

The Ontario Securities Commission

OSC Bulletin

March 11, 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)

The Ontario Securities Commission

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Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

March 11, 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
Suite 1700, Box 55
20 Queen Street West
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Edward P. Kerwin	—	EPK
Vern Krishna	—	VK
Christopher Portner	—	CP
Charles Wesley Moore (Wes) Scott	—	CWMS

SCHEDULED OSC HEARINGS

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 21-28, March 30-31 and April 4-7, 2011 10:00 a.m.	Paul Donald s. 127 C. Price in attendance for Staff
--	--

March 29, 2011	Panel: CP/PLK
----------------	---------------

2:00 p.m.

March 21-22, March 24, March 28, March 30, May 2-9 and May 11-13, 2011 10:00 a.m.	York Rio Resources Inc., Brillante Brasilcan Resources Corp., Victor York, Robert Runic, George Schwartz, Peter Robinson, Adam Sherman, Ryan Demchuk, Matthew Oliver, Gordon Valde and Scott Basingdale
--	--

March 29 and March 31, 2011	s. 127
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2:30 p.m.	H. Craig/C. Rossi in attendance for Staff
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Panel: VK/EPK

March 24, 2011 10:00 a.m.	Simply Wealth Financial Group Inc., Naida Allarde, Bernardo Giangrosso, K&S Global Wealth Creative Strategies Inc., Kevin Persaud, Maxine Lobban and Wayne Lobban
----------------------------------	--

s. 127 and 127.1

C. Johnson in attendance for Staff

Panel: JDC

March 25, 2011 10:00 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: EPK	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.
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: JDC		s. 127 M. Britton in attendance for Staff Panel: EPK/[TBA]
March 30, 2011 11:30 a.m.	David M. O'Brien s. 37, 127 and 127.1 B. Shulman in attendance for Staff Panel: JDC	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: MGC
March 31, 2011 10:00 a.m.	Peter Sbaraglia s. 127 S. Horgan/P. Foy in attendance for Staff Panel: JDC	April 11, April 13-21, and April 27-29, 2011 10:00 a.m.	Axxess Automation LLC, Axxess Fund Management, LLC, Axxess Fund, L.P., Gordon Alan Driver, David Rutledge, 6845941 Canada Inc. carrying on business as Anesis Investments, Steven M. Taylor, Berkshire Management Services Inc. carrying on business as International Communication Strategies, 1303066 Ontario Ltd. carrying on business as ACG Graphic Communications, Montecassino Management Corporation, Reynold Mainse, World Class Communications Inc. and Ronald Mainse s. 127 Y. Chisholm in attendance for Staff Panel: CP/PLK
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: VK/SOA		

April 18 and April 20, 2011	Carlton Ivanhoe Lewis, Mark Anthony Scott, Sedwick Hill, Leverage Pro Inc., Prosporex Investment Club Inc., Prosporex Investments Inc., Prosporex Ltd., Prosporex Inc., Prosporex Forex SPV Trust, Networth Financial Group Inc., and Networth Marketing Solutions	May 4-5, 2011	Biovail Corporation, Eugene N. Melnyk, Brian H. Crombie, John R. Miszuk and Kenneth G. Howling
10:00 a.m.		10:00 a.m.	
	s. 127 and 127.1		s. 127(1) and 127.1
	H. Daley in attendance for Staff		J. Superina, A. Clark in attendance for Staff
	Panel: JDC/MCH		Panel: JEAT/PLK/MGC
April 26, 2011	Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Ciavarella and Michael Mitton	May 10, 2011	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
2:30 p.m.		2:30 p.m.	
	s. 127		s. 127
	H. Craig in attendance for Staff		M. Vaillancourt in attendance for Staff
	Panel: CP		Panel: JDC
May 2-9, May 11-16, 2011	Innovative Gifting Inc., Terence Lushington, Z2A Corp., and Christine Hewitt	May 16, 2011	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
10:00 a.m.		10:00 a.m.	
	s. 127		s.127
	C. Rossi in attendance for Staff		H. Craig/C. Rossi in attendance for Staff
	Panel: JDC/MCH		Panel: MGC
May 3, 2011	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	May 16-19, May 25, May 27-31, 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.		10:00 a.m.	
	s. 127	May 24, 2011	s. 127
	H. Craig in attendance for Staff	2:30 p.m.	P. Foy in attendance for Staff
	Panel: TBA	May 26, 2011	Panel: EPK/MCH
		2:00 p.m.	

May 19, 2011	Andrew Rankin	June 20 and June 22-30, 2011	Nest Acquisitions and Mergers, IMG International Inc., Caroline Myriam Frayssignes, David Pelcowitz, Michael Smith, and Robert Patrick Zuk
10:00 a.m.	s. 144	10:00 a.m.	s. 37, 127 and 127.1
	S. Fenton/K. Manarin in attendance for Staff		C. Price in attendance for Staff
	Panel: JEAT/PLK/CP		Panel: TBA
May 24, 2011	Shallow Oil & Gas Inc., Eric O'Brien, Abel Da Silva, Gurdip Singh Gahunia aka Michael Gahunia and Abraham Herbert Grossman aka Allen Grossman	July 15, 2011	Hillcorp International Services, Hillcorp Wealth Management, Suncorp Holdings, 1621852 Ontario Limited, Steven John Hill, and Danny De Melo
2:30 p.m.	s. 127(7) and 127(8)	10:00 a.m.	s. 127
	H. Craig in attendance for Staff		A. Clark in attendance for Staff
	Panel: TBA		Panel: TBA
May 25-31, 2011	Sunil Tulsiani, Tulsiani Investments Inc., Private Investment Club Inc., and Gulfland Holdings LLC	July 26, 2011	Marlon Gary Hibbert, Ashanti Corporate Services Inc., Dominion International Resource Management Inc., Kabash Resource Management, Power to Create Wealth Inc. and Power to Create Wealth Inc. (Panama)
10:00 a.m.	s.127	11:00 a.m.	s. 127
	C. Rossi in attendance for Staff		S. Chandra in attendance for Staff
	Panel: JDC/CWMS		Panel: TBA
June 1-2, 2011	Hector Wong		
10:00 a.m.	s. 21.7		
	A. Heydon in attendance for Staff		
	Panel: EPK/PLK		
June 6 and June 8-9, 2011	Lehman Brothers & Associates Corp., Greg Marks, Kent Emerson, Lounds and Gregory William Higgins	September 6-12, September 14-26 and September 28, 2011	Anthony Ianno and Saverio Manzo
10:00 a.m.	s. 127	10:00 a.m.	s. 127 and 127.1
	H. Craig in attendance for Staff		A. Clark in attendance for Staff
	Panel: JDC/CWMS		Panel: EPK/PLK
		September 12, 14-26 and September 28-30, 2011	FactorCorp Inc., FactorCorp Financial Inc. and Mark Twerdun
		10:00 a.m.	s. 127
			C. Price in attendance for Staff
			Panel: TBA

September 14-23, September 28 – October 4, 2011	Juniper Fund Management Corporation, Juniper Income Fund, Juniper Equity Growth Fund and Roy Brown (a.k.a. Roy Brown-Rodrigues)	TBA	Yama Abdullah Yaqeen
10:00 a.m.	s.127 and 127.1		s. 8(2)
	D. Ferris in attendance for Staff		J. Superina in attendance for Staff
	Panel: TBA	TBA	Panel: TBA
October 12-24 and October 26-27, 2011	Helen Kuszper and Paul Kuszper		Microsourceonline Inc., Michael Peter Anzelmo, Vito Curalli, Jaime S. Lobo, Sumit Majumdar and Jeffrey David Mandell
10:00 a.m.	s. 127 and 127.1		s. 127
	U. Sheikh in attendance for Staff		J. Waechter in attendance for Staff
	Panel: JDC/CWMS		Panel: TBA
October 17-24 and October 26-31, 2011	Richvale Resource Corp., Marvin Winick, Howard Blumenfeld, John Colonna, Pasquale Schiavone, and Shafi Khan	TBA	Frank Dunn, Douglas Beatty, Michael Gollogly
10:00 a.m.	s. 127(7) and 127(8)		s.127
	H. Craig in attendance for Staff		K. Daniels in attendance for Staff
	Panel: TBA	TBA	Panel: TBA
November 7, November 9-21, November 23 – December 2, 2011	Majestic Supply Co. Inc., Suncastle Developments Corporation, Herbert Adams, Steve Bishop, Mary Kricfalusi, Kevin Loman and CBK Enterprises Inc.		MRS Sciences Inc. (formerly Morningside Capital Corp.), Americo DeRosa, Ronald Sherman, Edward Emmons and Ivan Cavric
10:00 a.m.	s. 37, 127 and 127.1		s. 127 and 127(1)
	D. Ferris in attendance for Staff		D. Ferris in attendance for Staff
	Panel: TBA	TBA	Panel: TBA
November 14-21 and November 23-28, 2011	Shaun Gerard McErlean and Securus Capital Inc.		Goldpoint Resources Corporation, Lino Novielli, Brian Moloney, Evanna Tomeli, Robert Black, Richard Wylie and Jack Anderson
10:00 a.m.	s. 127		s. 127(1) and 127(5)
	M. Britton in attendance for Staff		M. Boswell in attendance for Staff
	Panel: TBA		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, Health and Harmony, Iain Buchanan and Lisa Buchanan s.127 H. Craig in attendance for Staff Panel: JEAT/CSP/SA
TBA	Gold-Quest International, 1725587 Ontario Inc. carrying on business as Health and Harmony, Harmony Club Inc., Donald Iain Buchanan, Lisa Buchanan and Sandra Gale s.127 H. Craig in attendance for Staff Panel: TBA	TBA	Brilliant 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	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	Abel Da Silva s.127 M. Boswell 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	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	Shane Suman and Monie Rahman s. 127 and 127(1) C. Price in attendance for Staff Panel: JEAT/PLK	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	<p>Paul Azeff, Korin Bobrow, Mitchell Finkelstein, Howard Jeffrey Miller and Man Kin Cheng (a.k.a. Francis Cheng)</p> <p>s. 127</p> <p>T. Center/D. Campbell in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p>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</p> <p>s. 37, 127 and 127.1</p> <p>H. Craig in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p>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</p> <p>s.127</p> <p>A. Perschy/C. Rossi in attendance for Staff</p> <p>Panel: CP/PLK</p>	TBA	<p>Merax Resource Management Ltd. carrying on business as Crown Capital Partners, Richard Mellon and Alex Elin</p> <p>s. 127</p> <p>H. Craig in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p>Irwin Boock, Stanton Defreitas, Jason Wong, Saudia Allie, Alena Dubinsky, Alex Khodjaints Select American Transfer Co., Leasesmart, Inc., Advanced Growing Systems, Inc., International Energy Ltd., Nutrione Corporation, Pocketop Corporation, Asia Telecom Ltd., Pharm Control Ltd., Cambridge Resources Corporation, Compushare Transfer Corporation, Federated Purchaser, Inc., TCC Industries, Inc., First National Entertainment Corporation, WGI Holdings, Inc. and Enerbrite Technologies Group</p> <p>s. 127 and 127.1</p> <p>H. Craig in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p>Alexander Christ Doulis (aka Alexander Christos Doulis, aka Alexandros Christodoulidis) and Liberty Consulting Ltd.</p> <p>s. 127</p> <p>S. Horgan in attendance for Staff</p> <p>Panel: TBA</p>
		TBA	<p>TBS New Media Ltd., TBS New Media PLC, CNF Food Corp., CNF Candy Corp., Ari Jonathan Firestone and Mark Green</p> <p>s. 127</p> <p>H. Craig in attendance for Staff</p> <p>Panel: TBA</p>
		TBA	<p>QuantFX Asset Management Inc., Vadim Tsatskin, Lucien Shtromvaser and Rostislav Zemlinsky</p> <p>s.127</p> <p>H. Craig in attendance for Staff</p> <p>Panel: TBA</p>

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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. Boulton and Peter Y. Atkinson

1.1.2 CPSS-IOSCO – Recent Publication – Principles for Financial Market Infrastructures – Consultative Report, March 2011

CPSS-IOSCO - RECENT PUBLICATION – MARCH 2011

**COMMITTEE ON PAYMENT AND SETTLEMENT SYSTEMS (CPSS) AND
TECHNICAL COMMITTEE OF THE INTERNATIONAL ORGANIZATION OF SECURITIES COMMISSIONS (IOSCO)**

**RECENT PUBLICATION
PRINCIPLES FOR FINANCIAL MARKET INFRASTRUCTURES
Consultative Report, March 2011**

The Technical Committee of the International Organization of Securities Commissions (IOSCO) and the Committee on Payment and Settlement Systems (CPSS) have recently released for comment a consultative report *Principles for financial market infrastructures*. The report contains 24 principles designed to apply to all systemically important payment systems, central securities depositories, securities settlement systems, central counterparties (CCPs) and trade repositories (TRs) (collectively “financial market infrastructures” or “FMIs”). FMIs facilitate the recording, clearing, and settlement of monetary and other financial transactions, and generally strengthen the markets they serve and play a critical role in fostering financial stability.

The standards in the report (called “principles”) harmonise and, where appropriate, strengthen the existing international standards for FMIs. The new principles are intended to replace the three existing sets of CPSS and CPSS-IOSCO standards that apply to FMIs, namely:

- the *Core principles for systemically important payment systems* (2001);
- the *Recommendations for securities settlement systems* (2001); and
- the *Recommendations for central counterparties* (2004).

The report also outlines the general responsibilities of central banks, market regulators, and relevant authorities for FMIs in implementing these standards. Compared to the current standards, the report introduces a number of provisions on issues that are not addressed by the existing standards. For example, new principles have been introduced on segregation and portability, tiered participation and general business risk. It also incorporates additional guidance for over-the-counter (OTC) derivatives CCPs and TRs.

The CPSS and IOSCO request that all comments be submitted no later than July 29, 2011. While the CPSS and IOSCO are requesting comments on all the proposed principles, they specifically are requesting feedback on the principles governing credit risk, liquidity risk, segregation and portability, general business risk, and access and interoperability. The consultation report is available on IOSCO's website (www.iosco.org) and on the website of the Bank for International Settlements (www.bis.org). Comments should be submitted by e-mail to both the CPSS secretariat (cpss@bis.org) and the IOSCO secretariat (fmi@iosco.org). The comments will be published on the websites of IOSCO and the Bank for International Settlements unless commentators have requested otherwise. Following review of the comments, the CPSS and IOSCO propose to publish a final report by early 2012.

Staff from the Ontario Securities Commission, Autorité des marchés financiers (Québec) and Bank of Canada participated in the CPSS-IOSCO Steering Group and/or Editorial Team that developed the consultative report. We encourage stakeholders in Canada, particularly FMIs, to review the report and provide comments.

For further information on the CPSS-IOSCO consultative report contact:

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1.3 News Releases

1.3.1 Canadian Securities Regulators Caution Against Online Investment Fraud

FOR IMMEDIATE RELEASE
March 3, 2011

CANADIAN SECURITIES REGULATORS CAUTION AGAINST ONLINE INVESTMENT FRAUD

Calgary – To kick-off Fraud Prevention Month in March, the Canadian Securities Administrators (CSA) are encouraging investors to protect themselves from investment fraud of all types, and to be specifically wary of online fraud.

Online investment scams are a simple, anonymous, cost-effective way for scammers to reach millions of potential victims who are looking on the web for investment opportunities. A recent survey shows more than one-third (34 per cent) of Canadians are or are considering online investing as a way to make and manage their investments. Six out of ten online investors state that the media is their number one source for information, and half use general web searches.¹

"The CSA's enforcement actions confirm that Canadian investors have been victims of fraudulent online investment schemes," says Bill Rice, Chair of the CSA and Chair and CEO of the Alberta Securities Commission. "We want to remind investors to look beyond slick, professional looking websites and unsolicited emails, do more research and seek a second opinion before investing in any opportunity."

The recently released *2010 CSA Enforcement Report* acknowledges the growing trend of online investment fraud and highlights how CSA members are using online tools and social media to fight back. In the Genius Funds case, Canadian securities regulators acted quickly to stop the illegal sales of securities being promoted online and used blogs and other social media to warn investors about the scheme. As well, CSA jurisdictions have previously taken enforcement action against those who promoted fictitious oil and gas activities through false websites for Al-Tar and Alberta Energy Corp. and raised more than \$650,000 from investors throughout Canada and Britain.

Canadians are encouraged to visit the CSA's [Avoiding Fraud](http://www.securities-administrators.ca) website page, to learn more about investment fraud and the basics of investing at www.securities-administrators.ca.

The CSA continues to participate as a partner in the Fraud Prevention Forum, joining more than 90 private sector firms, consumer and volunteer groups, and government and law enforcement agencies that are committed to educating the public and fighting fraud targeted at consumers and businesses. Throughout the month of March, these organizations will be involved in a number of national, regional and local activities supporting fraud prevention.

The CSA is the council of the securities regulators of Canada's provinces and territories whose objectives are to improve, coordinate and harmonize regulation of the Canadian capital markets.

For more information:

Mark Dickey
Alberta Securities Commission
403-297-4481

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

Ken Gracey
British Columbia Securities Commission
604-899-6577

Carolyn Shaw-Rimmington
Ontario Securities Commission
416-593-2361

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

Jennifer Anderson
Saskatchewan Financial Services Commission
306- 798-4160

¹ Bank of Montreal InvestorLine survey, July 2010

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 Lehman Cohort Global Group Inc. et al.

FOR IMMEDIATE RELEASE
March 3, 2011

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

AND

**IN THE MATTER OF
LEHMAN COHORT GLOBAL GROUP INC.,
ANTON SCHNEDL, RICHARD UNZER,
ALEXANDER GRUNDMANN AND
HENRY HEHLSINGER**

TORONTO – The Commission issued its Reasons and Decision on Sanctions and Costs and an Order in the above noted matter.

A copy of the Reasons and Decision on Sanctions and Costs and the Order dated March 2, 2011 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

For media inquiries:

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

Carolyn Shaw-Rimmington
Manager, Public Affairs
416-593-2361

Dylan Rae
Media Relations Specialist
416-595-8934

Theresa Ebdon
Senior Communications Specialist
416-593-8307

For investor inquiries:

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

1.4.2 Nest Acquisitions and Mergers et al.

FOR IMMEDIATE RELEASE
March 4, 2011

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

AND

**IN THE MATTER OF
NEST ACQUISITIONS AND MERGERS,
IMG INTERNATIONAL INC.,
CAROLINE MYRIAM FRAYSSIGNES,
DAVID PELCOWITZ, MICHAEL SMITH, AND
ROBERT PATRICK ZUK**

TORONTO – The Commission issued an Order in the above named matter which provides that the hearing on the merits is set for June 20, 2011 to June 30, 2011 (except June 21, 2011).

A copy of the Order dated March 4, 2011 is available at www.osc.gov.on.ca.

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1.4.3 Shaun Gerard McErlean et al.

FOR IMMEDIATE RELEASE
March 7, 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 – The Commission issued an Order in the above named matter which provides that the hearing on the merits in this matter proceed on November 14, 2011 at 10:00 a.m. and continue until November 28, 2011 excluding November 22, 2011.

A copy of the Order dated March 2, 2011 is available at **www.osc.gov.on.ca**.

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416-593-8307

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1-877-785-1555 (Toll Free)

1.4.4 Majestic Supply Co. Inc. et al.

FOR IMMEDIATE RELEASE
March 7, 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 – The Commission issued an Order in the above named matter which provides that (i) the hearing on the merits will start on November 7, 2011 at 10:00 a.m. and continue on November 9 to 11, 14 to 18, 21, 23 to 25, 28 to 30, 2011 and December 1 and 2, 2011; and (ii) another pre-hearing conference will be held on April 26, 2011 at 2:30 p.m. The Order also provides that a copy of Staff's electronic disclosure shall be provided to criminal counsel for Herbert Adams and to the Halton Regional Police Services in order to address Adams' Disclosure Request.

A copy of the Order dated March 1, 2011 is available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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1-877-785-1555 (Toll Free)

1.4.5 Global Consulting And Financial Services et al.

**FOR IMMEDIATE RELEASE
March 8, 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 May 17, 2011; and the Hearing is adjourned to May 16, 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 March 8, 2011 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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For investor inquiries:

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1-877-785-1555 (Toll Free)

1.4.6 Firestar Capital Management Corp. et al.

**FOR IMMEDIATE RELEASE
March 9, 2011**

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

AND

**IN THE MATTER OF
FIRESTAR CAPITAL MANAGEMENT CORP.,
KAMPOSSE FINANCIAL CORP.,
FIRESTAR INVESTMENT MANAGEMENT GROUP,
MICHAEL CIAVARELLA AND MICHAEL MITTON**

TORONTO – The Commission issued an Order in the above named matter which provides that the hearing to consider whether to continue the Temporary Orders is adjourned to April 26, 2011 at 2:30 p.m.; and that the Temporary Orders currently in place as against Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Ciavarella and Michael Mitton are further continued until April 27, 2011, or until further order of this Commission.

