounts that are not explicitly and exclusively denominated in a foreign currency. Rule 5.2 of UMIR did not permit clients to direct execution on a market away from the displayed marketplace with the "best price". In any event, the amendment applies only to a limited subset of trades that have the greatest likelihood of trading-through a displayed price - namely an intentional cross, a pre-arranged trade, a trade for more than 50 standard trading units or with a value of more than $250,000. These qualifications would in the ordinary course not have an effect on the order routing decisions of individual retail clients. In effect, the Amendments permit greater latitude in the execution of small orders than previously existed under Rule 5.2.

Text of Provisions Following Adoption of the Amendments	Commentator and Summary of Comment	IIROC Response to Comment and Additional IIROC Commentary
foreign organized regulated market in accordance with the reporting requirements of the marketplace of foreign organized regulated market; (f) **Term of Securities** – as a result of a redemption, retraction, exchange or conversion of a security in accordance with the terms attaching to the security; (g) **Options** – as a result of the exercise of an option, right, warrant or similar pre-existing contractual arrangement; (h) **Prospectus and Exempt Distributions** – pursuant to a prospectus, take-over bid, issuer bid, amalgamation, arrangement or similar transaction including any distribution of previously unissued securities by an issuer; or (i) **Non-Regulatory Halt, Delay or Suspension** – in a listed security or quoted security in respect of which trading has been halted, delayed or suspended in circumstances described in clause (3)(a) or subsclause (3)(b)(8) of Rule 9.1 that is not listed, quoted or traded on a marketplace other than the Exchange or QTRS on which the security is halted, delayed or suspended provided such trade is reported to a marketplace. (3) The exemption provided for in clause (d) of subsection (2) is unavailable to an order of a Canadian account denominated in Canadian funds that: (a) is part of an intentional cross; (b) is part of a pre-arranged trade; (c) is for more than 50 standard trading units; or (d) has a value of $250,000 or more if the entry of the order on a foreign organized regulated market would avoid execution against a better-priced order on a marketplace pursuant to Part 6 of the Trading Rules.		

Text of Provisions Following Adoption of the Amendments	Commentator and Summary of Comment	IIROC Response to Comment and Additional IIROC Commentary
7.1 Trading Supervision Obligations (5) Notwithstanding any other provision of this Rule, a Participant or Access Person shall not mark an order on entry to a marketplace as a directed action order unless the Participant or Access Person has established, maintained and ensured compliance with written policies and procedures that are reasonably designed to prevent trade-throughs other than those trade-throughs permitted in Part 6 of the Trading Rules.	**RBCDS –** Urges that IIROC and the CSA to continue to work together to ensure that all marketplaces meet minimum technology standards (e.g. clock synchronization, latency tests and standards).	The standards will evolve with the development of technology employed by Participants, marketplaces and service providers. Policies and procedures that are acceptable for marketplaces and Participants on the date the Order Protection Rule comes into effect may cease to be so if industry standards improve with the deployment of new technology. See also the response to RBCDS comment under Policy 7.1. UMIR imposes existing requirements with respect to Participants and marketplaces synchronizing to the standards used by IIROC.
10.16 Gatekeeper Obligations of Directors, Officers and Employees of Participants and Access Persons (1) An officer, director, partner or employee of a Participant shall forthwith report to their supervisor or the compliance department of the Participant upon becoming aware of activity in a principal, non-client or client account of the Participant or a related entity that the officer, director, partner or employee believes may be a violation of: (a) Subsection (1) of Rule 2.1 respecting just and equitable principles of trade; (b) Rule 2.2 respecting manipulative and deceptive activities; (c) Rule 2.3 respecting improper orders and trades; (d) Rule 4.1 respecting frontrunning; (e) Rule 5.1 respecting best execution of client orders; (f) Rule 5.3 respecting client priority; (g) Rule 6.4 respecting trades to be on a marketplace; and (h) any Requirement that has been designated by the Market Regulator for the purposes of this subsection.	**RBCDS –** Does not believe that there should be a requirement to file a "gatekeeper report" applied to matter "relating to internal policies and procedures".	Rule 10.16 of UMIR presently requires a Participant to inform IIROC if a review conducted by supervisory or compliance personnel of the Participant conclude that there may have been a violation of various rules under UMIR including Rule 6.4 respecting trades to be on a marketplace. The Participant is not reporting whether they have concluded that their policies and procedures are inadequate but rather whether there has been a possible violation of the requirement to execute trades on a marketplace.
Policy 5.1 – Best Execution of Client Orders **Part 4 – Subject to Order -Protection Rule** Notwithstanding any instruction or consent of the client, the provision of "best execution"	**Questrade –** Requests additional guidance with respect to the effects on best execution.	The point of Part 4 of Policy 5.1 is simply to confirm that "best execution" is subject to compliance with the "best price" obligation under Rule 5.1 of UMIR until February 1, 2011 and thereafter to compliance