A copy of the Order dated March 8, 2011 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

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

2.1.1 EnGlobe Corp. – 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.

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

Applicable Legislative Provisions

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

"Alida Gualtieri"
Manager, Continuous Disclosure
Autorité des marchés financiers

Montréal, March 2, 2011

EnGlobe Corp.
C/o: Stikeman Elliott
1155 René-Lévesque Blvd. West
40th Floor
Montréal, Québec H3B 3V2

Attention: Mrs. Andrée-Anne Arbour-Boucher

Re: EnGlobe Corp. (the "Applicant") – Application for a decision under the securities legislation of Alberta, Ontario and Québec, (the "Jurisdictions") that the Applicant is not a reporting issuer

Dear Madam:

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

As the Applicant has represented to the Decision Makers that:

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

2.1.2 ARC Resources Ltd.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Exemption granted to a successor issuer from the requirement to file a notice declaring its intention to be qualified to file a short form prospectus at least 10 business days prior to the filing of a preliminary short form prospectus – disclosure regarding the predecessor issuer will effectively be the disclosure of the successor issuer - predecessor issuer is qualified to file a short form prospectus.

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

Applicable Legislative Provisions

National Instrument 44-101 Short Form Prospectus Distributions.

March 1, 2011

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

AND

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

AND

IN THE MATTER OF
ARC RESOURCES LTD.
(the Filer)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) exempting the Filer from the requirement under Subsection 4.1(b) of National Instrument 44-101 *Short Form Prospectus Distributions* (**NI 44-101**) for the Filer to deliver a Personal Information Form and Authorization to Collect, Use and Disclose Personal Information (in the form attached as Appendix A to National Instrument 41-101 *General Prospectus Requirements*) for each director and executive officer of the Filer at the time of filing a preliminary short form prospectus, for whom ARC Energy Trust (the **Trust**) had previously delivered any of the documents described in clauses 4.1(b)(i)(E) through (G) of NI 44-101 at the time of filing such preliminary short form prospectus.

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

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

Interpretation

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

Representations

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

The Trust and the Arrangement

1. The Trust was a trust established under the laws of the Province of Alberta pursuant a trust indenture, as amended and restated as of May 15, 2006, and as further amended on December 31, 2010 in connection with a Plan of Arrangement under Section 193 of the *Business Corporations Act* (Alberta), which resulted in the reorganization of the Trust (an income trust) into a new publicly traded exploration and development corporation named "ARC Resources Ltd." (the **Arrangement**).
2. Pursuant to the Arrangement, the Trust was dissolved, the Filer acquired all of the assets of the Trust and the Filer assumed all of the liabilities of the Trust.
3. The Arrangement did not involve the acquisition of any additional operating assets or the disposition of any existing operation assets.
4. The Trust and ARC Resources Ltd. (**ARC Resources**) were reporting issuers or the equivalent under the securities legislation of each of the Provinces of Canada. The Trust was dissolved in connection with the Arrangement and ARC Resources was amalgamated in connection with the Arrangement and have therefore ceased to be reporting issuers in each of the Provinces of Canada.
5. The trust units of the Trust were listed on the Toronto Stock Exchange (the **TSX**) and the Series A Exchangeable Shares of ARC Resources were listed on the TSX and both the trust units and the Series A Exchangeable Shares were delisted from the TSX at the close of business on January 5, 2011.
6. Prior to completion of the Arrangement, to the knowledge of the Filer, the Trust and ARC Resources were not in default of applicable securities legislation in each of the Provinces of Canada.

The Filer

7. The Filer is a corporation amalgamated under the laws of Alberta. The principal office of the Filer is located in Calgary, Alberta.
8. The Filer is a reporting issuer or the equivalent under the securities legislation of each of the Provinces of Canada and to its knowledge is not in default of applicable securities legislation in each of the Provinces of Canada.
9. The common shares of the Filer are listed and posted for trading on the TSX.
10. The Trust has previously delivered the documents described in clauses 4.1(b)(i)(E) through (G) of NI 44-101 (the **Trust PIFs**) for each individual acting in the capacity of director or executive officer of ARC Resources on December 16, 2009, the time of the last filing of a preliminary prospectus by the Trust.

Decision

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

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

- (a) each individual:
 - (i) for whom the Trust has previously delivered a Trust PIF; and
 - (ii) who is a director or executive officer of the Filer at the time of a prospectus filing by the Filer;authorizes the Decision Makers, in respect of the prospectus filing by the Filer, to collect, use and disclose the personal information that was previously provided in the Trust PIF;
- (b) at the time of the Filer's first prospectus filing, the Filer delivers to the Decision Makers an authorization of indirect collection, use and disclosure of personal information, substantially in the form of authorization attached as Appendix A;

Decisions, Orders and Rulings

- (c) the Filer will, if requested by a Decision Maker, promptly deliver such further information from each individual referred to in clause (a) above as the Decision Maker may require; and
- (d) this decision will terminate in any Jurisdiction in which the decision is in effect on the effective date of any change to subparagraph 4.1(b)(i) of NI 44-101.

"Blaine Young"
Associate Director, Corporate Finance

APPENDIX A

**AUTHORIZATION OF INDIRECT COLLECTION, USE
AND DISCLOSURE OF PERSONAL INFORMATION**

The Personal Information Forms in respect of the individuals listed in attached Schedule 1, which were filed by **[Insert issuer name]** (the **Trust**) with provincial securities regulators in Canada on **[insert date]** (the **Trust Filings**), contain personal information concerning each individual acting in the capacity of director or executive officer of the Trust (the **Personal Information**), as required by securities legislation in respect of a prospectus filing by the Trust.

[Insert issuer name] (the **Issuer**) hereby confirms that each individual listed on Schedule 1:

- (a) is a director or executive officer of the Issuer;
- (b) has consented to the use of the Personal Information (previously provided in the Trust Filing) pertaining to that individual, in respect of an anticipated prospectus filing by the Issuer;
- (c) has been notified by the Issuer:
 - (i) that the Personal Information is being collected indirectly by the regulator under the authority granted to it by provincial securities legislation or provincial legislation relating to documents held by public bodies and the protection of personal information;
 - (ii) that the Personal Information is being collected and used for the purpose of enabling the regulator to administer and enforce provincial securities legislation, including those obligations that require or permit the regulator to refuse to issue a receipt for a prospectus if it appears to the regulator that the past conduct of management or promoters of the Issuer affords reasonable grounds for belief that the business of the Issuer will not be conducted with integrity and in the best interests of its security holders; and
 - (iii) of the contact, business address and business telephone number of the regulator in the local jurisdiction as set out in the attached Schedule 2, who can answer questions about the regulator's indirect collection of the Personal Information; and
- (d) has authorized the indirect collection, use and disclosure of the Personal Information by the regulators as described in Schedule 2, in respect of a prospectus filing by the Issuer.

2.1.3 Palos Equity Income Fund and Palos Management Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – a mutual fund is granted exemptions from Regulation 81-102 respecting Mutual Funds to engage in short selling of securities up to 20% of net assets, subject to certain conditions and requirements.

Applicable Legislative Provisions

Regulation 81-102 respecting Mutual Funds, ss. 2.6(a), 2.6(c), 6.1(1), 19.1.

February 23, 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 JURISDICTIONS**

AND

**IN THE MATTER OF
PALOS EQUITY INCOME FUND
(the “Fund”)**

AND

**PALOS MANAGEMENT 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, on behalf of the Fund, for a decision under the securities legislation of the Jurisdictions (the “Legislation”) pursuant to section 19.1 of *Regulation 81-102 Mutual Funds* (“Regulation 81-102”) to exempt the Fund from the following requirements of the Legislation:

- (a) the requirement contained in subsection 2.6(a) of Regulation 81-102 prohibiting a mutual fund from providing a security interest over its portfolio assets;
- (b) the requirement contained in subsection 2.6(c) of Regulation 81-102 prohibiting a mutual fund from selling securities short; and
- (c) the requirement contained in subsection 6.1(1) of Regulation 81-102 prohibiting a mutual fund from depositing any part of a mutual fund’s portfolio assets with an entity other than that mutual fund’s custodian.

(collectively, 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 section 4.7(1) of *Regulation 11-102 respecting Passport System* (“Regulation 11-102”) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador; and

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

Interpretation

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

Representations

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

1. The Filer is a company constituted under the *Companies Act* (Québec) on June 20, 2001. The head and registered office of the Filer is located in the province of Quebec.
2. The Filer is the investment fund manager of the Fund and is registered under the securities legislation of each of the provinces of Canada as an investment fund manager and a portfolio manager. The Filer is not in default of securities legislation in any of the provinces of Canada.
3. The Fund is constituted as a mutual fund trust under the laws of Québec and is governed by an amended and restated trust agreement dated January 7, 2011 (the "Declaration of Trust").
4. The Fund was initially settled as a unit trust pursuant to a trust agreement dated January 3, 2008 (the "Original Declaration of Trust"). The Original Declaration of Trust was subsequently amended on January 7, 2011 in order to appoint BNY Trust Company of Canada as the trustee of the Fund ("the Trustee").
5. The head and registered office of the Trustee is located in the province of Ontario.
6. The Fund will be a reporting issuer in each of the provinces of Canada and will distribute its securities under a simplified prospectus and an annual information form. The investment practices of the Fund will comply in all respects with the requirements of Part 2 of Regulation 81-102, except to the extent that the Fund has received permission from the applicable securities regulatory authorities or regulators of the Jurisdictions to deviate therefrom, including the Exemption Sought.
7. The Fund has previously distributed its securities on a prospectus-exempt basis in accordance with *Regulation 45-106 respecting Prospectus and Registration Exemptions*.
8. The Fund is not in default of securities legislation other than with respect to the financial statements filing requirement set out in sections 2.1 and 2.3 of *Regulation 81-106 respecting Investment Fund Continuous Disclosure* ("Regulation 81-106"). The Fund did not file its annual financial statements for the 2008 and 2009 financial years and did not prepare and file its financial statements for the 2008, 2009 and 2010 completed interim periods. The Filer has since undertaken to deliver the applicable financial statements of the Fund prepared in accordance with Regulation 81-106 to all securityholders of the Fund and has implemented appropriate internal disclosure controls and procedures to ensure that the Fund complies with its continuous disclosure obligations as a reporting issuer.
9. The Filer proposes that the Fund be authorized to engage in a limited, prudent and disciplined amount of short selling. The Filer is of the view that the Fund could benefit from the implementation and execution of a controlled and limited short selling strategy. This strategy would operate as a complement to the Fund's primary discipline of buying securities with the objective that they will appreciate in value.
10. In order to effect a short sale, the Fund will borrow securities from either its custodian or a dealer (in either case, the "Borrowing Agent"), which Borrowing Agent may be acting either as principal for its own account or as agent for other lenders of securities.
11. The Fund will implement the following controls when conducting a short sale:
 - (a) securities will be sold short for cash, with the Fund assuming the obligations to return to the Borrowing Agent the securities borrowed to effect the short sale;
 - (b) the short sale will be effected through market facilities through which the securities sold short are normally bought and sold;

- (c) the Fund will receive cash for the securities sold short within normal trading settlement periods for the market in which the short sale is effected;
- (d) the securities sold short will be liquid securities:
 - (i) that are listed and posted for trading on a stock exchange; and
 - (A) the issuer of which has a market capitalization of not less than CDN \$100 million, or the equivalent thereof, at the time the short sale is effected; or
 - (B) which the Fund's investment advisor has pre-arranged to borrow for the purposes of such short sale; or
 - (ii) that are bonds, debentures or other evidences of indebtedness of or guaranteed by the Government of Canada or any province or territory of Canada or the Government of the United States of America;
- (e) at the time securities of a particular issuer are sold short:
 - (i) the aggregate market value of all securities of that issuer sold short by the Fund will not exceed 5% of the total net assets of the Fund; and
 - (ii) the Fund will place a "stop-loss" order with a dealer to immediately purchase for the Fund an equal number of the same securities if the trading price of the securities exceeds 120% (or such lesser percentage as the Filer may determine) of the price at which the securities were sold short;
- (f) the Fund will deposit Fund's portfolio assets with the Borrowing Agent as security in connection with the short sale transaction; and
- (g) the Fund will maintain appropriate internal controls regarding its short sales including written policies and procedures, risk management and proper books and records.

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 aggregate market value of all securities sold short by the Fund does not exceed 20% of the total net assets on a daily marked-to-market basis;
2. the Fund holds "cash cover" (as defined in Regulation 81-102) in an amount, including the Fund's portfolio assets deposited with Borrowing Agents as security in connection with short sale transactions, that is at least 150% of the aggregate market value of all securities sold short by the Fund on a daily marked-to-market basis;
3. no proceeds from short sales made by the Fund are used by the Fund to purchase long positions in securities other than cash cover;
4. for short sale transactions in Canada, every dealer that holds the Fund's portfolio assets as security in connection with short sale transactions by the Fund shall be a registered dealer in Canada and a member of a self-regulatory organization that is a participating member of the Canadian Investor Protection Fund;
5. any short sales made by the Fund is subject to compliance with the investment objectives of the Fund;
6. for short sale transactions outside of Canada, every dealer that holds the Fund's portfolio assets as security in connection with short sale transactions by the Fund shall:
 - (a) be a member of a stock exchange, and, as a result, subject to a regulatory audit; and
 - (b) have a net worth in excess of the equivalent CDN \$50 million determined from its most recent audited financial statements that have been made public;

7. except where the Borrowing Agent is the Fund's custodian, when the Fund deposits the Fund's portfolio assets with a Borrowing Agent as security in connection with a short sale transaction, the amount of the Fund's portfolio assets deposited with the Borrowing Agent does not, when aggregated with the amount of the Fund's portfolio assets already held by the Borrowing Agent as security for outstanding short sale transactions of the Fund, exceed 10% of the total net assets of the Fund, calculated at market value as at the time of the deposit;
8. the security interest provided by the Fund over any of its portfolio assets required to enable the Fund to effect short sale transactions is made in accordance with industry practice for that type of transaction and relates only to obligations arising under such short sale transactions;
9. prior to conducting any short sales, the Fund will disclose in its simplified prospectus a description of: (i) short selling, (ii) how the Fund intends to engage in short selling activities, (iii) the risks associated with short selling, and (iv) in the "Investment Strategies" section of the simplified prospectus, the Fund's short selling strategy and this exemptive relief;
10. prior to conducting any short sales, the Fund will disclose in its annual information form the following information:
 - (a) in the "Investment Restrictions" section, a description of this exemptive relief;
 - (b) that there are written policies and procedures in place that set out the objectives and goals for short selling and risk management applicable to short selling;
 - (c) who is responsible for setting and reviewing the policies and procedures referred to in the preceding paragraph, how often the policies and procedures are reviewed, and the extent and nature of the involvement of the board of directors of the Filer in the risk management process;
 - (d) the trading limits or other controls on short selling in place and who is responsible for authorizing the trading and placing limits or other controls on the trading;
 - (e) whether there are individuals or groups that monitor the risks independent of those who trade; and
 - (f) whether risk measurement procedures or simulations are used to test the portfolio under stress conditions.

The Exemption Sought shall terminate upon the coming into force of any legislation or rule of the Decision Makers dealing with matters referred to in subsections 2.6(a) and (c) and 6.1(1) of Regulation 81-102.

"Josée Deslauriers"

Director, Investment Funds and Continuous Disclosure

Autorité des marchés financiers

2.1.4 Allbanc Split Corp. II

Headnote

National Policy 11-203 – Process for Exemptive Relief Applications in Multiple Jurisdictions – Exemptive relief granted to an exchange traded fund from certain mutual fund requirements relating to calculation and payment of redemptions – Relating to new issuance of preferred shares – Since investors will generally buy and sell units through the TSX, there are adequate protections and it would not be prejudicial to investors – National Instrument 81-102 – Mutual Funds.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 10.3, 10.4(1).

February 17, 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
ALLBANC SPLIT CORP. II
(the “Filer”)**

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the “**Legislation**”) for relief from the following sections of National Instrument 81-102 *Mutual Funds* (“**NI 81-102**”) with respect to the Class B Preferred Shares, Series 1 (the “**Series 1 Preferred Shares**”) proposed to be issued by the Filer as described in a preliminary prospectus dated January 14, 2011 (the “**Preliminary Prospectus**”):

- (a) section 10.3, which requires that the redemption price of a security of a mutual fund to which a redemption order pertains shall be the net asset value of a security of that class, or series of class, next determined after the receipt by the mutual fund of the order; and
- (b) subsection 10.4(1), which requires that a mutual fund shall pay the redemption price for securities that are the subject of a redemption order within three business days after the date of calculation of

the net asset value per security used in establishing the redemption price

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

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

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

Interpretation

Defined terms contained 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 was incorporated under the *Business Corporations Act* (Ontario) on December 7, 2005 and completed its initial public offering of Class A Capital Shares and Class A Preferred Shares. The Filer's head office is located in Toronto, Ontario. The Filer is not in default of securities legislation in any province of Canada.
2. On December 7, 2010, the holders of the Class A Capital Shares approved a share capital reorganization (the “**Reorganization**”). The Reorganization will permit holders of Class A Capital Shares to extend their investment in the Filer beyond the redemption date of February 28, 2011 for an additional 5 years. The Reorganization also provides holders of Class A Capital Shares with a special right of retraction (the “**Special Retraction Right**”) to replace the originally scheduled final redemption. Under the Reorganization, holders of Class A Capital Shares who do not wish to extend their investment may choose to have their shares redeemed on February 28, 2011. If the Reorganization is not implemented, the Special Retraction Right will not become effective and the Class A Capital Shares will be redeemed by the Filer on February 28, 2011 in accordance with their terms.
3. The Series 1 Preferred Shares are being offered in order to maintain the leveraged “split share” structure of the Filer and will be issued on

February 28, 2011 (the “Offering”) such that there will be twice the number of Class A Capital Shares as Series 1 Preferred Shares outstanding on and after February 28, 2011.

4. The Filer will make the Offering to the public pursuant to a final prospectus (the “**Final Prospectus**”) in respect of which the Preliminary Prospectus has already been filed.
5. The Class A Capital Shares will continue to be listed and posted for trading on The Toronto Stock Exchange (the “**TSX**”) and the Series 1 Preferred Shares are expected to be listed and posted for trading on the TSX. An application requesting conditional listing approval has been made by the Filer to the TSX.
6. The primary undertaking of the Filer is to invest in the common shares of Bank of Montreal, Canadian Imperial Bank of Commerce, National Bank of Canada, Royal Bank of Canada, The Bank of Nova Scotia and The Toronto-Dominion Bank (the “**Portfolio Shares**”) in order to generate fixed cumulative preferential distributions for the holders of the Filer’s Series 1 Preferred Shares and to enable the holders of the Filer’s Class A Capital Shares to participate in any capital appreciation in the Portfolio Shares and to benefit from any increase on the dividends payable on the Portfolio Shares. The Portfolio Shares are the only material assets of the Filer.
7. The net proceeds of the Offering (after deducting the agents’ fees and expenses of the issue), depending upon the number and value of Class A Capital Shares redeemed pursuant to the Special Retraction Right, will be used by the Filer to fund the redemption of all of the issued and outstanding Class A Preferred Shares of the Filer on February 28, 2011 as well as those Class A Capital Shares being redeemed pursuant to the Special Retraction Right together, with the net proceeds from the sale of a portion of the portfolio, if necessary.
8. It will be the policy of the Filer to hold the Portfolio Shares and to not engage in any trading of the Portfolio Shares, except:
 - (i) to fund retractions or redemptions of Class A Capital Shares and Series 1 Preferred Shares;
 - (ii) following receipt of stock dividends on the Portfolio Shares;
 - (iii) in the event of a take-over bid for any of the Portfolio Shares;
 - (iv) if necessary, to fund any shortfall in the distribution on Series 1 Preferred Shares; and

- (v) to meet obligations of the Filer in respect of liabilities including extraordinary liabilities.

9. Series 1 Preferred Share distributions will be funded primarily from the dividends received on the Portfolio Shares. If necessary, any shortfall in the distributions on the Series 1 Preferred Shares will be funded with proceeds from the sale of Portfolio Shares, or, if determined appropriate by the Board of Directors, premiums earned from writing covered call options on Portfolio Shares.
10. The record date for the payment of Series 1 Preferred Share distributions, Class A Capital Share dividends or other distributions of the Filer will be set in accordance with the applicable requirements of the TSX.
11. The Class A Capital Shares and Series 1 Preferred Shares may be surrendered for retraction at any time. Retraction payments for Class A Capital Shares and Series 1 Preferred Shares will be made on the Retraction Payment Date (as defined in the Preliminary Prospectus) provided the Class A Capital Shares and the Series 1 Preferred Shares have been surrendered for retraction no later than five business days before the 15th day of a month. While the Filer’s Unit Value (as defined in the Preliminary Prospectus) is calculated weekly, the retraction price for the Class A Capital Shares and the Series 1 Preferred Shares will be determined based on the Unit Value in effect as at the Valuation Date (as defined in the Preliminary Prospectus).
12. Any Class A Capital Shares and Series 1 Preferred Shares outstanding on February 28, 2016 will be redeemed by the Filer on such date.

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 is that the Exemption Sought is granted as follows:

- (a) section 10.3 – to permit the Filer to calculate the retraction price for the Series 1 Preferred Shares in the manner described in the Preliminary Prospectus and on the applicable Valuation Date as defined in the Preliminary Prospectus; and
- (b) subsection 10.4(1) – to permit the Filer to pay the retraction price for the Series 1 Preferred Shares on the Retraction Payment Date, as defined in the Preliminary Prospectus.

"Darren Mckall"
Assistant Manager, Investment Funds Branch
Ontario Securities Commission

2.1.5 Red Crescent Resources Limited

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – application for relief from the requirement in subsection 4.2(1) of National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards that financial statements be prepared in accordance with Canadian GAAP – issuer wants to prepare its financial statements in accordance with International Financial Reporting Standards – issuer has implemented a comprehensive changeover plan, has assessed readiness of key persons, and has considered implications of adopting International Financial Reporting Standards – exemption granted, subject to conditions.

Applicable Legislative Provisions

National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards, s. 4.2(1).

February 22, 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
RED CRESCENT RESOURCES LIMITED
(the FILER)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction (the **Legislation**) exempting the Filer from the requirements of Part 4 of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards* (**NI 52-107**) (the **Exemption Sought**) including the requirement that financial statements be prepared in accordance with generally accepted accounting principles determined with reference to Part V of the Handbook (the **Handbook**) of the Canadian Institute of Chartered Accountants applicable to public enterprises (**Old Canadian GAAP**), in order that the Filer may prepare its financial statements for the fiscal year ended December 31, 2010 in accordance with generally accepted accounting principles determined with reference to Part I of the Handbook applicable to accountable enterprises, that is International Financial Reporting Standards (**IFRS**) as

issued by the International Accounting Standards Board (IFRS-IASB).

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

- (a) the Ontario Securities Commission is the principal regulator for this application; and
- (b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in the Provinces of Alberta and British Columbia (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

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

1. The Filer is a corporation incorporated under the *Business Corporations Act* (Ontario) on June 17, 2005. The registered and head office of the Filer is located at 2 Bloor Street West, Suite 1803, Toronto, Ontario M4W 3E2.
2. The Filer is a reporting issuer in the Jurisdiction and in the Passport Jurisdictions. The Filer is not, to its knowledge, in default of its reporting issuer obligations under the Legislation or the securities legislation of the provinces of the Passport Jurisdictions.
3. The Filer's common shares are listed on Toronto Stock Exchange (TSX) under the symbol "RCB".
4. The Filer is a development stage company, which is principally engaged, through its recently acquired direct and indirect subsidiaries, in the exploration and acquisition of mineral properties in the Republic of Turkey.
5. On November 5, 2010 (the **RTO Closing Date**), pursuant to a securities exchange agreement dated September 7, 2010, the Filer acquired (the **RTO**) all of the issued and outstanding securities of Red Crescent Resources (Barbados) Ltd. (the **RTO Acquirer**), a Barbados based private holding company incorporated on April 15, 2010. The principal assets of the RTO Acquirer are the issued and outstanding shares of Red Crescent Resources Holding Anonim ?irketi (**RCR Turkey**), a Turkey based private development stage company formed on October 27, 2008, whose business is to acquire, explore and develop mineral properties in the Republic of Turkey.

6. Pursuant to the RTO, the former shareholders of the RTO Acquirer acquired approximately 90% of the issued and outstanding common shares of the Filer upon completion of the RTO. This transaction constituted a Reverse Take-Over of the Filer within the meaning of the policies of TSX Venture Exchange (TSXV). In accordance with TSXV policies, the Filer prepared and filed on SEDAR a Filing Statement dated October 26, 2010 (the **Filing Statement**) in connection with the RTO.
7. In connection with the RTO, the Filer applied for and obtained listing of its common shares on TSX and delisted from TSXV; the common shares of the Filer commenced trading on TSX on November 11, 2010.
8. The Filer has a year end of December 31 and currently prepares its financial statements in accordance with Canadian GAAP.
9. The RTO Acquirer and RCR Turkey, which became the Filer's material direct and indirect subsidiaries after the completion of the RTO, have a year end of December 31 and have historically prepared and currently continue to prepare financial statements in accordance with IFRS-IASB. The unaudited consolidated financial statements of the RTO Acquirer for the interim period ended September 30, 2010 have been filed on SEDAR and the audited consolidated financial statements of the RTO Acquirer for the interim period ended June 30, 2010 and the year ended December 31, 2009 are included in the Filing Statement filed on SEDAR.
10. As a result of the RTO, the financial statements of the Filer are now those of the RTO Acquirer.
11. Absent an exemption, subsection 4.2(1) of NI 52-107 would require that the Filer's financial statements relating to financial years beginning before (or prior to) January 1, 2011, other than acquisition statements, be prepared in accordance with Old Canadian GAAP.
12. The Canadian Accounting Standards Board has confirmed that publicly accountable enterprises will be required to prepare their financial statements in accordance with IFRS-IASB for financial statements relating to financial years beginning on or after January 1, 2011.
13. In CSA Staff Notice 52-321 *Early Adoption of International Financial Reporting Standards, Use of US GAAP and Reference to IFRS-IASB*, staff of the Canadian Securities Administrators recognized that some issuers may wish to prepare their financial statements in accordance with IFRS-IASB for periods beginning prior to January 1, 2011 and indicated that staff were prepared to recommend exemptive relief on a case by case basis to permit a domestic issuer to do so.

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| <p>14. Subject to obtaining the Exemption Sought, the Filer intends to use IFRS-IASB for its financial statements for periods ending after the RTO Closing Date, including the fiscal year ended December 31, 2010.</p> <p>15. The Filer believes that the use of IFRS-IASB will avoid potential confusion for the users of its financial statements as all financial statements reporting on the business of the RTO Acquirer will have been prepared using the same accounting standards.</p> <p>16. Since the RTO Acquirer currently prepares its financial statements under IFRS-IASB, it has assessed the readiness of the staff, board of directors, audit committee, auditors, investors and other market participants of the Filer for the adoption of IFRS-IASB for the Filer and believes such persons are adequately prepared for such adoption.</p> <p>17. The Filer has considered the implication of adopting IFRS-IASB for financial periods ending after the completion of the RTO on its obligations under securities legislation including, but not limited to, those relating to CEO and CFO certifications, business acquisition reports, offering documents, and previously released material forward looking information.</p> <p>18. The Filer included relevant information about the RTO and its transition to IFRS-IASB in the Filer's previously filed management's discussion and analysis, including in respect of the interim period ended September 30, 2010.</p> | <p>4. complies with the IFRS-related amendments to National Instrument 52-109 <i>Certification of Disclosure in Issuers' Annual and Interim Filings</i> that came into force on January 1, 2011 and that apply to annual filings and interim filings for years ending after the RTO Closing Date; and</p> <p>5. complies with the IFRS-related amendments to National Instrument 52-110 Audit Committees that came into force on January 1, 2011 and that apply to periods relating to financial years after the RTO Closing Date.</p> <p>"Michael Brown"
Assistant Manager, Corporate Finance Branch</p> |
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Decision

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

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

1. prepares its annual financial statements for years ending after the RTO Closing Date in accordance with IFRS-IASB;
2. complies with Part 3 of NI 52-107 for financial statements, financial information, operation statements and pro forma financial statements for years ending after the RTO Closing Date;
3. complies with the IFRS-related amendments to National Instrument 51-102 *Continuous Disclosure Obligations* (NI 51-102) that came into force on January 1, 2011 and that apply to documents required to be prepared, filed, delivered, or sent under NI 51-102 for years ending after the RTO Closing Date;

2.1.6 First National Financial Corporation

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – exemption granted to a successor issuer from the requirement to file a notice declaring its intention to be qualified to file a short form prospectus at least 10 business days prior to the filing of a preliminary short form prospectus – disclosure regarding the predecessor issuer will effectively be the disclosure of the successor issuer – predecessor issuer is qualified to file a short form prospectus.

Applicable Legislative Provisions

National Instrument 44-101 Short Form Prospectus Distributions.

January 4, 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
FIRST NATIONAL FINANCIAL CORPORATION
(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 pursuant to Section 8.1 of National Instrument 44-101 *Short Form Prospectus Distributions* (**NI 44-101**) exempting the Filer from the requirement, contained in section 2.8 of NI 44-101, to file a notice declaring its intention to be qualified to file a short form prospectus (the **Notice of Intention**) at least 10 business days prior to the filing of its first preliminary short form prospectus after the Notice of Intention (the **Exemption Sought**).

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

- a) the Ontario Securities Commission is the principal regulator for this application; and
- b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 – *Passport System*

(**MI 11-102**) is intended to be relied upon in each of the other provinces and territories of Canada.

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 incorporated and existing under the laws of Ontario.
2. The head and registered office of the Filer is located at 100 University Avenue, North Tower, Suite 700, Toronto, Ontario, M5J 1V6.
3. The Filer became a reporting issuer in each of the provinces and territories of Canada following the completion on January 1, 2011 of the conversion (the **Conversion**) of First National Financial Income Fund (the **Fund**) to a corporate structure by way of a plan of arrangement and subsequent amalgamation.
4. The Filer is not, to its knowledge, in default of its obligations under the Legislation or the securities legislation of the other jurisdictions.
5. The authorized share capital of the Filer consists of an unlimited number of common shares (the **Common Shares**) and an unlimited number of preferred shares (the **Preferred Shares**) issuable in series. As of January 5, 2011, the Filer had 59,967,429 Common Shares and no Preferred Shares outstanding.
6. The Filer's Common Shares are listed on the Toronto Stock Exchange.
7. On January 1, 2011, the Conversion was completed in accordance with the Ontario *Business Corporations Act* (the **OBCA**).
8. The Filer is a "successor issuer" to the Fund as defined in NI 44-101 and is eligible to make use of the exemption provided under section 2.7(2) of NI 44-101 to qualify to file a prospectus in the form of a short form prospectus.
9. The Fund was a limited purpose trust established under the laws of the Province of Ontario by a declaration of trust dated April 19, 2006, as amended and restated on June 8, 2006.
10. The Fund was a reporting issuer in each of jurisdictions until the completion of the Conversion on January 1, 2011; and at the time of the Conversion, the Fund was not, to its knowledge, in

default of its obligations under the Legislation or the securities legislation of the other jurisdictions.

11. The Fund was qualified to file a prospectus in the form of a short form prospectus pursuant to section 2.2 of NI 44-101 and filed a Notice of Intention to be qualified to file a short form prospectus on November 11, 2009.
12. The Fund's Conversion from a unit trust structure to a share corporation was subject to unitholder and other approvals and was undertaken pursuant to a statutory plan of arrangement under the OBCA that was approved by unitholders at a special meeting held on May 4, 2010 and subsequent amalgamation.
13. The Filer intends to file a preliminary short form prospectus (the **Preliminary Prospectus**) relating to the issuance of \$100 million of Class A Preference Shares, Series 1 on or about January 11, 2011.
14. On January 4, 2011, the Filer, in anticipation of the filing of the Preliminary Prospectus, filed a Notice of Intention. In the absence of the Exemption Sought, the Filer will not be qualified to file the Preliminary Prospectus until January 18, 2011.
15. Pursuant to the qualification criteria set forth in section 2.2 of NI 44-101, the Filer is qualified to file a short form prospectus on the basis that it satisfies the requirements of section 2.2 of NI 44-101 and can make use of the exemption provided under section 2.7(2) of NI 44-101 to qualify to file a prospectus in the form of a short form prospectus.
16. Notwithstanding section 2.2 of NI 44-101, section 2.8(1) of NI 44-101 provides that an issuer is not qualified to file a short form prospectus unless it has filed a Notice of Intention at least 10 business days prior to the issuer filing its first preliminary short form prospectus.
17. The Filer will not satisfy the requirement in section 2.8(1) of NI 44-101 by January 11, 2011, and will not be qualified to file the Preliminary Prospectus at that time, unless the Exemption Sought is granted.
18. The Filer is otherwise qualified to file a short form prospectus as successor to the Fund for all other purposes of NI 44-101.
19. Prior to the Conversion, the Fund was qualified to file a short form prospectus, and shareholders of the Filer (who were, immediately prior to the Conversion, unitholders of the Fund) have the benefit of access to the historical continuous disclosure of the Fund, the predecessor to the Filer. The Filer, as the successor issuer of the

Fund, has a market capitalization of approximately \$1.12 billion as at January 5, 2011. As the Filer does not have an independent public disclosure record and its continuous disclosure record is that of the Fund, there is no continuous disclosure review interest with respect to the Filer that would be impacted if the Notice of Intention Exemption were granted.

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, at the time the Filer files the Preliminary Prospectus, the Filer meets the requirements of:

- (a) paragraphs 2.2(a), (b), (c) and (e) of NI 44-101, and
- (b) the exemption for successor issuers set forth in subsection 2.7(2) of NI 44-101.

This decision will terminate on January 18, 2011, the date which is 10 business days following the proposed filing of the Notice of Intention.

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

2.1.7 Theratechnologies Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief from the prospectus requirements in connection with the use of electronic roadshow materials – cross-border offering of securities – compliance with U.S. offering rules leads to non-compliance with Canadian regime – relief required as use of electronic roadshow materials constitutes a distribution requiring compliance with prospectus requirements – relief granted from sections 25 and 53 of the Securities Act (Ontario) in connection with a cross-border offering – decision subject to conditions.

Applicable Legislative Provisions

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

February 23, 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 JURISDICTIONS

AND

IN THE MATTER OF
THERATECHNOLOGIES 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**”) requesting relief from the prospectus and the registration requirements under the Legislation in order to post, without restrictions, certain electronic roadshow materials on the website of one or more commercial services, such as www.retailroadshow.com and/or www.netroadshow.com, during the Waiting Period (as hereinafter defined) (collectively, the “**Exemption Sought**”).

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

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

Interpretation

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

In this decision,

“**base PREP prospectus**” and “**supplemented PREP prospectus**” have the meaning attributed to such term under *Regulation 44-103 respecting Post-Receipt Pricing*; and

“**Notice 47-201**” means *Notice 47-201 relating to Trading Securities Using the Internet and Other Electronic Means*.

Representations

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

1. The Filer is a business corporation governed by the *Business Corporations Act* (Québec) and its head office is located at 2310 Boulevard Alfred-Nobel, Montréal, Québec, Canada, H4S 2B4.
2. The Filer is a Canadian biopharmaceutical company that discovers and develops innovative therapeutic products, with an emphasis on peptides.
3. The Filer is a reporting issuer under the securities legislation in each of the provinces of Canada and is not in default of such securities legislation. The Filer is qualified to file a short form prospectus and also to file a short form base PREP prospectus under applicable provincial securities legislation in Canada.
4. The Filer is currently contemplating an offering of common shares in Canada and the United States (the “**Offering**”) which would constitute an initial public offering in the United States and a new issue in the provinces of Canada.
5. The Filer’s common shares are listed for trading on the Toronto Stock Exchange. In connection with the Offering, the Filer intends to apply to have its common shares quoted on the Nasdaq Global Market.
6. The Filer intends to file with the relevant securities regulatory authorities in each of the provinces of Canada a preliminary short form base PREP prospectus in respect of the Offering (the “**Preliminary Prospectus**”). Contemporaneously with the filing of the Preliminary Prospectus, the Filer intends to file with the SEC a registration statement on Form F-10 under the 1933 Act in respect of the Offering (the “**Registration Statement**”). The Preliminary Prospectus and the Registration Statement will be filed in accordance with *National Instrument 71-101 Multijurisdictional Disclosure System*.
7. Following (i) the issuance of a receipt from the AMF, as principal regulator, in respect to the Preliminary Prospectus and (ii) the filing of the Registration Statement with the SEC, the Filer intends to commence the marketing of the Offering in both the United States and Canada.
8. During the period between the date of the receipt for the Preliminary Prospectus and the date of the receipt for the final short form base PREP prospectus in respect of the Offering (the “**Waiting Period**”), the Filer intends to use electronic roadshow materials (the “**Website Materials**”) as part of the marketing of the Offering, as is now typical for initial public offerings in the United States.
9. Compliance with applicable United States securities laws requires the Filer to either make the Website Materials “available without restriction” or file the Website Materials on the SEC’s Electronic Data-Gathering Analysis and Retrieval System (known under its acronym, EDGAR), which will have the same effect as making them “available without restriction”. The Filer understands that, in practice, making documents “available without restriction” means that no restrictions on access or viewing may be imposed, such as password protection, both with respect to persons inside and outside of the United States.
10. The Filer and its underwriters wish to market the Offering in a manner that is typical for public offerings in the United States by posting the Website Materials on the website of one or more commercial services, such as www.retailroadshow.com and/or www.netroadshow.com, without any restriction thereon.
11. The prospectus and registration requirements of the Legislation, as well as the guidelines regarding marketing and solicitation activities that are permissible during the Waiting Period, require that access to the Website Materials be controlled by the Filer or the underwriters, for example, by such means as password protection, under Notice 47-201.
12. Absent the Exemption Sought, the Filer could not use the Website Materials during the Waiting Period as part of the marketing of the Offering in a manner that complies with both United States securities laws and the Legislation.
13. The Website Materials will contain a statement informing readers that the Website Materials do not contain all of the information in the Preliminary Prospectus, the final short form base PREP prospectus in respect of the Offering, or the short form supplemented PREP prospectus in respect of the Offering, or any amendment to any of the foregoing (collectively, the “**Prospectuses**”), and that prospective purchasers should review the Prospectuses, in addition to the Website Materials, for complete information regarding the shares offered pursuant to the Offering.

14. The Filer will comply with all other provisions of Notice 47-201 which do not deal with access to the Website Materials, as well as with subparagraph 2.7(2)3 of Notice 47-201.
15. The information contained in the Website Materials will be fair and balanced and will not contradict or distort information contained in the Prospectuses.
16. The Filer will include in the Website Materials a hyperlink to the Prospectuses when such documents are filed.
17. The Filer will state in the Website Materials and the Prospectuses that purchasers of the shares offered pursuant to the Offering in the provinces of Canada will have a contractual right of action against the Filer and the Canadian underwriters in connection with the information contained in the Website Materials. To do so, the Filer will include in the Website Materials language substantially in the following form:

"We may make available certain materials describing the offering (the "Website Materials") on the website of one or more commercial services, such as www.retailroadshow.com and/or www.netroadshow.com under the heading "Theratechnologies Inc." in accordance with U.S. federal securities laws during the period prior to obtaining a final receipt for the final short form base PREP prospectus relating to the offering (the "Final Prospectus") from the securities regulatory authorities in each of the provinces of Canada. In order to give purchasers in each of the provinces of Canada the same unrestricted access to the Website Materials as provided to U.S. purchasers, we have applied for and obtained exemptive relief in a decision dated February _____, 2011 from the securities regulatory authorities in each of the provinces of Canada. Under the terms of that exemptive relief, we and each of the Canadian underwriters signing the certificate contained in the Final Prospectus agreed that, if the Website Materials contained any untrue statement of a material fact or omitted to state a material fact required to be stated or necessary in order to make any statement therein not misleading in light of the circumstances in which it was made (a "misrepresentation"), a purchaser resident in a province of Canada who purchases common shares offered under the Final Prospectus during the period of distribution has, without regard to whether the purchaser relied on the misrepresentation, rights against us and each of the Canadian underwriters for the misrepresentation that are equivalent to the rights under sections 217 and 218 of the Securities Act (Québec) or the comparable provision of the securities legislation in each of the other provinces of Canada, as if that misrepresentation was contained in the Final Prospectus."

18. At least one underwriter that will sign the Prospectuses will be registered in each of the provinces of Canada.
19. Purchasers in each of the Canadian provinces will only be able to purchase shares under the Offering through an underwriter that is registered, or that is otherwise exempt from the registration requirement, in the jurisdiction of residence of the purchaser.
20. The Filer acknowledges that the Exemption Sought relates only to the posting of the Website Materials on the website of one or more commercial services, and not with respect to the Prospectuses.

Decision

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

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

- a) the Filer complies with the representations in paragraphs 13 to 19 of this decision, and
- b) the Website Materials will not include comparables unless the comparables are also included in the Prospectuses.