Text of Provisions Following Adoption of the Amendments	Commentator and Summary of Comment	IIROC Response to Comment and Additional IIROC Commentary
for a client order is subject to compliance with the "order protection rule" under Part 6 of the Trading Rules by the marketplace on which the order is entered or by the Participant if the Participant has marked the order as a directed action order in accordance with Rule 6.2. Similarly, if a Participant considers a foreign organized regulated market in order to provide a client with "best execution", the Participant must ensure that the condition in subsection (3) of Rule 6.4, if applicable, is satisfied prior to the execution on the foreign organized regulated market.		with the Order Protection Rule. In other words, attempts to obtain "best execution" for a client can not justify a violation of the obligation which the Participant owes to the market under the "best price" obligation or the Order Protection Rule.
Policy 5.2 – Best Price Obligation **Part 1 – Qualification of Obligation – repealed**		
Policy 5.2 – Best Price Obligation **Part 2 – Orders on Other Marketplaces – repealed**		
Policy 5.2 – Best Price Obligation **Part 3 – Foreign Currency Translation – repealed**		
Policy 6.4 – Trades to be on a Marketplace **Part 6 – Foreign Currency Translation** If a trade is to be executed on a foreign organized regulated market in a foreign currency, the foreign trade price shall be converted to Canadian dollars using the exchange rate the Participant would have applied in respect of a trade of similar size on a foreign organized regulated market in that foreign jurisdiction in order to determine whether the condition in subsection (3) of Rule 6.4 restricting avoidance of Part 6 of the Trading Rules has been met. The Market Regulator regards a difference of one trading increment or less as "marginal" because the difference would be attributable to currency conversion. A Participant shall maintain with the record of the order the exchange rate used for the purpose of determining whether a better priced order existed on a marketplace and such information shall be provided to the Market Regulator upon request in such form and manner as may be reasonably required by the Market Regulator in accordance with subsection (3) of Rule 10.11.		
Policy 7.1 – Trading Supervision Obligation **Part 6 – Specific Provisions Respecting Trade-throughs** Each Participant must adopt written policies and procedures that are adequate, taking	**RBCDS –** Requests further guidance on what would be considered "adequate" for the purposes of testing policies and procedures in respect of preventing trade-throughs with the use of	There is no pre-determined amount of testing that IIROC would consider adequate. The level of testing will vary with the degree of use the Participant makes of Directed Action Orders and whether prior tests have

Text of Provisions Following Adoption of the Amendments	Commentator and Summary of Comment	IIROC Response to Comment and Additional IIROC Commentary
into account the business and affairs of the Participant, to ensure that an order: • marked as "directed action order" in accordance with Rule 6.2 does not result in a trade-through other than a trade-through permitted under Part 6 of the Trading Rules; or • entered on a foreign organized regulated market complies with the conditions in subsection (3) of Rule 6.4. Each Access Person must adopt written policies and procedures that are adequate, taking into account the business and affairs of the Access Person, to ensure that an order marked as a "directed action order" in accordance with Rule 6.2 does not result in a trade-through other than a trade-through permitted under Part 6 of the Trading Rules. The policies and procedures must set out the steps or process to be followed by the Participant or Access Person to ensure that the execution of an order does not result in a trade-through. The policies and procedures must specifically address the circumstances when the bypass order marker will be used in conjunction with a "directed action order". These policies and procedures must address the steps which the Participant or Access Person will undertake on a regular basis, which shall not be less than monthly, to test that the policies and procedures are adequate.	Directed Action Orders. In particular, seeks guidance on an acceptable number of trade-throughs and acceptable level of latency.	indicated that the level of trade-throughs is within acceptable limits. IIROC will be monitoring the levels of trade-through in conjunction with the use of Directed Action Orders. IIROC expects to be able to bring to the attention of a Participant the fact that their proportion of trade-throughs associated with the use of Directed Action Orders is out of line with the Participant's proportion of trading undertaken through Direct Action Orders. Such a finding may be an indicator that the policies and procedures of the Participant are not "adequate". However, IIROC acknowledges that information and processing latencies between IIROC and the Participants will produce different results. The test for the Participants is whether they have used reasonable efforts to obtain timely order and trade data for all relevant marketplaces.
General Comments	**RBCDS -** Urges minimum capital requirements for marketplaces in order to promote liquidity and foster confidence.	The financial viability of an exchange or QTRS is dealt with by the CSA under National Instrument 21-101 (in particular in Part 7 of Form 21-101F1). Each ATS must be registered as a dealer and be subject to minimum capital requirements of IIROC.
	Questrade – Believes that "price" should take into account transaction costs.	UMIR and National Instrument 23-101 recognize that transaction costs are properly a factor in determining "best execution". Currently, the "best price" obligation under UMIR and the Order Protection Rule that becomes effective on February 1, 2011 exclude transaction costs from the determination of price. In amendments to section 8.2 of Companion Policy 21-101, the CSA addressed the issue of transaction fees in stating: "With respect to trading fees, our view is that a trading fee equal to or greater than the minimum trading increment as defined in IIROC's Universal Market

Text of Provisions Following Adoption of the Amendments	Commentator and Summary of Comment	IIROC Response to Comment and Additional IIROC Commentary
		Integrity rules, as amended, would unreasonably condition or limit access to an ATS's services as it would be inconsistent with the policy goals of order protection. Trading fees below the minimum trading increment may also unreasonably condition or limit access to an ATS's services when taking into account factors including those listed above. [5 factors to be taken into account in determining fees are in compliance with section 6.13 of National Instrument 21-101]". To the extent that the transaction costs must be less than a trading increment, the net proceeds/cost to the client will always be better as a result of an execution on the marketplace with the "best" displayed price.

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