"Jean Daigle"
Director, Corporate Finance

2.1.8 Husky Energy Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Issuer allowed to make disclosure of reserves and future net revenue based on US disclosure requirements, at its option – the Issuer's US disclosure would not meet certain requirements in NI 51-101 – the Issuer is subject to the requirements of NI 51-101 and will provide disclosure compliant with that instrument – National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities.

Applicable Legislative Provisions

National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities.

Citation: Husky Energy Inc., Re, 2010 ABASC 603

December 30, 2010

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

AND

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

AND

IN THE MATTER OF
HUSKY ENERGY 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 be exempted from the following (collectively, the **Exemptions Sought**):

- (a) sections 5.2 and 5.3 of National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* (**NI 51-101**) (the **COGEH Relief**);
- (b) section 5.15(b)(iii) of NI 51-101 (the **Transitional F&D Comparative Relief**);
- (c) item 4.1 of Form 51-101F1 *Statement of Reserves Data and Other Information* (**Form 51-101F1**) (the **Transitional Reconciliation Relief**);
- (d) item 5.1 of Form 51-101F1 (the **Transitional 2010 PUD Relief**); and
- (e) paragraphs 5.1(1)(a) and 5.1(2)(a) of Form 51-101F1 (the **Transitional 2011/2012 PUD Relief**).

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

- (a) the Alberta Securities Commission is the principal regulator for this application;
- (b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in each of the provinces in Canada other than Alberta and Ontario; and
- (c) the decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, NI 11-102, NI 51-101 or CSA Staff Notice 51-324 *Glossary To NI 51-101 Standards of Disclosure for Oil and Gas Activities* have the same meaning if used in this decision, unless otherwise defined herein.

Representations

The Filer represents to the Commission that:

1. The head office of the Filer is located in Calgary, Alberta.
2. The Filer is a reporting issuer or equivalent in each of the provinces of Canada and is not in default of securities legislation in any of the provinces of Canada.
3. The Filer has securities registered under the 1934 Act.
4. The Filer is active in capital markets outside Canada where it competes for capital with foreign issuers, and has offered and intends to continue to offer securities in the United States of America (the **US**).
5. A significant portion of the Filer's securities are held, or a significant portion of its security holders are located, outside Canada.
6. Differences between the requirements and restrictions under US securities laws and guidance applied by the SEC, as they relate to disclosure concerning reserves and future net revenue, in material required to be filed with the SEC (collectively, the **US Disclosure Requirements**), and the requirements and restrictions under NI 51-101 are such that, absent relief, some disclosure made in accordance with US Disclosure Requirements would contravene NI 51-101, Form 51-101F1 or both (together, the **Instrument**).
7. For purposes of making an investment decision or providing investment analysis or advice, a significant portion of the Filer's investors, lenders and investment analysts in both Canada and the US routinely compare the Filer to issuers engaged in oil and gas activities that are based in the US or other foreign countries, such that comparability of the Filer's disclosure to that of such foreign-based issuers is of primary relevance to those market participants.
8. Pursuant to a decision dated 29 September 2008 issued in respect of the Filer, the Filer has been permitted to make certain disclosure in accordance with US Disclosure Requirements (the **2008 Relief**).
9. Under its terms, the Filer will cease to be able to rely on the 2008 Relief after 1 January 2011 and will become subject to all of the requirements of the Instrument. Temporary transitional relief would facilitate convergence of certain of the Filer's reserves and future net revenue disclosure practices with the Instrument, without detriment to market participants.
10. The Filer may wish to include, in its disclosure that is subject to Part 5 of NI 51-101, disclosure of reserves and future net revenue prepared in accordance with US Disclosure Requirements (the **Filer's US Disclosure**).

Decision

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

Pursuant to section 8.1 of NI 51-101:

- (a) the COGEH Relief is granted with respect to the Filer's US Disclosure (if any), and with respect to the Filer's disclosure of finding and development costs based on reserves determined in accordance with US Disclosure Requirements (the **Filer's US F&D Disclosure**)(if any), as the case may be, provided that:
 - (i) the Filer describes any material differences between such disclosure and the corresponding disclosure it also makes, as required, under Canadian securities laws (its **Required Canadian Disclosure**), within or proximate to its Required Canadian Disclosure;
 - (ii) in the case of the Filer's US Disclosure (if any), it:
 - A. complies with the US Disclosure Requirements;

- B. is identified as having been prepared in accordance with US Disclosure Requirements;
 - C. discloses the effective date of the estimates disclosed therein; and
 - D. is based on reserves estimates which have been prepared or audited by a qualified reserves evaluator or auditor; and
- (iii) in the case of the Filer's US F&D Disclosure (if any):
- A. all proved reserves, and any probable reserves, are determined in accordance with US Disclosure Requirements and are accompanied by a statement to the effect that the proved reserves, and any probable reserves, have been determined in accordance with US Disclosure Requirements; and
 - B. the Filer provides disclosure in accordance with section 5.15 of NI 51-101 and this disclosure is publicly available to investors;
- (b) the Transitional F&D Comparative Relief is granted for the Filer's disclosure of finding and development costs for the Filer's financial years ending in 2010, 2011 and 2012, in each case only to the extent that the requisite comparative information for the most recent financial year, the second most recent financial year and the averages for the three most recent financial years is not available to the Filer;
- (c) the Transitional Reconciliation Relief is granted for the Required Canadian Disclosure for the Filer's financial year ending in 2010;
- (d) the Transitional 2010 PUD Relief is granted for the Required Canadian Disclosure for the Filer's financial year ending in 2010, only to the extent that the requisite information about volumes of proved undeveloped reserves or probable undeveloped reserves that were first attributed in each of the most recent three financial years, and the aggregate attributed before that time, is not available to the Filer, provided that the Filer includes in its annual filing under section 2.1 of NI 51-101 an explanation of why this information is omitted; and
- (e) the Transitional 2011/2012 PUD Relief is granted for the Required Canadian Disclosure for the Filer's financial years ending in 2011 and 2012, only to the extent that information about volumes of proved undeveloped reserves or probable undeveloped reserves that were first attributed in each of the most recent three financial years, and the aggregate attributed before that time, is not available to the Filer, provided that the Filer includes in its annual filing under section 2.1 of NI 51-101 an explanation of why this information is omitted.

This decision, as it relates to paragraph (a) above, will terminate on the effective date of any amendment to the Legislation that permits disclosure of the nature contemplated by that paragraph.

"William Rice, QC"
Chair
Alberta Securities Commission

"Stephen Murison"
Vice-Chair
Alberta Securities Commission

2.1.9 Richards Oil & Gas Limited

Headnote

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

Applicable Legislative Provisions

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

Citation: Richards Oil & Gas Limited, Re, 2011 ABASC 112

March 1, 2011

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA, SASKATCHEWAN, ONTARIO,
NOVA SCOTIA AND NEW BRUNSWICK
(the Jurisdictions)

AND

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

AND

IN THE MATTER OF
RICHARDS OIL & GAS LIMITED
(the Filer)

DECISION

Background

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

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

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

Interpretation

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

Representations

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

1. The Filer was incorporated under the *Business Corporations Act* (Alberta) on May 18, 2004.
2. The Filer's head office is located in Calgary, Alberta.
3. The Filer is a reporting issuer in each of British Columbia, Alberta, Saskatchewan, Ontario, Nova Scotia and New Brunswick.
4. The authorized share capital of the Filer consists of an unlimited number of voting class A common shares (**Class A Shares**) and an unlimited number of convertible non-voting class B common shares (**Class B Shares**) of which 600,000 Class A Shares and 500,000 Class B Shares are issued and outstanding as of the date hereof.
5. The former common shares of the Filer (the **Common Shares**) were delisted from trading on the TSX Venture Exchange on July 9, 2010 (the **Delisting**) and, accordingly, no securities of the Filer are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*.
6. On December 30, 2010, the Filer completed a proposal (the **Proposal**) under the *Bankruptcy and Insolvency Act* which resulted in the reorganization and re-capitalization of the Filer for the purpose of settling the claims of the Filer's creditors and providing the Filer with sufficient resources to continue as a private company with a new board of directors. As a result of the Proposal, the outstanding securities of the Filer, including debt securities, are now beneficially owned, directly or indirectly, by fewer than 15 security holders in total in Canada.
7. The Filer is subject to cease trade orders in Alberta, British Columbia and Ontario for its failure to file required filings under applicable securities laws. The Filer sought and received orders partially revoking the cease trade orders in Alberta and Ontario in order to permit trades in securities necessary for and in connection with the Proposal. The Filer has applied for and expects to be granted concurrently with this Order, full revocations of the cease trade orders in Alberta, British Columbia and Ontario.
8. The Filer voluntarily surrendered its status as a reporting issuer in British Columbia pursuant to BC Instrument 11-102 *Voluntary Surrender of Reporting Issuer Status*.
9. The Filer is applying for a decision that it is not a reporting issuer in all of the Jurisdictions.

10. The Filer is not in default of any of its obligations under the Legislation as a reporting issuer as of the date hereof, other than the obligation to file: (a) its annual audited financial statements, managements' discussion and analysis and certification of annual filings for the year ended December 31, 2009; (b) its interim unaudited financial statements, interim managements' discussion and analysis and certification of interim filings for the interim periods ended March 31, June 30 and September 30, 2010; (c) its oil and gas disclosure prescribed by National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* for the year ended December 31, 2009; (d) the applicable form under OSC Rule 13-502 *Fees* for the year ended December 31, 2009; and (e) the notice under section 11.2(b) of National Instrument 51-102 *Continuous Disclosure Obligations* with respect of the Delisting (collectively, the **Filings**).
11. The Filer is not eligible to use the simplified procedure under CSA Staff Notice 12-307 *Applications for a Decision that an Issuer is not a Reporting Issuer* because it is in default of its obligation to file the Filings.
12. The Filer has no current intention to seek public financing by way of an offering of securities.
13. The Filer, upon the receipt of the decision, will no longer be a reporting issuer or the equivalent thereof in any jurisdiction in Canada.

Decision

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

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

"Blaine Young"
Associate Director, Corporate Finance

2.1.10 BAC Canada Finance Company

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief from eligibility requirements under NI 44-102 for reporting issuer whose credit supporter's equity securities are not listed on a short form eligible exchange – issuer is a wholly-owned subsidiary – issuer is a substantial global financial services provider – parent company provides full and unconditional credit support for the securities being distributed – equity securities of parent listed on New York Stock Exchange.

Applicable Legislative Provisions

National Instrument 44-102 Shelf Distributions, ss. 2.2, 11.1.

March 7, 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 BAC CANADA FINANCE COMPANY (the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision (the **Exemption Sought**) under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for an exemption, pursuant to subsection 11.1(1) of National Instrument 44-102 – *Shelf Distributions* (**NI 44-102**), from the requirements in subsection 2.4(1) and subparagraph 2.4(3)(b)(v) of NI 44-102 which would otherwise require that equity securities of Bank of America Corporation (**BAC**), as credit supporter, be listed and posted for trading on a short form eligible exchange (as defined in National Instrument 44-101 *Short Form Prospectus Distributions* (**NI 44-101**) in order for the Filer to distribute by short form prospectus debt securities (**Debt Securities**) or cash-settled structured warrants (**Structured Warrants**).

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

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

- (b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 – *Passport System* (**MI 11-102**) is intended to be relied upon in all of the provinces of Canada other than Ontario.

Interpretation

Terms defined in National Instrument 14-101 – *Definitions*, MI 11-102, NI 44-101 and NI 44-102 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, an indirect wholly-owned subsidiary of BAC, is an unlimited company incorporated under the *Companies Act* (Nova Scotia) having its registered office at Suite 800, 1959 Upper Water Street, Halifax, Nova Scotia B3J 2X2 and its head office at Brookfield Place, Suite 400, 181 Bay Street, Toronto, Ontario M5J 2V8.
2. BAC is a Delaware corporation, a bank holding company and a financial holding company under the U.S. Gramm-Leach-Bliley Act. Its principal executive offices are located in the Bank of America Corporate Center, 100 North Tryon Street, Charlotte, North Carolina 28255.
3. As of December 31, 2009, BAC was among the largest financial institutions in the world measured by total assets. As of that date, BAC had total assets of US\$2,223 billion and total shareholders' equity of US\$231 billion.
4. Certain of the Debt Securities will be issued under an indenture dated as of October 1, 2009 between the Filer, BAC and CIBC Mellon Trust Company, as trustee (the **Indenture**).
5. All amounts payable by the Filer under the Debt Securities and the Structured Warrants will be fully and unconditionally guaranteed by BAC.
6. The principal market on which BAC's common stock is traded is the New York Stock Exchange (**NYSE**). BAC's common stock is also listed on the London Stock Exchange.
7. The Filer is a reporting issuer in each of the provinces of Canada and is not in default of securities legislation in any province of Canada. BAC is a reporting issuer in each of the provinces and territories of Canada and is not in default of securities legislation in any province or territory of Canada.
8. The Filer filed a short form base shelf prospectus dated September 28, 2009 (the **Prospectus**). The Filer was qualified to file the Prospectus because it satisfied the alternative qualification criteria for issuers of guaranteed non-convertible debt securities, preferred shares and cash settled derivatives set out in section 2.4 of NI 44-101 and section 2.4 of NI 44-102.
9. The Filer has obtained approved ratings (as defined in NI 44-101) from Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business (**S&P**), Moody's Investors Service Ltd. (**Moody's**) and Fitch Inc. (**Fitch**) for its program (the **Program**) of issuance of medium-term notes (the **Notes**) pursuant to the Indenture and a prospectus supplement dated October 1, 2009. These ratings are assigned to the Program and not to a specific issuance of Notes.
10. In June 2009 Moody's announced it would no longer assign new public ratings to bonds, notes, or preferred stock for which the amount of promised principal repayment is dependent on the occurrence of a non-credit event or the performance of an index. S&P announced in December 2009 that it would no longer rate obligations with variable principal payments linked to commodity prices, equity prices, or indices linked to either commodity or equity prices. At the date hereof none of S&P, Moody's and Fitch will provide a rating for a specific issuance of non-principal protected Notes. As a result, absent the granting of the Exemption Sought, the Filer would not be qualified under Part 2 of NI 44-102 to file a renewal preliminary base shelf prospectus and final base shelf prospectus qualifying the distribution of non-principal protected Notes.
11. The Filer satisfies the alternative qualification criteria set forth in section 2.4 of NI 44-101 and section 2.4 of NI 44-102, other than the requirement that BAC, as credit supporter providing full and unconditional credit support for the securities qualified by the Prospectus, has equity securities listed and posted for trading on a short form eligible exchange.
12. The Filer does not plan to seek ratings for the specific issuances of Debt Securities under the Prospectus.

Decision

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

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

- (i) BAC provides full and unconditional credit support for the securities being distributed under the Prospectus or any renewal short form base shelf prospectus;

- (ii) BAC is a U.S. credit supporter (as defined in NI 44-101) and the Filer is incorporated or organized under the laws of Canada or a jurisdiction of Canada;
- (iii) BAC is not an issuer:
 - a. whose operations have ceased; or
 - b. whose principal asset is cash, cash equivalents, or its exchange listing;
- (iv) the shares of BAC common stock are listed and posted for trading on the NYSE or any successor thereof;
- (v) each shelf prospectus supplement qualifying non-principal protected Debt Securities distributed under a short form base shelf prospectus of the Filer includes cover page disclosure that:
 - a. the non-principal protected Debt Securities are not rated;
 - b. any non issue specific credit rating applicable to Debt Securities only applies to credit-related factors such as the Filer's ability to make any payments it would be obligated to make under the Debt Securities;
 - c. any non issue specific credit rating applicable to Debt Securities does not apply to non-principal protected Debt Securities and, for so long as S&P, Moody's and Fitch continue not to rate non-principal protected Debt Securities, an explanation to that effect; and
 - d. an investor's principal is at risk as a result of non credit-related factors such as the performance of the underlying reference asset; and
- (vi) the Filer files before or concurrently with any renewal short form base shelf prospectus an undertaking that it will not distribute in any local jurisdiction under such prospectus specified derivatives that, at the time of distribution, are novel without pre-clearing with the regulator the disclosure contained in a shelf prospectus supplement pertaining to the distribution of the novel specified derivatives, in accordance with subsection 4.1(2) of NI 44-102.

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

2.1.11 NiMin Energy Corp.

Headnote

MI 11-102 and NP 11-203 – Issuer allowed to make disclosure of reserves and future net revenue compliant with US disclosure requirements, at its option – the Issuer's US-compliant disclosure would not meet certain requirements in NI 51-101 – the Issuer is subject to the requirements of NI 51-101 and will provide disclosure compliant with that instrument – National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities.

Applicable Legislative Provisions

National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities.

Citation: NiMin Energy Corp., Re, 2011 ABASC 121

March 7, 2011

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

AND

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

AND

**IN THE MATTER OF
NIMIN ENERGY CORP.
(the Filer)**

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) that the Filer be exempted from sections 5.2 and 5.3 of National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* (**NI 51-101**) (the **Exemption Sought**).

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

- (a) the Alberta Securities Commission is the principal regulator for this application;
- (b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia and Nova Scotia; and

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

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, MI 11-102, NI 51-101 or CSA Staff Notice 51-324 *Glossary To NI 51-101 Standards of Disclosure for Oil and Gas Activities* have the same meaning if used in this decision, unless otherwise defined herein.

Representations

The Filer represents to the Commission that:

1. The Filer is a corporation incorporated pursuant to the *Business Corporations Act* (Alberta).
2. The head office of the Filer is located in California, United States of America (the **US**).
3. The Filer is a reporting issuer or equivalent in Alberta, British Columbia, Nova Scotia and Ontario and is not in default of securities legislation in such provinces.
4. The Filer has securities registered under the 1934 Act.
5. The Filer is active in capital markets outside Canada where it competes for capital with foreign issuers, and has offered and intends to continue to offer securities in the US.
6. A significant portion of the Filer's securities are held, or a significant portion of its security holders are located, outside Canada.
7. Differences between the requirements and restrictions under US securities laws and guidance applied by the SEC, as they relate to disclosure concerning reserves and future net revenue in material required to be filed with the SEC (collectively, the **US Disclosure Requirements**), and the requirements and restrictions under NI 51-101 are such that, absent relief, some disclosure made in accordance with US Disclosure Requirements would contravene NI 51-101, Form 51-101F1 or both.
8. For purposes of making an investment decision or providing investment analysis or advice, a significant portion of the Filer's investors, lenders and investment analysts in both Canada and the US routinely compare the Filer to issuers engaged in oil and gas activities that are based in the US or other foreign countries, such that comparability of the Filer's disclosure to that of such foreign-based issuers is of primary relevance to those market participants.

9. The Filer may wish to include, in its disclosure that is subject to Part 5 of NI 51-101, disclosure of reserves and future net revenue prepared in accordance with US Disclosure Requirements (the **Filer's US Disclosure**).

Decision

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

Pursuant to section 8.1 of NI 51-101 the Exemption Sought is granted with respect to the Filer's US Disclosure (if any), and with respect to the Filer's disclosure of finding and development costs based on reserves determined in accordance with US Disclosure Requirements (the **Filer's US F&D Disclosure**, if any), as the case may be, provided that:

- (a) the Filer describes any material differences between such disclosure and the corresponding disclosure it also makes, as required, under Canadian securities laws (its **Required Canadian Disclosure**), within or proximate to its Required Canadian Disclosure;
- (b) in the case of the Filer's US Disclosure (if any), it:
 - (i) complies with the US Disclosure Requirements;
 - (ii) is identified as having been prepared in accordance with US Disclosure Requirements;
 - (iii) discloses the effective date of the estimates disclosed therein; and
 - (iv) is based on reserves estimates that have been prepared or audited by a qualified reserves evaluator or auditor; and
- (c) in the case of the Filer's US F&D Disclosure (if any):
 - (i) all proved reserves, and any probable reserves, are determined in accordance with US Disclosure Requirements and are accompanied by a statement to the effect that the proved reserves, and any probable reserves, have been determined in accordance with US Disclosure Requirements; and

- (ii) the Filer provides disclosure in accordance with section 5.15 of NI 51-101 and this disclosure is publicly available to investors.

This decision will terminate on the effective date of any amendment to the Legislation that permits disclosure of the nature contemplated in this decision.

For the Commission:

“Glenda Campbell, QC”
Vice-Chair

“Stephen Murison”
Vice-Chair

2.1.12 Mandalay Resources Corporation

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Filer granted relief to file annual financial statements for year ended December 31, 2010 using IFRS-IASB – Filer’s financial results for the year ended December 31, 2010 will be based on a subsidiary that prepares IFRS financial statements – Relief granted subject to conditions.

Applicable Legislative Provisions

National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards, Part 4.

March 4, 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
MANDALAY RESOURCES CORPORATION
(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**) exempting the Filer from the requirements of Part 4 of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards* (the **Instrument**) (the **Exemption Sought**) including the requirement that financial statements be prepared in accordance with generally accepted accounting principles determined with reference to Part V of the Handbook of the Canadian Institute of Chartered Accountants (the **Handbook**) applicable to public enterprises (**Old Canadian GAAP**), in order that the Filer may prepare financial statements for periods relating to financial years beginning on or after January 1, 2010 in accordance with generally accepted accounting principles determined with reference to Part I of the Handbook applicable to publicly accountable enterprises, that is International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board (**IFRS-IASB**).

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 British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland.

Representations

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

1. The Filer is a corporation incorporated under the *Business Corporations Act* (British Columbia) on January 29, 1997. The head office of the Filer is 76 Richmond Street East, Suite 330, Toronto, Ontario, M5C 1P1.
2. The Filer is a "reporting issuer" or its equivalent in the provinces of Ontario, British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland. The Filer is not, to its knowledge, in default of its reporting issuer obligations under the legislation in those jurisdictions.
3. The Filer's common shares and warrants are listed on the Toronto Stock Exchange under the symbols "MND" and "MND.WT" respectively.
4. Prior to December 31, 2010, the Filer prepared its financial statements in accordance with Old Canadian GAAP. The financial year end of the Filer is December 31.
5. The Filer is a natural resources based company with producing and exploration assets in Australia and Chile. The Filer's operations are primarily conducted through wholly-owned subsidiaries in Australia and Chile, being AGD Mining Pty Ltd (**AGD**) and Compania Minera Cerro Bayo Limitada (**Cerro Bayo**) respectively.
6. The Filer acquired AGD in December 2009 and Cerro Bayo in August 2010 and the Filer's only producing mine during 2010 was owned by AGD. Therefore, the Filer's financial results for the year ended December 31, 2010 will be based primarily on AGD's financial results. The year ended December 31, 2010 will be the first full fiscal year in which the Filer's financial statements will be prepared, in part, based on IFRS financial statements of subsidiaries.
7. AGD prepares its financial statements in accordance with Australian international financial reporting standards, which is functionally equivalent to IFRS-IASB in all material respects. Cerro Bayo has historically prepared its financial

statements in accordance with United States GAAP.

8. The Instrument sets out acceptable accounting principles for financial reporting by domestic issuers, foreign issuers, registrants and other market participants. Under the Instrument, domestic issuers are required to prepare financial statements in accordance with Old Canadian GAAP for financial years beginning before January 1, 2011 and in accordance with IFRS-IASB for financial years beginning on or after January 1, 2011.
9. In CSA Staff Notice 52-321 – *Early Adoption of International Financial Reporting Standards, Use of US GAAP and Reference to IFRS-IASB*, staff of the Canadian Securities Administrators recognized that some issuers may wish to prepare their financial statements in accordance with IFRS-IASB for periods beginning prior to January 1, 2011 and indicated that staff were prepared to recommend exemptive relief on a case by case basis to permit a domestic issuer to do so, notwithstanding the requirements of the Instrument.
10. The Filer believes that adoption of IFRS-IASB will eliminate complexity and cost for the Filer's financial statement preparation process.
11. The Filer has implemented a comprehensive IFRS-IASB conversion plan.
12. The Filer has the necessary technology and administrative processes in place to prepare IFRS-IASB financial statements.
13. The Filer has carefully assessed the readiness of its staff, board of directors and auditors for the adoption by the Filer of IFRS-IASB for financial periods beginning on or after January 1, 2010 and has concluded that the Filer and all parties are adequately prepared for the Filer's immediate adoption of IFRS-IASB for the financial periods beginning on January 1, 2010.
14. The Filer has considered the implications of adopting IFRS-IASB beginning on or after January 1, 2010 on its obligations under Canadian securities legislation.
15. The Filer has considered the implications of early adoption of IFRS-IASB on its obligations under securities legislation including, but not limited to, those relating to CEO and CFO certifications, business acquisition reports, offering documents, and previously released material forward looking information, to the extent applicable.
16. The Filer has concluded that early adoption of IFRS-IASB is in the best interests of the Filer and users of its financial statements.

17. The Filer will communicate its IFRS-IASB implementation plan to investors as contemplated by CSA Staff Notice 52-320 *Disclosure of Expected Changes in Accounting Policies Relating to Changeover to International Financial Reporting Standards* by disclosing relevant information about its changeover to IFRS-IASB in a news release not more than seven days after the date of the decision approving such early adoption application, including:
- (a) the key elements and timing of the Filer's changeover plan;
 - (b) the accounting policy and implementation decisions the Filer has made or will have to make;
 - (c) the exemptions available under IFRS 1 *First-time Adoption of International Financial Reporting Standards* that the Filer expects to apply in preparing financial statements in accordance with IFRS-IASB;
 - (d) major identified differences between the Filer's current accounting policies and those the Filer is required or expects to apply in preparing its financial statements in accordance with IFRS-IASB; and
 - (e) the impact of adopting IFRS-IASB on the key line items in the Filer's financial statements.
- statement of financial position at the date of transition to IFRS-IASB;
- (c) the Filer provides the communication set out in paragraph 17; and
 - (d) the Restated and Refiled Interim Filings and the Filer's annual financial statements, annual management's discussion and analysis and the certificates required by NI 52-109 for the year ended December 31, 2010:
 - (i) are prepared in accordance with IFRS-IASB;
 - (ii) comply with Part 3 of the Instrument that came into force on January 1, 2011;
 - (iii) comply with the IFRS-related amendments to National Instrument 51-102 *Continuous Disclosure Obligations (NI 51-102)* that came into force on January 1, 2011;
 - (iv) comply with the IFRS-related amendments to NI 52-109 that came into force on January 1, 2011; and
 - (v) comply with the IFRS-related amendments to National Instrument 52-110 *Audit Committees* that came into force on January 1, 2011.

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 restates and refiles its interim financial statements that were originally prepared in accordance with Old Canadian GAAP for all financial periods beginning on or after January 1, 2010 in accordance with IFRS-IASB, together with the restated interim management's discussion and analysis as well as the certificates required by National Instrument 52-109 – *Certification of Disclosure in Issuer's Annual and Interim Filings (NI 52-109)* (collectively, the **Restated and Refiled Interim Filings**);
- (b) the Filer ensures that its first IFRS-IASB financial statements for an interim period beginning on or after January 1, 2010 present all financial statements with equal prominence, including the opening

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

2.1.13 Bell Aliant Inc. and Bell Aliant Regional Communications Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – application from subsidiary of parent company for a decision exempting the subsidiary from certain continuous disclosure, certification, audit committee, corporate governance, short form prospectus qualification, short form prospectus disclosure, and insider reporting requirements – requested relief granted subject to conditions.

Applicable Ontario Statutory Provisions

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

Applicable Legislative Provisions

National Instrument 51-102 Continuous Disclosure Obligations, s. 13.1.

National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, s. 8.6.

National Instrument 52-110 Audit Committees, s. 8.1.

National Instrument 58-101 Corporate Governance, s. 3.1.

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

National Instrument 55-102 System for Electronic Disclosure by Insiders (SEDI), s. 6.1.

February 18, 2011

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
NOVA SCOTIA AND ONTARIO
(the Application Jurisdictions)

AND

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

AND

IN THE MATTER OF
BELL ALIANT INC. AND
BELL ALIANT REGIONAL COMMUNICATIONS INC.
(the Filers)

DECISION

Background

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

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

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

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

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

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

The Decision Makers have received an application from the Filers for a decision under the Legislation that the application for this decision, the supporting materials and this decision (collectively, the **Confidential Material**) be kept confidential pursuant to Section 5.4 of National Policy 11-203 – *Process for Exemptive Relief Applications in Multiple Jurisdictions* (**NP 11-203**), as amended from time to time until the earlier of (i) the date on which the Filers issue and file a joint news release announcing the Offering (as defined herein); (ii) the date on which the Issuer files a preliminary prospectus in connection with the Offering in reliance on the relief granted pursuant to the Short Form Prospectus Eligibility Requirements and the Notice of Intention Requirement; (iii) the date that the Filers advise the Decision Makers that there is no longer any need for the Confidential Material to remain confidential; and (iv) the date that is 90 days after the date of this decision (the **Request for Confidentiality**).

Under NP 11-203 (for a dual review application):

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

Interpretation

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

Representations

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

The Conversion Transaction

- 1. On October 31, 2006, the Minister of Finance (Canada) announced proposals to change the Canadian federal income tax rules governing “specified investment flow-through” entities, including income trusts such as Bell Aliant Regional Communications Income Fund (the Fund), which changes were to become effective beginning in 2011.
- 2. As a result, the Fund and certain of its subsidiaries implemented a transaction to convert the Fund’s income trust structure into a corporate structure (the **Conversion Transaction**) by way of a court-approved plan of arrangement pursuant to Section 192 of the *Canada Business Corporations Act* (the **CBCA**). The Conversion Transaction was completed on January 1, 2011.

3. Under the Conversion Transaction, unitholders of the Fund exchanged their fund units for common shares of Bell Aliant Inc., a new corporation established by the Fund. Upon completion of the Conversion Transaction, Bell Aliant Inc. became the successor reporting issuer to the Fund.
4. As part of the Conversion Transaction, certain of the Fund's direct and indirect subsidiaries were wound up to simplify the corporate structure. Bell Aliant Regional Communications Holdings, Limited Partnership (**Bell Aliant Holdings LP**) transferred its assets to a subsidiary which amalgamated with Bell Aliant Regional Communications Holdings Inc. (**Bell Aliant Holdings GP**) and the "pre-Conversion Transaction" Bell Aliant Regional Communications Inc. (**Bell Aliant GP**) to form Bell Aliant Regional Communications Inc. (**Bell Aliant Amalco**). Bell Aliant Regional Communications, Limited Partnership (**Bell Aliant LP**) remains in existence as the principal operating entity through which Bell Aliant Inc. provides a wide range of voice and data communications services as well as technology services and value-added business solutions to customers across Atlantic Canada, Ontario and Québec.

The Issuer

5. The Issuer was incorporated on January 31, 2011 under the CBCA as a wholly-owned subsidiary of Bell Aliant Amalco.
6. The registered and head office of the Issuer is located in Halifax, Nova Scotia.
7. The Issuer is not a reporting issuer, or the equivalent, in any of the Jurisdictions. On February 11, 2011, the Issuer filed a notice of intention to file a short form prospectus pursuant to Section 2.8 of NI 44-101; however, the Issuer may wish to file a short form prospectus prior to February 25, 2011 (the expiry of the 10 business day period set forth in Section 2.8 of NI 44-101).
8. The authorized share capital of the Issuer consists of an unlimited number of common shares (**Common Shares**) and an unlimited number of preference shares issuable in series (**Preferred Shares**).
9. The only voting securities of the Issuer are the Common Shares, all of which are held by Bell Aliant Amalco. No Preferred Shares will be issued until the completion of the Offering.
10. The directors of the Issuer may from time to time authorize the issuance of Preferred Shares in one or more series, each series to consist of such number of shares as will before issuance thereof be fixed by the directors who will at the same time determine the designation, rights, privileges, restrictions and conditions attaching to that series of Preferred Shares. Subject to applicable corporate law, the Preferred Shares of each series shall be generally non-voting and the holders thereof shall not be entitled to receive notice of any meeting of shareholders, provided that the designation, rights, privileges, restrictions and conditions may provide that if the Issuer shall fail, for a specified period, to pay dividends at the prescribed rate on any series of the Preferred Shares, and for so long as any such dividends shall remain in arrears, the holders of that series of Preferred Shares shall be entitled to receive notice of, to attend and vote at all meetings of shareholders of the Issuer, except meetings at which only holders of a specified class or series of shares are entitled to attend and vote (the **Issuer Preferred Voting Rights**).
11. It is proposed that the Issuer offer and issue Cumulative 5-Year Rate Reset Preferred Shares (**Series A Preferred Shares**) under a short form prospectus (the **Offering**). The Series A Preferred Shares will be convertible, at a date that is more than five years from the issue date and every five years thereafter (the **Conversion Date**) at the option of the holder, into an equal number of Cumulative Floating Rate Preferred Shares, Series B of the Issuer (**Series B Preferred Shares**). The Series A Preferred Shares will carry a fixed dividend rate until the initial Conversion Date. As at each Conversion Date, the dividend rate will be reset based upon a specified spread above benchmark Canadian government bonds.
12. The Series B Preferred Shares will be convertible, at each Conversion Date (other than the first) at the option of the holder, into an equal number of Series A Preferred Shares. The Series B Preferred Shares will carry a floating dividend rate that will be reset every quarter based upon a specified spread above 90-day Government of Canada Treasury Bills.
13. The purpose of the conversion right attached to each of the Series A Preferred Shares and the Series B Preferred Shares is to allow the holder to decide every five years whether to receive a fixed-rate or a floating-rate dividend for the next five years.
14. The Issuer will operate as a sole-purpose financing company and will have no significant assets or liabilities and will not have any ongoing business operations of its own. It is intended that the Issuer will lend the net proceeds of the Offering to Bell Aliant Amalco, which in turn intends to lend substantially all of such amount to Bell Aliant LP.

15. In addition to the Issuer Preferred Voting Rights, it is intended that the holders of Series A Preferred Shares and Series B Preferred Shares will have a director nomination right with respect to Bell Aliant Inc. under an agreement between the Issuer and Bell Aliant Inc. In the event that the Issuer shall fail to pay six quarterly dividends on the Series A Preferred Shares and/or the Series B Preferred Shares, as applicable, at the applicable dividend rate for such shares, whether or not consecutive and whether or not such dividends were declared (such failure, an **Exercise Event**), the holders of Series A Preferred Shares and/or Series B Preferred Shares, as applicable, together with the holders of any other Preferred Shares of the Issuer with respect to which any nomination right as a result of the failure of the Issuer to pay dividends is then in force, will have the right, acting together as a group, to direct the Issuer to propose one nominee to stand for election as a director of Bell Aliant Inc. If an Exercise Event has occurred, the Issuer will notify applicable holders of Preferred Shares and provide a means for such holders to select a nominee. When all such accrued but unpaid dividends are paid in full, the foregoing right shall cease.
16. Bell Aliant Inc. will agree with the Issuer to nominate the nominee so designated by the Issuer in order to be considered for election by shareholders of Bell Aliant Inc. at meetings of Bell Aliant Inc. shareholders following a specified period after the Issuer's failure to pay the dividends as set forth in paragraph 15 above.
17. In addition, if an Exercise Event has occurred, and at the time of such occurrence BCE Inc. does not have the right to direct Bell Aliant Inc. with respect to the nomination of a majority of the nominees to stand for election as directors of Bell Aliant Inc., Bell Aliant Inc. will agree that, subject to certain conditions, its board will promptly appoint an individual selected by the holders of Series A Preferred Shares and/or Series B Preferred Shares, as applicable, together with the holders of any other Preferred Shares of the Issuer with respect to which an Exercise Event has occurred, acting together as a group, as a director of Bell Aliant Inc.
18. The appointment right described in paragraph 17 above shall cease, and the term of any director so appointed shall expire, at the close of the next annual meeting of shareholders of Bell Aliant Inc.; provided that, if an applicable Exercise Event is ongoing, such individual, or another individual selected by the holders of Series A Preferred Shares and/or Series B Preferred Shares, as applicable, together with the holders of any other Preferred Shares of the Issuer with respect to which an Exercise Event has occurred, acting together as a group, will be nominated for election as a director by shareholders of Bell Aliant Inc. at such next annual meeting.
19. Bell Aliant Amalco will provide a full and unconditional guarantee of the payments to be made by the Issuer in respect of the Preferred Shares and holders of such securities will be entitled to receive payment from Bell Aliant Amalco within 15 days of any failure by the Issuer to make a payment, as contemplated by paragraph (d) of the definition of "designated credit support security" in NI 51-102.
20. Accordingly, Bell Aliant Amalco will be a "parent credit supporter" (as defined in NI 51-102) and the Issuer will be a "credit support issuer" (as defined in NI 51-102).
21. The Series A Preferred Shares and the Series B Preferred Shares would be "designated credit support securities" (as defined in NI 51-102), but for the fact that they will be convertible into the Issuer's own preference shares as opposed to being either non-convertible or convertible into securities of the parent credit supporter.
22. It is proposed that the Issuer will distribute the Series A Preferred Shares to the public pursuant to a short form prospectus (the **Prospectus**) to be filed in each of the Jurisdictions as if the Series A Preferred Shares were designated credit support securities. The Prospectus will be prepared pursuant to the short form procedures contained in NI 44-101 and will comply with the requirements set out in Form 44-101F1 that would apply to a credit support issuer as provided by Items 12 and 13 of Form 44-101F1.
23. The Issuer may also, subject to market conditions, wish to issue other series of Preferred Shares that, but for the fact they would be convertible into other series of Preferred Shares of the Issuer, would satisfy the definition of "designated credit support securities" in NI 51-102.
24. It is not currently contemplated that the Issuer would issue any securities, such as debt securities, other than the Common Shares and the Preferred Shares.

Bell Aliant Amalco

25. Bell Aliant Amalco is the successor corporation resulting from the amalgamation of Bell Aliant Holdings GP, 7538332 Canada Inc. (the successor corporation to Bell Aliant Holdings LP) and Bell Aliant GP as part of the Conversion Transaction.
26. The registered and head office of Bell Aliant Amalco is located in Halifax, Nova Scotia.

27. Bell Aliant Amalco is a reporting issuer, or the equivalent, in at least one of the Jurisdictions.
28. BCE Inc. owns one common share of Bell Aliant Amalco and the remainder of the approximately 101 million common shares are held by Bell Aliant Inc.

Decision

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

Relief from the Disclosure Requirements

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

- (a) the Issuer continues to satisfy all the conditions set forth in subsection 13.4(2) of NI 51-102, other than paragraph 13.4(2)(c), with Bell Aliant Amalco as the "parent credit supporter" (as defined in NI 51-102);
- (b) the Issuer files on its SEDAR profile any continuous disclosure document filed on Bell Aliant Amalco's or Bell Aliant Inc.'s SEDAR profile pursuant to Parts 4,5,6,7,8 and 9 of NI 51-102;
- (c) Bell Aliant Inc. is a reporting issuer, or the equivalent, in at least one of the Jurisdictions; and
- (d) the Issuer does not issue any securities, and does not have any securities outstanding, other than:
 - (i) designated credit support securities (as such term is defined in NI 51-102);
 - (ii) securities issued to and held by Bell Aliant Amalco or an affiliate of Bell Aliant Amalco;
 - (iii) debt securities issued to and held by banks, loan corporations, loan and investment corporations, savings companies, trust corporations, treasury branches, savings or credit unions, financial services cooperatives, insurance companies or other financial institutions;
 - (iv) securities issued under exemptions from the prospectus requirement in Section 2.35 and registration requirement in Section 3.35 of National Instrument 45-106 – *Prospectus and Registration Exemptions*;
 - (v) Series A Preferred Shares and Series B Preferred Shares; and
 - (vi) other series of Preferred Shares that, but for the fact they are convertible to other series of Preferred Shares, are designated credit support securities (as such term is defined in NI 51-102).

Relief from the Insider Reporting Requirements

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

- (a) the Issuer continues to satisfy the conditions of the relief from the Disclosure Requirements above;
- (b) if the insider is not Bell Aliant Amalco or Bell Aliant Inc., (i) the insider does not receive, in the ordinary course, information as to material facts or material changes concerning the Issuer before the material facts or material changes are generally disclosed, and (ii) the insider is not an insider of Bell Aliant Amalco or Bell Aliant Inc. in any capacity other than by virtue of being insider of the Issuer; and
- (c) if the insider is Bell Aliant Amalco or Bell Aliant Inc., Bell Aliant Amalco or Bell Aliant Inc. do not beneficially own any Preferred Shares (including the Series A Preferred Shares and the Series B Preferred Shares).

Relief from the Short Form Prospectus Eligibility Requirements

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

- (a) at the time of filing of any prospectus in connection with an offering of Preferred Shares (including the Offering), the qualification criteria set out in Section 2.4 of NI 44-101 are satisfied, other than the qualification criteria set out in subsection 2.4(b)(i) and subsection 2.4(c)(i) of NI 44-101;
- (b) Bell Aliant Amalco provides full and unconditional credit support for the Preferred Shares being distributed;
- (c) (i) Bell Aliant Amalco satisfies all of the criteria in Section 2.2 of NI 44-101, other than subsection 2.2(e), or (ii) for so long as Bell Aliant Amalco has not yet been required to file annual financial statements following completion of the Conversion Transaction, Bell Aliant Amalco satisfies all of the criteria in Section 2.2 of NI 44-101, other than subsections 2.2(d) and 2.2(e);
- (d) Bell Aliant Amalco guarantees the medium term notes issued by Bell Aliant LP from time to time, which notes meet the criteria specified in subsection 2.4(c)(i) of NI 44-101;
- (e) for so long as it has not yet been required to file annual financial statements following completion of the Conversion Transaction, Bell Aliant Amalco satisfies all of the conditions set forth in subsection 2.7(2) of NI 44-101 with respect to successor issuers;
- (f) the Series A Preferred Shares and other series of Preferred Shares are not convertible into any securities other than another series of Preferred Shares; and
- (g) the Issuer satisfies the conditions of the relief from the Specified Form 44-101F1 Prospectus Disclosure Requirements set out below.

Relief from the Notice of Intention Requirement

The further decision of the Decision Makers under the Legislation is that relief from the Notice of Intention Requirement is granted provided that the Issuer files a notice declaring its intention pursuant to Section 2.8 of NI 44-101 prior to or concurrently with the filing of the preliminary short form prospectus and the Issuer satisfies the conditions of the relief from the Short Form Prospectus Eligibility Requirements set out above.

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

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

- (a) the prospectus will be prepared in accordance with the short form prospectus requirements of NI 44-101 other than the Specified Form 44-101F1 Prospectus Disclosure Requirements, except as permitted by the Legislation;
- (b) Bell Aliant Amalco provides full and unconditional credit support for the Preferred Shares being distributed;
- (c) Bell Aliant Amalco meets the requirements of subsection 2.4(b)(i) of NI 44-101 (as regards subsection 2.2(d) of NI 44-101) in reliance on the exemption provided in subsection 2.7(2) of NI 44-101;
- (d) the Issuer satisfies the conditions in Section 13.2 of Form 44-101F1, other than subsection 13.2(c);
- (e) the Issuer will comply with all of the filing requirements and procedures set out in NI 44-101 other than the Short Form Prospectus Eligibility Requirements and the Notice of Intention Requirement, except as permitted by the Legislation;
- (f) any prospectus in connection with an offering of Preferred Shares (including the Offering) filed by the Issuer will incorporate by reference or include:
 - (1) (i) the most recent annual information form, annual and interim financial statements and consolidating summary financial information of Bell Aliant Amalco, or (ii) prior to the filing by Bell Aliant Amalco thereof, for so long as it has not yet been required to file annual financial statements following completion of the Conversion Transaction, the most recent annual and interim financial statements, annual information form and consolidating summary financial information of Bell Aliant Holdings LP;

- (2) the management information circular of the Fund dated May 7, 2010 prepared in connection with the annual and special meeting of unitholders of the Fund held on June 16, 2010 (until such time as Bell Aliant Inc. has filed an information circular prepared in connection with an annual meeting of its shareholders);
- (3) any other document of Bell Aliant Amalco that would be required to be incorporated by reference into a short form prospectus under Section 11.1 of Form 44-101F1 if Bell Aliant Amalco were the issuer under such prospectus;
- (4) (i) the most recent annual and interim financial statements, annual information form and consolidating summary financial information, if applicable, of Bell Aliant Inc. or (ii) prior to the filing by Bell Aliant Inc. thereof, for so long as it has not yet been required to file annual financial statements following completion of the Conversion Transaction, the most recent annual and interim financial statements and annual information form of the Fund; and
- (5) any other document of Bell Aliant Inc. that would be required to be incorporated by reference into a short form prospectus under Section 11.1 of Form 44-101F1;
- (g) the Issuer satisfies the conditions of the relief from the Short Form Prospectus Eligibility Requirements set out above;
- (h) the Issuer satisfies the conditions of the relief from the Notice of Intention Requirement set out above; and
- (i) in respect of an offering other than the Offering, the Issuer satisfies the conditions of the relief from the Disclosure Requirements set out above.

Request for Confidentiality

The further decision of the Decision Makers under the Legislation is that the Request for Confidentiality is granted until the earlier of: (i) the date on which the Filers issue and file a joint news release announcing the Offering; (ii) the date on which the Issuer files a preliminary short form prospectus in connection with the Offering in reliance on the relief granted in respect of the Short Form Prospectus Eligibility Requirements and the Notice of Intention Requirement; (iii) the date that the Filers advise the Decision Makers that there is no longer any need for the Confidential Material to remain confidential; and (iv) the date that is 90 days after the date of this decision.

"Kevin G. Redden"
Director, Corporate Finance
Nova Scotia Securities Commission

2.2 Orders

2.2.1 Lehman Cohort Global Group 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
LEHMAN COHORT GLOBAL GROUP INC.,
ANTON SCHNEIDL, RICHARD UNZER,
ALEXANDER GRUNDMANN AND
HENRY HEHLSINGER**

ORDER

(Sections 127 and 127.1 of the *Securities Act*)

WHEREAS on August 14, 2009, a Statement of Allegations and a Notice of Hearing were issued 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 Lehman Cohort Global Group Inc. (“**Lehman**”), Anton Schnedl (“**Schnedl**”), Richard Unzer (“**Unzer**”), Alexander Grundmann (“**Grundmann**”) and Heinrich “Henry” Hehlsinger;

AND WHEREAS the Commission conducted the hearing on the merits in this matter on January 25 and 26, 2010;

AND WHEREAS the Commission issued its reasons and decision on the merits in this matter on July 28, 2010 (the “**Merits Decision**”);

AND WHEREAS the Commission concluded that Lehman and Schnedl committed fraud and that Lehman, Schnedl, Unzer and Grundmann (collectively the “**Respondents**” and individually a “**Respondent**”) contravened Ontario securities law and have acted contrary to the public interest;

AND WHEREAS the Commission conducted a hearing with respect to the sanctions and costs to be imposed in this matter on November 4, 2010 and issued its reasons imposing sanctions and costs on March 2, 2011 (the “**Sanctions and Costs Decision**”);

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this order for the reasons set forth in the Sanctions and Costs Decision;

IT IS HEREBY ORDERED THAT:

- (a) pursuant to clause 2 of subsection 127(1) of the Act, each of the Respondents shall cease trading in any securities permanently;
- (b) pursuant to clause 2.1 of subsection 127(1) of the Act, the acquisition of any

securities by any of the Respondents is prohibited permanently;

- (c) pursuant to clause 3 of subsection 127(1) of the Act, any exemptions in Ontario securities law do not apply permanently to any of the Respondents;
- (d) pursuant to clause 7 of subsection 127(1) of the Act, each of Schnedl, Unzer and Grundmann shall immediately resign all positions they may hold as a director or officer of any issuer;
- (e) pursuant to clause 8 of subsection 127(1) of the Act, each of Schnedl, Unzer and Grundmann are prohibited permanently from becoming or acting as a director or officer of any issuer;
- (f) pursuant to clause 6 of subsection 127(1) of the Act, each of the Respondents are reprimanded;
- (g) pursuant to clause 9 of subsection 127(1) of the Act, Lehman and Schnedl shall jointly and severally pay an administrative penalty of \$500,000;
- (h) pursuant to clause 10 of subsection 127(1) of the Act, Lehman and Schnedl shall jointly and severally disgorge to the Commission \$297,542;
- (i) the amounts referred to in paragraphs (g) and (h) of this Order shall be allocated by the Commission to or for the benefit of third parties, including investors who lost money as a result of investing in the investment scheme that was the subject matter of this proceeding, in accordance with subsection 3.4(2)(b) of the Act and the Sanctions and Costs Decision; and
- (j) pursuant to section 127.1 of the Act, Lehman and Schnedl shall jointly and severally pay \$51,718.83 in costs to the Commission.

Dated at Toronto, Ontario this 2nd day of March, 2011.

“James E. A. Turner”

“Carol S. Perry”

“Sinan O. Akdeniz”

2.2.2 Danbel Industries Corporation (formerly Augusta Technologies Ltd.) – s. 144

Headnote

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

Applicable Legislative Provisions

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

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

AND

**IN THE MATTER OF
DANBEL INDUSTRIES CORPORATION
(FORMERLY AUGUSTA TECHNOLOGIES LTD.)**

**ORDER
(Section 144)**

WHEREAS the securities of Danbel Industries Corporation (the "**Applicant**") are subject to a temporary cease trade order made by the Director dated May 23, 2002 under paragraph 2 of subsection 127(1) and subsection 127(5) of the Act and a further cease trade order made by the Director dated June 4, 2002 pursuant to subsection 127(8) of the Act directing that trading in the securities of the Applicant cease until the order is revoked by the Director (the "**Cease Trade Order**");

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

AND WHEREAS the Applicant has applied to the Commission for an order pursuant to Section 144 of the Act to revoke the Cease Trade Order;

AND UPON the Applicant having represented to the Commission that:

1. The Applicant was incorporated on December 19, 1996 pursuant to the *Business Corporations Act* (Ontario) (the "**OBCA**").
2. The Applicant's registered office and mailing address is located at 1 Adelaide Street East, Suite 801, Toronto, Ontario, M5C 2V9.
3. The Applicant is a reporting issuer or the equivalent under the securities legislation of the

Provinces of Ontario, British Columbia and Alberta. The Applicant is not a reporting issuer in any other jurisdiction in Canada.

4. The Applicant's authorized share capital consists of an unlimited number of common shares (the "**Common Shares**"). The Applicant currently has 6,670,499 Common Shares issued and outstanding. Other than the Common Shares, the Applicant has no securities, including convertible debt securities, outstanding.
5. A cease trade order was originally issued as a result of the Applicant's failure to file audited annual financial statements for the year ended December 31, 2000 on May 25, 2001 (the "**Initial Order**"). Subsequently, on June 5, 2001, the Applicant filed its audited annual financial statements for the year ended December 31, 2000 and the Initial Order was revoked on June 8, 2001.
6. Since the Applicant filed its financial statements for the nine month period ended September 30, 2004, the Applicant failed to file its continuous disclosure documents pursuant to National Instrument 51-102 *Continuous Disclosure Obligations*, as a result, the Cease Trade Order was issued.
7. The Applicant is also subject to cease trade orders issued by the Alberta Securities Commission dated June 7, 2002 and the British Columbia Securities Commission on June 2, 2006. The Applicant has concurrently filed applications with each of the Alberta Securities Commission and the British Columbia Securities Commission for a full revocation of their cease trade orders.
8. Prior to the Cease Trade Order, the Applicant owned various lighting companies that manufactured, imported and distributed commercial, industrial and consumer lighting products. The Applicant's wholly owned subsidiaries (collectively, the "**Subsidiaries**") were Danbel Inc., American Lantern (1998) Inc. ("**Lantern**"), Danbel Security Lighting Inc. ("**DSL**"), JSL Lighting (2000) Corp. ("**JSL**") and JSL Lighting Inc. ("**JSL-U.S.**").
9. On August 23, 2001, the Subsidiaries went into interim receivership, and on August 31, 2001, JSL was placed into bankruptcy by the interim receiver.
10. Subsequent to September 30, 2001, it became apparent to the management of the Applicant that the Subsidiaries were insolvent and therefore the assets and liabilities relating to these entities were written off as of October 1, 2001.
11. On December 21, 2001, the court approved a transaction recommended by the interim receiver whereby 207354 Ontario Inc., a company

- controlled by a former senior officer of JSL, JSL-US and Danbel Inc., agreed to acquire certain assets of Danbel Inc. Included in the consideration for these assets was the assumption of any shortfall due on the bank indebtedness.
12. On January 15, 2002, Danbel Inc. was placed into bankruptcy by the interim receiver.
 13. On January 20, 2001, the Applicant's Common Shares were delisted from the Toronto Stock Exchange.
 14. The Applicant is in default of the annual meeting requirements under the OBCA as it has not held an annual shareholders meeting since July 20, 2001.
 15. The Applicant has not filed its interim financial statements, interim MD&A and interim certificates for the periods from and including the three months ended March 31, 2005 to the nine month period ended September 30, 2009 (collectively, the "**Interim Filings**") as it requested that the Commission exercise its discretion in accordance with subsection 3.1(2) of National Policy 12-202 *Revocation of a Compliance-Related Cease Trade Order* ("**NI 12-202**") and elect not to require the Applicant to file these documents, and the Commission so agreed.
 16. Given the inactivity of the Applicant since 2004, the Applicant has not filed continuous disclosure documents, including without limitation, annual financial statements, annual MD&A, annual certificates and annual Form 51-102 F6 – *Statement of Executive Compensation* for the years ended December 31, 2004 to 2006 (collectively, the "**Annual Filings**") because the Applicant believes that the Annual Filings would not provide additional useful information concerning the present or future operations or financial circumstances of the Applicant as the Applicant was inactive during this period. The Annual Filings were also not sent to the shareholders of the Applicant because the Applicant was inactive and did not have the funds necessary to prepare or distribute such statements.
 17. The Applicant has filed (i) audited annual financial statements, annual MD&A and annual certificates for the years ended December 31, 2007, 2008 and 2009, (ii) unaudited interim financial statements, interim MD&A and interim certificates for the three months ended March 31, 2010, (iii) unaudited interim financial statements, interim MD&A and interim certificates for the six months ended June 30, 2010, and (iii) unaudited interim financial statements, interim MD&A and interim certificates for the nine months ended September 30, 2010.
 18. Except for the failure to file (i) the Interim Filings, and (ii) the Annual Filings, the Applicant is not in default of any of its obligations as a reporting issuer under the Act.
 19. The Filer is up-to-date with all of its other continuous disclosure obligations and has paid any outstanding participation fees, filing fees and late fees associated with those obligations owing to the Commission in connection with the disclosure documents referred to in paragraph 17 above and has filed all of the forms associated with such payments.
 20. The Applicant's SEDAR and SEDI profiles are up-to-date.
 21. The Applicant has undertaken to hold an annual meeting of shareholders within three months after the date of this order.
 22. The Filer has not changed its business since the date of the Cease Trade Order.
 23. Effective September 15, 2010, Gabriel Nachman was appointed as a director and Chair of the Audit Committee of the Filer; Barry Polisuk and Michael Singer were appointed as directors of the Filer. Other than these appointments, the Filer has had no changes to its directors since the date of the Cease Trade Order.
 24. Except for a proposed equity and/or debt financing to fund its general working capital over the next twelve months, the repayment of secured shareholder advances which were required to fund the costs associated with the revocation application, and to attempt to settle with the secured creditor for monies owing, the Applicant is not considering, nor is it involved in any discussions relating to a reverse take-over, merger, amalgamation or other form of combination or transaction similar to any of the foregoing.
 25. Upon the issuance of this Order, the Applicant will issue a press release announcing the revocation of the Cease Trade Order of the Applicant. The Applicant will concurrently file the press release and material change report on SEDAR.
- AND WHEREAS** considering the application and the recommendation of the staff of the Commission;
- AND WHEREAS** the Director being satisfied that it would not be prejudicial to the public interest to revoke the Cease Trade Order;
- IT IS ORDERED**, pursuant to Section 144 of the Act, that the Cease Trade Order is revoked.
- DATED** this 3rd day of March, 2011.

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

2.2.3 Nest Acquisitions and Mergers et al.

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

AND

**IN THE MATTER OF
NEST ACQUISITIONS AND MERGERS,
IMG INTERNATIONAL INC.,
CAROLINE MYRIAM FRAYSSIGNES,
DAVID PELCOWITZ, MICHAEL SMITH, AND
ROBERT PATRICK ZUK**

ORDER

WHEREAS on January 18, 2010, the Secretary to the Ontario Securities Commission (the “Commission”) issued a Notice of Hearing, pursuant to sections 37, 127 and 127.1 of the Ontario *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”), for a hearing to commence at the offices of the Commission at 20 Queen Street West, 17th Floor Hearing Room on Monday, January 28th, 2010 at 10 a.m., or as soon thereafter as the hearing can be held;

AND WHEREAS on January 18, 2010, Staff of the Commission (“Staff”) filed with the Commission a Statement of Allegations in this matter;

AND WHEREAS on January 25, 2011, counsel for Staff, counsel for Robert Patrick Zuk (“Zuk”), and counsel for Caroline Myriam Frayssignes (“Frayssignes”) and Nest Acquisitions and Mergers (“Nest”) appeared before the Commission for the purpose of a further pre-hearing conference;

AND WHEREAS on January 25, 2011, no one appeared on behalf of David Paul Pelcowitz (“Pelcowitz”), Michael Smith (“Smith”) and IMG International Inc. (“IMG”), and the Commission was satisfied that Pelcowitz, Smith and IMG had been provided with notice of the pre-hearing conference;

AND WHEREAS on January 25, 2011, the Commission heard submissions by counsel for Staff, counsel for Frayssignes and Nest, and counsel for Zuk as to the unavailability of certain documents from a third party and to an anticipated motion to be brought by Frayssignes, Nest and Zuk;

AND WHEREAS on January 25, 2011, counsel for Staff, counsel for Zuk, and counsel for Frayssignes and Nest consented that the dates for the hearing on the merits set for January 31, 2011 to February 11, 2011 (except for February 8, 2011) be vacated and agreed to tentative dates for the hearing on the merits from June 20, 2011 to June 30, 2011 (except June 21, 2011);

AND WHEREAS on January 25, 2011, counsel for Staff, counsel for Zuk, and counsel for Frayssignes and

Nest consented to a hearing for the anticipated motion to be held on June 6, 2011;

AND WHEREAS the Commission wished to allow Pelcowitz a further opportunity to make submissions on the tentative dates for the hearing on the merits prior to making an order;

AND WHEREAS on January 25, 2011, the Commission ordered that the dates for the hearing on the merits set for January 31 to February 11, 2011 be vacated and that the motion by Zuk, Frayssignes and Nest be heard on June 6, 2011;

AND WHEREAS Pelcowitz consented to the scheduling of the hearing on the merits from June 20, 2011 to June 30, 2011 (except June 21, 2011);

IT IS ORDERED that the hearing on the merits is set for June 20, 2011 to June 30, 2011 (except June 21, 2011).

DATED at Toronto this 4th day of March, 2011.

"Mary G. Condon"

2.2.4 Richards Oil & Gas Limited – s. 144

Headnote

Section 144 – Application for revocation of cease trade order – issuer subject to cease trade as a result of failure to file financial statements – issuer has made a separate application to not be a reporting issuer in all of the jurisdictions in which it is currently a reporting issuer – full revocation granted effective as of the date the issuer is determined to not be a reporting issuer.

Applicable Legislative Provisions

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

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

AND

**IN THE MATTER OF
RICHARDS OIL & GAS LIMITED**

**ORDER
(Section 144)**

WHEREAS the securities of Richards Oil & Gas Ltd. (the **Filer**) was subject to a temporary cease trade order made by the Director dated May 14, 2010 under paragraph 2 of subsection 127(1) and subsection 127(5) of the Act and a further cease trade order issued by the Director on May 26, 2010 pursuant to subsection 127(1) of the Act (together the **Ontario CTO**) directing that trading in the securities of the Filer cease until further ordered by the Director;

AND WHEREAS the Filer has applied to the Ontario Securities Commission (the **Commission**) for an order pursuant to section 144 of the Act for a revocation of the Ontario CTO;

AND WHEREAS the Filer has represented to the Commission that:

1. The Filer was incorporated under the *Business Corporations Act* (Alberta) on May 18, 2004.
2. The Filer's head office is located in Calgary, Alberta.
3. The Filer is a reporting issuer in each of British Columbia, Alberta, Saskatchewan, Ontario, Nova Scotia and New Brunswick (the **Jurisdictions**).
4. The authorized share capital of the Filer consists of an unlimited number of voting class A common shares (**Class A Shares**) and an unlimited number of convertible non-voting class B common shares (**Class B Shares**) of which 600,000 Class

- A Shares and 500,000 Class B Shares are issued and outstanding as of the date hereof.
5. The outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 security holders in total in Canada.
6. The former common shares of the Filer (the **Common Shares**) were delisted from trading on the TSX Venture Exchange on July 9, 2010 (the **Delisting**) and, accordingly, no securities of the Filer are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*.
7. The Filer is not in default of any of its obligations as a reporting issuer as of the date hereof, other than the obligation to file: (a) its annual audited financial statements, managements' discussion and analysis and certification of annual filings for the year ended December 31, 2009 (the **Annual Filings**); (b) its interim unaudited financial statements, interim managements' discussion and analysis and certification of interim filings for the interim periods ended March 31, June 30 and September 30, 2010; (c) its oil and gas disclosure prescribed by National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* for the year ended December 31, 2009; (d) the applicable form under OSC Rule 13-502 *Fees* in respect of its year ended December 31, 2009; and (e) the notice under section 11.2(b) National Instrument 51-102 *Continuous Disclosure Obligations* with respect of the Delisting.
8. The Ontario CTO was issued due to the failure of the Filer to file its Annual Filings.
9. The Filer is also subject to cease trade orders (the **Other CTOs**) in British Columbia and Alberta for its failure to file required filings under applicable securities laws. The Filer has applied for and expects to be granted concurrently with this Application, full revocations of the Other CTOs (the **Other Full Revocation Orders**).
10. The Filer has applied for and expects to be granted concurrently with this Application and the Other Full Revocation Orders, a decision that the Filer has ceased to be a reporting issuer in each of the Jurisdictions (the **Ceasing to be a Reporting Issuer Decision**) other than British Columbia where the Filer has voluntarily surrendered its reporting issuer status under British Columbia Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status*.
11. On May 5, 2010, the Filer was granted protection from its creditors under the *Bankruptcy and Insolvency Act* (the **BIA**). The protection afforded by the BIA was extended several times pursuant to orders granted by the Court of Queen's Bench in the Judicial Centre of Calgary (the **Court**). The purpose of seeking protection from creditors under the BIA was to allow the Filer time to file with the Official Receiver a proposal to effect a compromise and arrangement of all claims of the Filer's creditors against the Filer.
12. On September 2, 2010, the Filer filed a proposal (the **Proposal**) with the Official Receiver in accordance with the BIA, naming Alger & Associates Inc. (the **Trustee**) as the Proposal trustee.
13. On September 24, 2010, the Proposal was approved by the Filer's creditors as required under the BIA.
14. On October 22, 2010, the Proposal was approved by the Court as required under the BIA.
15. On November 30, 2010, an extension for the completion date of the Proposal (to December 30, 2010) was approved by the Filer's creditors.
16. On December 20, 2010 and December 23, 2010, in accordance with the Proposal, the Filer received partial revocation orders (the **Partial Revocation Orders**) from the Alberta Securities Commission and the Commission, respectively, in respect of the following trades: (a) the issuance of 600,000 Class A Shares to arm's length investors at a price of \$1.00 per Class A Share for gross proceeds of \$0.6 million (the **Private Placement**); and (b) the issuance of 500,000 Class B Shares to the four (4) largest unsecured creditors of the filer and the Office of the Superintendent of Bankruptcy (collectively the **Class B Shareholders**).
17. The Filer has satisfied every condition of the Partial Revocation Orders.
18. On December 22, 2010, in accordance with the Proposal, the Filer filed articles of reorganization to: (a) create the Class A Shares and the Class B Shares; and (b) add a redemption feature to the Common Shares.
19. On December 22, 2010, in accordance with the Proposal, the Filer filed articles of reorganization to: (a) cancel the issued and outstanding Common Shares for no consideration (which had the effect of cancelling the issued and outstanding options to purchase Common Shares); and (b) add a restriction on the transfer of the securities of the Filer.
20. On December 30, 2010, in accordance with the Proposal, the Filer (a) provided a cheque in the amount of \$210,000.00 from the net proceeds of the Private Placement to the Trustee for distribution to the creditors approved for payment in accordance with the Proposal; (b) provided a

cheque in the amount of \$13,636.83 from the net proceeds of the Private Placement to the Trustee in satisfaction of the Trustee's outstanding fees; and (c) appointed a new board of directors.

21. On December 30, 2010 and December 31, 2010, in accordance with the Proposal and as permitted by the Partial Revocation Orders, the Filer: (a) issued 600,000 Class A Shares to seven (7) arm's length investors at a price of \$1.00 per Class A Share for gross proceeds of \$0.6 million; and (b) issued 500,000 Class B Shares to the Trustee in Trust for distribution to the Class B Shareholders.
22. On January 6, 2011, the Trustee confirmed that the Proposal had been fully performed as of December 30, 2010.
23. The claims of a secured creditor and certain operating creditors were not affected by the Proposal.

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

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

IT IS ORDERED, pursuant to section 144 of the Act, that the Ontario CTO is revoked.

DATED February 25th, 2011.

"Michael Brown"
Assistant Manager, Corporate Finance Branch

2.2.5 TriAct Canada Marketplace LP. (TriAct) – s. 15.1 of NI 21-101 Marketplace Operation

Headnote

Section 15.1 of NI 21-101 – exemption granted, for 2010 with respect to the MATCH Now P4 System, from the requirement in National Instrument 21-101 to cause an independent systems review and report to be performed.

Rule Cited

National Instrument 21-101 Marketplace Operation, ss. 12.1(b), 15.

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

AND

**IN THE MATTER OF
TRIACT CANADA MARKETPLACE LP**

**ORDER
(Section 15.1 of National Instrument 21-101
Marketplace Operation (“NI 21-101”))**

WHEREAS TriAct Canada Marketplace LP (“TriAct”) has filed an application (the “Application”) to the Ontario Securities Commission (the “Commission”) requesting an order pursuant to section 15.1 of NI 21-101 exempting TriAct with respect to its MATCH Now P4 trading system (the “P4 System”), from section 12.2 of NI 21-101 for 2010;

AND WHEREAS section 12.2 of NI 21-101 requires TriAct to annually cause to be performed an independent review and written report (“ISR”), in accordance with established audit procedures and standards to ensure compliance with the requirements of NI 21-101 to maintain capacity and integrity of its systems that support order entry, order routing, execution, data feeds, trade reporting and trade comparison, which includes the P4 System.

AND WHEREAS TriAct has represented to the Director that:

1. currently, as of the date of the application TriAct is at Phase 2 of a 3 phase project to update its trading and connectivity systems that includes moving substantially all of its technology infrastructure from the US to Toronto Canada;
2. TriAct operates MATCH NowSM an alternative market for trading securities listed on other exchanges. TriAct does not display quotes and does not provide pre-trade transparency and therefore is not a protected marketplace in Canada;
3. on November 15, 2010 TriAct replaced the P4 system with a new matching engine called P5 (the “P5 System”);
4. TriAct has completed Phase 1 of planned upgrades and decommissioned the P4 System as of November 15, 2010;
5. in conjunction with the IIROC STEP initiative, the P5 System was certified for FIX 5.0 regulatory feeds and it has successfully started the parallel feeds as prescribed by IIROC as of December 1, 2010;
6. TriAct’s current trading and order entry volumes are well within the current design and peak capacity of the P5 System and TriAct has not experienced any failure of the P5 System;
7. TriAct effects less than 2% of the trading volume for Canadian listed securities, and therefore, the cost of conducting an ISR on the P4 System that was decommissioned in November 2010 seems unnecessary and burdensome relative to revenue generated from trading fees;
8. it would be substantially more beneficial to conduct an ISR on the new P5 System once all three phases are completed;
9. a review of the P5 System will ensure that all components under the 2011 infrastructure will be inspected and audited shortly after implementation;

10. the P5 System is monitored continuously when MATCH Now is open for trading to ensure that all components continue to operate and remain secure;
11. on a reasonably frequent basis, and in any event, at least annually, TriAct
 - (i) makes reasonable current and future capacity estimates for the P5 System and provides those estimates to IIROC and the TMX Information Processor;
 - (ii) conducts capacity stress tests of the P5 System to determine the ability of the P5 System to process transactions in an accurate, timely and efficient manner;
 - (iii) develops and implements reasonable procedures to review and keep current the development and testing methodology of the P5 System; and
 - (iv) reviews the vulnerability of the P5 System and data centre computer operations to internal and external threats including physical hazards, and natural disasters;
12. TriAct has established disaster recovery and business continuity plans covering all foreseeable contingencies.

AND WHEREAS based on the Application and the representations and undertakings made by TriAct, the Director is satisfied that granting an exemption from section 12.2 of NI 21-101 with respect to the P4 System would not be prejudicial to the public interest;

IT IS HEREBY ORDERED by the Director that pursuant to section 15.1 of NI 21-101, TriAct is exempted from the requirements of section 12.2 of NI 21-101 with respect to the MATCH Now P4 System for 2010;

PROVIDED THAT TriAct shall in 2011 complete management review and ISR of the P5 System along with all related connectivity systems and of its controls for ensuring it continues to comply with the requirements of NI 21-101 and shall prepare written reports of its reviews which shall be filed with staff of the Commission by the end of 2011 and annually thereafter.

DATED this 1st day of March, 2011

“Susan Greenglass”
Director, Market Regulation
Ontario Securities Commission

2.2.6 MFS Institutional Advisors, Inc. – s. 80 of the CFA

Headnote

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

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

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

AND

**IN THE MATTER OF
MFS INSTITUTIONAL ADVISORS, INC.**

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

UPON the application (the "**Application**") of MFS Institutional Advisors, Inc. (the "**Applicant**") to the Ontario Securities Commission (the "**Commission**") pursuant to section 80 of the CFA that the Applicant and any individuals engaging, in or holding themselves out as engaging in, the business of advising others on the Applicant's behalf (the "**Representatives**") be exempt from the requirement to register under the CFA, subject to certain terms and conditions;

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

AND WHEREAS for the purposes of this Order;

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

"CFTC" means the United States Commodity Futures Trading Commission;

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

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

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

"NFA" means the United States National Futures Association;

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

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

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

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

"SEC" means the United States Securities and Exchange Commission; and

"U.S. Advisers Act" means the United States Investment Advisers Act of 1940, as amended.

AND UPON the Applicant having represented to the Commission that:

1. The Applicant is a corporation formed under the laws of the State of Delaware in the United States of America. The head office of the Applicant is located in Boston, Massachusetts, United States of America.
2. The Applicant is a portfolio manager that manages investments for institutional investors across multiple strategies and financial instruments. The Applicant is a wholly-owned subsidiary of Massachusetts Financial Services Co., which in turn is a majority-owned subsidiary of Sun Life Financial Inc., a publicly-traded company listed on the Toronto Stock Exchange.
3. The Applicant is registered in the United States with the SEC as an investment adviser under the U.S. Advisers Act.
4. The Applicant is registered under the OSA as an Exempt Market Dealer and relies on the International Adviser Exemption to advise Permitted Clients in Ontario with respect to foreign securities.

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

and conditions of the International Adviser Exemption.

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

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

1. the Applicant provides advice to Permitted Clients only as to trading in Foreign Contracts and does not advise in Canada as to trading in Contracts that are not Foreign Contracts, unless providing such advice is incidental to its providing advice on Foreign Contracts;
2. the Applicant's head office or principal place of business remains in the United States;
3. the Applicant operates in the United States under an exclusion from registration that permits it to carry on the activities in the United States that registration as an adviser under the CFA Adviser Registration Requirement would permit it to carry on in Ontario;
4. the Applicant continues to engage in the business of adviser, as defined in the CFA, in the United States;
5. as at the end of the Applicant's most recently completed financial year, not more than 10% of the aggregate consolidated gross revenue of the Applicant, its affiliates and its affiliated partnerships is derived from the portfolio management activities of the Applicant, its affiliates and its affiliated partnerships in Canada;
6. before advising a Permitted Client with respect to Foreign Contracts, the Applicant notifies the Permitted Client of all of the following:
 - (i) the Applicant is not registered in the local jurisdiction to provide the advice described under paragraph 1 of this Order;
 - (ii) the foreign jurisdiction in which the Applicant's head office or principal place of business is located;
 - (iii) all or substantially all of the Applicant's assets may be situated outside of Canada;
 - (iv) there may be difficulty enforcing legal rights against the Applicant because of the above;

- (v) the name and address of the Applicant's agent for service of process in Ontario;
7. the Applicant has submitted to the Commission a completed Form 31-103F2 *Submission to Jurisdiction and Appointment of Agent for Service*;
8. the Permitted Client is a resident of Canada; and
9. by December 1 of each year, the Applicant notifies the Commission if it is relying on the exemption from registration granted pursuant to this order.

March 4, 2011

"Paulette L. Kennedy"
Commissioner
Ontario Securities Commission

"Mary G. Condon"
Commissioner
Ontario Securities Commission

2.2.7 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 temporary order (the "Temporary Order") against Shaun Gerard McErlean ("McErlean"), Acquiesce Investments ("Acquiesce") and Securus Capital Inc. ("Securus") (collectively the "Respondents"):

1. pursuant to clause 2 of subsection 127(1) of the Act, that trading of securities by the Respondents shall cease;
2. 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
3. pursuant to subsection 127(6) of the Act, this order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by order of the Commission;

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

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

AND WHEREAS on the 27th day of September, 2010, a hearing was held in writing, 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 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 a.m.

AND WHEREAS the Commission held a hearing on December 3, 2010;

AND WHEREAS at the hearing on December 3, 2010 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 a.m.;

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

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

AND WHEREAS on January 24, 2011 the Commission ordered that the pre-hearing conference continue on February 28, 2011;

AND WHEREAS on February 11, 2011 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 March 2, 2011 at 10 a.m.;

AND WHEREAS on March 2, 2011, the pre-hearing conference continued and the parties agreed to the setting of dates for the hearing on the merits;

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

IT IS ORDERED that the hearing on the merits in this matter proceed on November 14, 2011 at 10:00 a.m. and continue until November 28, 2011 excluding November 22, 2011.

DATED at Toronto this 2nd day of March, 2011.

"Edward P. Kerwin"

2.2.8 Majestic Supply Co. Inc. et al. – s. 127

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

AND

**IN THE MATTER OF
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. c. S.5, as amended (the "Act") 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 on December 9, 2010 Staff provided Staff's electronic disclosure to the parties;

AND WHEREAS by letter dated January 20, 2011, counsel for Adams and Suncastle and counsel for Kricfalusi and CBK requested further particulars relating to

both the Statement of Allegations and Staff's electronic disclosure;

AND WHEREAS on January 25, 2011, the Commission adjourned the hearing to a pre-hearing conference on March 1, 2011 at 2:00 p.m. to permit the parties to discuss any preliminary issues;

AND WHEREAS by letter dated February 9, 2011, Staff responded to the various requests for further particulars;

AND WHEREAS Staff has advised that Staff's electronic disclosure does not contain any documents compelled under section 13 of the Act;

AND WHEREAS Staff has agreed to advise counsel for Herbert Adams and Suncastle whether all documents provided to the Halton Regional Police Services were included in Staff's electronic disclosure;

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

IT IS ORDERED that: (i) the hearing on the merits will start on November 7, 2011 at 10:00 a.m. and continue on November 9 to 11, 14 to 18, 21, 23 to 25, 28 to 30, 2011 and December 1 and 2, 2011; and (ii) another pre-hearing conference will be held on April 26, 2011 at 2:30 p.m.

IT IS FURTHER ORDERED that a copy of Staff's electronic disclosure shall be provided to criminal counsel for Herbert Adams and to the Halton Regional Police Services in order to address Adams' Disclosure Request.

DATED at Toronto, this 1st day of March, 2011.

"Edward P. Kerwin"

2.2.9 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 ordered that the Amended Temporary Order be extended to March 9, 2011 and that the Hearing be adjourned to March 8, 2011 at 10:00 a.m.;

AND WHEREAS on March 8, 2011, Staff attended before the Commission and no one attended on behalf of the Respondents;

AND WHEREAS the Commission was satisfied that Staff had undertaken reasonable efforts to serve the Respondents with notice of the Hearing;

AND WHEREAS on March 8, 2011, Staff advised the Commission that Staff had been in contact with Jan Chomica and counsel representing Michael Chomica, Lorne Banks and Peter Siklos and that Jan Chomica, Michael Chomica, Lorne Banks and Peter Siklos were not opposing 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 May 17, 2011; and

IT IS FURTHER ORDERED that the Hearing is adjourned to May 16, 2011 at 10:00 a.m., or such other date and time as set by the Office of the Secretary.

Dated at Toronto this 8th day of March, 2011.

"Mary G. Condon"

2.2.10 Firestar Capital Management Corp. et al. – s. 127(8)

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

AND

**IN THE MATTER OF
FIRESTAR CAPITAL MANAGEMENT CORP.,
KAMPOSSE FINANCIAL CORP.,
FIRESTAR INVESTMENT MANAGEMENT GROUP,
MICHAEL CIAVARELLA AND MICHAEL MITTON**

**TEMPORARY ORDER
(Subsection 127(8))**

WHEREAS on December 10, 2004, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to s. 127 of the *Securities Act*, R.S.O. 1990, c. S.5, to consider whether it is in the public interest to extend the Temporary Orders made on December 10, 2004 ordering that trading in shares of Pender International Inc. by Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Mitton, and Michael Ciavarella cease until further order by the Commission;

AND WHEREAS on December 17, 2004, the Commission ordered that the hearing to consider whether to extend the Temporary Orders should be adjourned until February 4, 2005 and the Temporary Orders continued until that date;

AND WHEREAS on December 17, 2004, the Commission ordered that the Temporary Order against Michael Mitton should also be expanded such that Michael Mitton shall not trade in any securities in Ontario until the hearing on February 4, 2005;

AND WHEREAS a Notice of Hearing and Statement of Allegations were issued on December 21, 2004;

AND WHEREAS on February 2, 2005, the hearing to consider whether to continue the Temporary Orders was adjourned until May 26, 2005 and the Temporary Orders were continued until May 26, 2005;

AND WHEREAS on March 9, 2005, the hearing to consider whether to continue the Temporary Orders was adjourned until June 29 and 30, 2005 and the Temporary Orders were continued until June 30, 2005;

AND WHEREAS on June 29, 2005, the hearing to consider whether to continue the Temporary Orders was adjourned until November 23 and 24, 2005 and the Temporary Orders were continued until November 24, 2005;

AND WHEREAS on November 21, 2005, the hearing to consider whether to continue the Temporary

Orders was adjourned until January 30 and 31, 2006 and the Temporary Orders were continued until January 31, 2006;

AND WHEREAS on January 30, 2006, the hearing to consider whether to continue the Temporary Orders was adjourned until July 31, 2006 and the Temporary Orders were continued until July 31, 2006;

AND WHEREAS on July 31, 2006, the hearing to consider whether to continue the Temporary Orders was adjourned until October 12, 2006 and the Temporary Orders were continued until October 12, 2006;

AND WHEREAS on October 12, 2006, the hearing to consider whether to continue the Temporary Orders was adjourned until October 12, 2007 and the Temporary Orders were continued until October 12, 2007;

AND WHEREAS on October 12, 2007, the hearing to consider whether to continue the Temporary Orders was adjourned until March 31, 2008 and the Temporary Orders were continued until March 31, 2008;

AND WHEREAS on March 31, 2008, the hearing to consider whether to continue the Temporary Orders was adjourned until June 2, 2008 and the Temporary Orders were continued until June 2, 2008;

AND WHEREAS on June 2, 2008, the hearing to consider whether to continue the Temporary Orders was adjourned until December 1, 2008 and the Temporary Orders were continued until December 1, 2008;

AND WHEREAS on December 1, 2008, the hearing to consider whether to continue the Temporary Orders was adjourned until January 11, 2010 and the Temporary Orders were continued until January 11, 2010;

AND WHEREAS on January 11, 2010, the hearing to consider whether to continue the Temporary Orders was adjourned until March 7, 2011 and the Temporary Orders were continued until March 8, 2011;

AND WHEREAS Staff of the Commission ("Staff") has not been notified that Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Ciavarella, and Michael Mitton oppose the making of this order;

AND WHEREAS Michael Ciavarella and Michael Mitton were charged on September 26, 2006 under the Criminal Code with offences of fraud, conspiracy to commit fraud, laundering the proceeds of crime, possession of proceeds of crime, and extortion for acts related to this matter;

AND WHEREAS on March 22, 2007, Michael Mitton was convicted of numerous charges under the Criminal Code and sentenced to a term of imprisonment of seven years;

AND WHEREAS Michael Ciavarella is currently before the Superior Court of Justice (Ontario) with regard to the Criminal Code charges, and Staff has been informed that this trial is now currently scheduled to continue later in March of 2011;

AND WHEREAS no counsel appeared for any of the Respondents on March 7, 2011;

IT IS ORDERED that the hearing to consider whether to continue the Temporary Orders is adjourned to April 26, 2011 at 2:30 p.m.;

IT IS FURTHER ORDERED that the Temporary Orders currently in place as against Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Ciavarella and Michael Mitton are further continued until April 27, 2011, or until further order of this Commission.

DATED at Toronto this 8th day of March, 2011.

"Christopher Portner"

Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions, Orders and Rulings

3.1.1 Lehman Cohort Global Group 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
LEHMAN COHORT GLOBAL GROUP INC.,
ANTON SCHNEDL, RICHARD UNZER,
ALEXANDER GRUNDMANN AND
HENRY HEHLSINGER

REASONS AND DECISION ON SANCTIONS AND COSTS (Sections 127 and 127.1 of the Securities Act)

Merits Hearing:	January 25 and 26, 2010		
Merits Decision:	July 28, 2010		
Sanctions and Costs Hearing:	November 4, 2010		
Panel:	James E. A. Turner	–	Vice-Chair and Chair of the Panel
	Carol S. Perry		Commissioner
	Sinan O. Akdeniz		Commissioner
Counsel:	Hugh Craig	–	For Staff of the Ontario Securities Commission
		–	No one appeared for any of the Respondents.

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SCHEDULE "A"

REASONS AND DECISION ON SANCTIONS AND COSTS

I. BACKGROUND

[1] This was a hearing before the Ontario Securities Commission (the “**Commission**”) to consider pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “**Act**”) whether it is in the public interest to make an order with respect to sanctions and costs against Lehman Cohort Global Group Inc. (“**Lehman**”), Anton Schnedl (“**Schnedl**”), Richard Unzer (“**Unzer**”) and Alexander Grundmann (“**Grundmann**”) (collectively referred to as the “**Respondents**”).

[2] The hearing on the merits was heard over two days on January 25 and 26, 2010 and reasons and the decision on the merits were issued on July 28, 2010 (the “**Merits Decision**”).

[3] Following the release of the Merits Decision, we held a separate hearing on November 4, 2010 to consider submissions from Staff of the Commission (“**Staff**”) regarding sanctions and costs (the “**Sanctions and Costs Hearing**”). No one appeared for the Respondents at the Sanctions and Costs Hearing.

[4] These are our reasons and decision as to the appropriate sanctions and costs to be ordered against the Respondents. Our sanctions and costs order is attached as “Schedule A” to these reasons.

II. THE MERITS DECISION

[5] In a Statement of Allegations dated August 14, 2009, Staff alleged that the offer and sale to European investors of fraudulent investment schemes by the Respondents constituted trades in securities without registration in contravention of subsection 25(1)(a) of the Act. It was alleged that this conduct also constituted trading in securities that was contrary to the public interest. Staff also alleged that the Respondents engaged in acts of fraud, contrary to section 126.1 of the Act.

[6] We concluded in the Merits Decision that each of Lehman, Schnedl, Unzer and Grundmann contravened subsection 25(1)(a) of the Act and acted contrary to the public interest. We further concluded that each of Lehman and Schnedl knowingly perpetrated a fraud and contravened section 126.1(b) of the Act. However, we found that there was insufficient evidence to conclude that Unzer and Grundmann knowingly perpetrated a fraud and we dismissed that allegation against them.

[7] Our reasons for reaching these conclusions are summarized in paragraphs 67 to 80, 101 to 104, 107, 116 and 121 of the Merits Decision as follows:

[67] In this case, the Respondents were soliciting and Lehman was purporting to enter into transactions that would have constituted trading in securities for purposes of the Act if they had occurred in Ontario. In analysing the investment scheme from a securities law perspective we recognize that the scheme was a sham and that the Respondents never intended to complete the issue of a security as represented to investors. That does not mean, however, that no trading in a security occurred in Ontario for purposes of the Act.

[68] The acts in furtherance of the investment scheme that occurred in Ontario include the incorporation of Lehman in Ontario for the purpose of carrying out the investment scheme and the establishment of the Toronto Virtual Office and use of that office in dealing with investors. The establishment and use of the Toronto Virtual Office was an integral part of the investment scheme intended to mislead investors into believing they were dealing with a company and individuals located in Ontario. In our view, the establishment and use of the Toronto Virtual Office in this manner had sufficient proximity to the purported trades in securities with investors so as to constitute acts in furtherance of trades in securities that occurred in Ontario. The Commission came to a similar conclusion in *Sunwide*. We note that Lehman's head office was shown as the address of the Toronto Virtual Office and that its registered office was shown as the Toronto address of the law firm that incorporated Lehman.

[69] In addition, and perhaps most important, Lehman established bank accounts in Toronto to which investors wired funds in making their investments. Accordingly, investors completed their investments and the purported trades in securities by wiring funds to Toronto bank accounts and Lehman received those investor funds in Toronto.

[70] It is also clear that Lehman through its representatives solicited investors to purchase oil futures and foreign treasury bonds, both securities for purposes of the Act.

Lehman

[71] In the circumstances, we have concluded that Lehman engaged in acts in furtherance of trades in securities in Ontario within the meaning of the Act. There is evidence that Lehman:

- (a) used the Lehman Web site to advertise its services in furtherance of trading in securities; that Web site referred to Lehman's Toronto Virtual Office address;
- (b) established and paid for the services of the Toronto Virtual Office;
- (c) communicated with investors using the Toronto Virtual Office;
- (d) established Toronto bank accounts that received funds from investors;
- (e) solicited trades in securities by telephone through its representatives (although those representatives probably were not in Ontario and those calls probably were not made from Ontario);
- (f) entered into account agreements with investors governed by "the laws of Toronto, Canada"; and
- (g) used the Lehman Web site to disseminate false account information to investors.

[72] Accordingly, we find that Lehman traded in securities in Ontario within the meaning of the Act. Lehman was not registered in any capacity with the Commission. The onus is on Lehman to prove that an exemption from registration was available. No evidence was submitted to us indicating that any such registration exemption was available. Lehman therefore contravened subsection 25(1)(a) of the Act.

Schnedl

[73] Based on the information and circumstances referred to in paragraphs 11 and 12 of these reasons, we have concluded that Schnedl was a directing mind of Lehman. There is evidence that Schnedl engaged in acts in furtherance of trades in securities in Ontario in that he:

- (a) came to Toronto and caused Lehman to be incorporated under the laws of Ontario for purposes of carrying out the investment scheme;
- (b) established the Toronto Virtual Office, signed on behalf of Lehman the services agreement establishing that office and paid for those services on behalf of Lehman;
- (c) established the Toronto bank accounts used by Lehman to receive investor funds and was sole signing officer on those accounts;
- (d) solicited the Austrian Investors by telephone, as a representative of Lehman, to participate in the investment scheme (although those calls were probably not made from Ontario);
- (e) acted as the administrative and technical contact for the Lehman Web site used to advertise and solicit trades and to disseminate false account information to investors; and
- (f) caused funds to be wired from Lehman's Toronto bank accounts to his personal bank accounts in Spain.

Some of those acts in furtherance of trades were engaged in by Schnedl using the Hehlsinger alias.

[74] Accordingly, we find that Schnedl traded in securities in Ontario within the meaning of the Act. Schnedl was not registered in any capacity with the Commission. The onus is on Schnedl to prove that an exemption from registration was available. No evidence was submitted to us

indicating that any such registration exemption was available. Schnedl therefore contravened subsection 25(1)(a) of the Act.

Unzer

[75] Unzer participated in the investment scheme as a representative of Lehman by soliciting investors by telephone to invest in that scheme.

[76] Unzer called the Austrian Investors on numerous occasions to solicit investments in treasury bonds. The phone calls led to the Austrian Investors investing in April and May, 2008. Communications with Unzer included faxes to him at the Toronto Virtual Office.

[77] There is no evidence that Unzer was ever in Ontario or that he telephoned the Austrian Investors from Ontario. There is evidence, however, that he made use of the Toronto Virtual Office in his communications with investors and that he directed investors to make payments to Lehman's Toronto bank accounts. The acts in furtherance of trades carried out by Unzer may have occurred outside Ontario, but those acts in furtherance related to trading in securities that occurred in Ontario for purposes of the Act (see our conclusions in paragraphs 72 and 74 of these reasons). Accordingly, we find that Unzer traded in securities within the meaning of the Act. Unzer was not registered in any capacity with the Commission. The onus is on Unzer to prove that an exemption from registration was available. No evidence was submitted to us indicating that any such registration exemption was available. Unzer therefore contravened subsection 25(1)(a) of the Act.

Grundmann

[78] Grundmann participated in the investment scheme as a representative of Lehman by soliciting investors by telephone to invest in that scheme.

[79] Grundmann first starting calling the Austrian Investors in February 2008. He proposed that the Austrian Investors invest in oil futures because the price of oil was increasing rapidly at the time and because a "5% stop loss" would minimize the risk of such an investment. Grundmann told the Austrian Investors that it would be easy to make up their unrelated prior losses in the stock market by investing in oil futures. The Austrian Investors purported to invest in oil futures with Grundmann in February and May, 2008. Grundmann gave the Austrian Investors international wire instructions and bank account information for the Lehman Toronto bank accounts, a Lehman account application, and a user ID and password for the password-protected section of the Lehman Web site where the Austrian Investors could access their account statements. Communications with Grundmann included faxes to him at the Toronto Virtual Office.

[80] There is no evidence that Grundmann was ever in Ontario or that he telephoned the Austrian Investors from Ontario. There is evidence, however, that he made use of the Toronto Virtual Office in his communications with investors and that he directed the Austrian Investors to make payments to Lehman's Toronto bank accounts. The acts in furtherance of trades carried out by Grundmann may have occurred outside Ontario, but those acts in furtherance related to trading in securities that occurred in Ontario for purposes of the Act (see our conclusions in paragraphs 72 and 74 of these reasons). Accordingly, we find that Grundmann traded in securities within the meaning of the Act. Grundmann was not registered in any capacity with the Commission. The onus is on Grundmann to prove that an exemption from registration was available. No evidence was submitted to us indicating that any such registration exemption was available. Grundmann therefore contravened subsection 25(1)(a) of the Act.

...

[101] Lehman committed dishonest acts by making numerous deceitful and false statements to investors including, in particular, that their funds would be invested in oil futures and/or foreign treasury bonds. We have no evidence that the investors' funds were ever used for that purpose. It also appears that the Austrian Investors' account statements falsely showed fictitious investments and purported investment returns. There is no doubt based on the evidence that Lehman committed acts of deceit and falsehood through its representations in soliciting investors to invest in the scheme. The Supreme Court of Canada has stated that "other fraudulent means" include the non-disclosure of important facts, the unauthorized diversion of funds and the arrogation of funds or property. Lehman and Schnedl did each of those things.

[102] As noted above, we found that Schnedl was a directing mind of Lehman and participated personally in the fraudulent activity.

[103] The second element required to establish fraud is deprivation caused by the dishonest acts. In this case, as a result of the deceitful and false statements made by Lehman, investors wired substantial amounts of money to Lehman bank accounts in Toronto. A substantial portion of those funds were misappropriated by Schnedl for his personal benefit. The Austrian Investors have demanded the repayment of the amounts they wired to Lehman and have received no response. Accordingly, the Austrian Investors have been deprived of those funds as a result of the dishonest acts of Lehman and Schnedl. The second element of fraud, deprivation, is therefore established against Lehman and Schnedl.

[104] Finally, in order to commit fraud, a person must have the necessary mental element (*mens rea*). As discussed in *Thérout*, the person must have subjective knowledge of the prohibited conduct and that a consequence of that conduct will be the deprivation of another. Based on our conclusions in paragraphs 101 to 103, 123 and 125 of these reasons, we find that Lehman and Schnedl *knowingly* committed fraud by depriving the Austrian Investors of the funds that they were induced by deceit to forward to Lehman.

...

[107] In any event, we believe that in this case the fraud perpetrated by Lehman and Schnedl occurred in Ontario because of the real and substantial link between the fraud and Ontario.

...

[116] In our view, there is a real and substantial link between the fraud committed by Lehman and Schnedl and Ontario, even though the fraud was not planned or initiated by persons in Ontario. We were particularly influenced in coming to this conclusion by the fact that Lehman was incorporated in Ontario, Lehman was held out as carrying on business in and from Ontario, the Virtual Office was located in Ontario and was used in carrying out the investment scheme, and investor funds were wired to Lehman bank accounts established in Toronto. These elements of the investment scheme were an integral part of the fraud. We also find that the incorporation of Lehman, the establishment of the Toronto Virtual Office and the opening of the bank accounts were preparatory activities to perpetrate the fraudulent scheme (see paragraph 110 of these 22 reasons). Accordingly, we find that Lehman and Schnedl knowingly perpetrated a fraud in Ontario for purposes of section 126.1(b) of the Act.

...

[121] We have concluded above that Lehman and Schnedl knowingly perpetrated a fraud for purposes of section 126.1(b) of the Act. We heard evidence that Unzer and Grundmann participated in the fraud by contacting the Austrian Investors to sell the investment scheme to them on behalf of Lehman and that they made use of the Toronto Virtual Office in doing so. We do not have any evidence, however, that Unzer or Grundmann knew or reasonably ought to have known that the investment scheme was a fraud, that the investor account statements were a sham, or that investor funds were being diverted to and misappropriated by Schnedl. While we can speculate that Unzer and Grundmann probably did know that the investment scheme was a fraud, that is not enough.

[8] We will consider our findings and conclusions in the Merits Decision in determining the appropriate sanctions and order as to costs in the circumstances.

[9] For purposes of the Merits Decision and these reasons, the “**Austrian Investors**” mean a husband and wife who are residents of Austria and who invested in the investment scheme. Their testimony was given by video conference.

III. SANCTIONS AND COSTS REQUESTED BY STAFF

[10] Staff requests the following sanctions and costs orders against the Respondents.

Cease trade and other prohibition orders

[11] Staff seeks an order:

- (a) pursuant to clause 2 of subsection 127(1) of the Act, that each of the Respondents cease trading in securities permanently;
- (b) pursuant to clause 2.1 of subsection 127(1), that each of the Respondents be prohibited permanently from acquiring any securities;
- (c) pursuant to clause 3 of subsection 127(1), that any exemptions contained in Ontario securities law do not apply permanently to each of the Respondents;
- (d) pursuant to clause 7 of subsection 127(1), that each of Schnedl, Unzer and Grundmann resign all positions he may hold as a director or officer of an issuer; and
- (e) pursuant to clause 8 of subsection 127(1), that each of Schnedl, Unzer and Grundmann be prohibited permanently from becoming or acting as a director or officer of any issuer.

Reprimand

[12] Staff seeks an order, pursuant to clause 6 of subsection 127(1), reprimanding each of the Respondents.

Administrative Penalties

[13] Staff seeks an order, pursuant to clause 9 of subsection 127(1), requiring the Respondents to pay administrative penalties in the following amounts:

- (a) \$150,000 to be paid by Schnedl; and
- (b) \$30,000 to be paid by each of Unzer and Grundmann.

[14] Staff submits that an administrative penalty of \$150,000 is appropriate in the circumstances for Schnedl. Schnedl committed multiple and repeated violations of the Act, including fraud, which caused serious harm to the Austrian Investors. A substantial administrative penalty is necessary to deter Schnedl from engaging in the same or similar conduct in the future and to send a clear deterrent message to other market participants.

[15] Similarly, Staff submits that the nature of the conduct of Unzer and Grundmann warrants an administrative penalty of \$30,000 each. Staff concede that their conduct was not as serious as that of Schnedl given that they were not found to have committed fraud.

Disgorgement

[16] Staff seeks an order, pursuant to clause 10 of subsection 127(1) of the Act, requiring the Respondents to disgorge to the Commission all amounts obtained as a result of their non-compliance with Ontario securities law, such amounts to be allocated to or for the benefit of third parties pursuant to subsection 3.4(2)(b) of the Act.

[17] Staff seeks a specific order that the Respondents jointly and severally disgorge \$297,542 to the Commission, being the total amount obtained by them as a result of their non-compliance with Ontario securities law. The Austrian Investors sent Lehman approximately €221,000, or approximately \$297,542 in Canadian funds. All of these funds appear to have been lost by the Austrian Investors and Schnedl misappropriated the majority of them.

[18] Staff submit that the entire amount obtained by the Respondents from the Austrian Investors should be ordered disgorged based on the following factors:

- (a) the amount requested to be disgorged represents the entire amount obtained as a result of the Respondents' illegal trading and the fraudulent conduct of Lehman and Schnedl;
- (b) the Respondents' misconduct was egregious and the Austrian Investors were seriously harmed by the misappropriation of their funds;
- (c) it does not appear likely that investors will be able to obtain any redress given that none of Schnedl, Unzer or Grundmann are within Canada or can be located by Staff; and

- (d) a disgorgement order for the entire amount obtained by the Respondents from the Austrian Investors would have a significant specific and general deterrent effect.

[19] Staff submits that financial sanctions should be ordered regardless of whether it can be demonstrated that any of the Respondents currently have the ability to pay. An order for disgorgement of the entire amount obtained from investors would achieve the objectives of general and specific deterrence, and maintains proportionality and consistency with other Commission decisions. Furthermore, even if the Respondents do not currently have the ability to pay, the order will remain in place in the event that any assets of Lehman, Schnedl, Unzer or Grundmann are located.

Staff's Conclusion on Sanctions

[20] Staff submits that the proposed sanctions are proportionate to the Respondents' egregious conduct and will serve as a specific and general deterrent. An order permanently removing the Respondents from the capital markets, requiring disgorgement of all funds obtained from the Austrian Investors, and requiring the Respondents to pay significant administrative penalties will signal both to the Respondents and to like-minded individuals that fraudulent conduct will result in severe sanctions.

Costs

[21] Staff also seeks an order for investigation and hearing costs pursuant to section 127.1 of the Act. Staff submit that the Respondents should be ordered to pay \$51,718.83 on a joint and several basis, which amount Staff submits represents the costs incurred in the investigation and hearings related to this matter.

IV. THE RESPONDENTS DID NOT PARTICIPATE IN THE HEARINGS

[22] None of the Respondents appeared or participated in the hearing on the merits or the Sanctions and Costs Hearing.

V. SANCTIONS

(i) The Law on Sanctions

[23] The Commission's dual mandate is (a) to provide protection to investors from unfair, improper or fraudulent practices; and (b) to foster fair and efficient capital markets and confidence in capital markets (section 1.1 of the Act).

[24] The Commission's objective when imposing sanctions is not to punish past conduct, but rather to restrain future conduct that may be harmful to investors or Ontario's capital markets. This objective was described in *Re Mithras Management Ltd.* as follows:

... the role of this Commission is to protect the public interest by removing from the capital markets – wholly or partially, permanently or temporarily, as the circumstances may warrant – those whose conduct in the past leads us to conclude that their conduct in the future may well be detrimental to the integrity of those capital markets. We are not here to punish past conduct; that is the role of the courts, particularly under section 118 [now 122] of the Act. We are here to restrain, as best we can, future conduct that is likely to be prejudicial to the public interest in having capital markets that are both fair and efficient. In so doing we must, of necessity, look to past conduct as a guide to what we believe a person's future conduct might reasonably be expected to be; we are not prescient, after all.

(*Re Mithras Management Ltd.* (1990), 13 OSCB 1600 at pp. 1610-1611)

[25] Further, the Supreme Court of Canada has recognized general deterrence as an additional factor that the Commission may consider when imposing sanctions. In *Cartaway Resources Corp.*, [2004] 1 S.C.R. 672 at para. 60 the Supreme Court stated that: "... it is reasonable to view general deterrence as an appropriate and perhaps necessary consideration in making orders that are both protective and preventative".

[26] The Commission must ensure that the sanctions imposed in each case are proportionate to the circumstances and conduct of each respondent. The Commission has previously identified the following as some of the factors that a panel should consider when imposing sanctions:

- (a) the seriousness of the conduct and the breaches of the Act;
- (b) the respondent's experience in the marketplace;

- (c) the level of a respondent's activity in the marketplace;
- (d) whether or not there has been recognition by a respondent of the seriousness of the improprieties;
- (e) whether or not the sanctions imposed may serve to deter not only those involved in the matter being considered, but any like-minded people, from engaging in similar abuses of the capital markets;
- (f) the size of any profit obtained or loss avoided from the illegal conduct;
- (g) the size of any financial sanction or voluntary payment;
- (h) the effect any sanctions may have on the ability of a respondent to participate without check in the capital markets;
- (i) the reputation and prestige of the respondent;
- (j) the remorse of the respondent; and
- (k) any mitigating factors.

(*Re Belteco Holdings Inc.* (1998), 21 OSCB 7743 at p. 7746; and *Re M.C.J.C. Holdings Inc. and Michael Cowpland* (2002), 25 OSCB 1133 at para. 26)

[27] Because the Respondents appear to reside outside of Canada and their exact whereabouts have never been determined, it is unlikely that any financial sanction we impose will be paid. That is a relevant factor in determining sanctions but is not a predominant or determining factor.

[28] Ultimately, the sanctions we impose must protect Ontario's capital markets and investors by restricting or barring the Respondents from participating in our markets and by deterring others from using our jurisdiction to perpetrate fraudulent schemes which are abusive to investors outside Ontario.

(ii) Findings and Conclusions as to Sanctions

Specific Factors Applicable in this Matter

[29] In considering the factors referred to in paragraph 26 of these reasons, we find the following factors and circumstances to be relevant in this matter, based on our findings in the Merits Decision (which are set out in paragraph 7 of these reasons):

- (a) the conduct of the Respondents was clearly egregious; as noted above, the Respondents Lehman and Schnedl solicited and sold investments they knew were a sham, lied to and misled investors and misappropriated at least \$297,542 of investors' funds;
- (b) all of the Respondents breached a number of key provisions of the Act which are intended to protect investors from the very conduct that occurred here; the Respondents actions caused severe financial damage to the Austrian Investors and to the integrity of Ontario's capital markets, and were clearly contrary to the public interest;
- (c) the Austrian Investors were solicited by telephone by Schnedl, Unzer and Grundmann to invest in the fraudulent scheme; after they had done so, and after they had lost all of their investment, they were harassed by Schnedl in sometimes abusive phone calls;
- (d) Schnedl, Unzer and Grundmann's communications with the Austrian Investors included the use of aliases and deceitful and false statements with respect to the investment scheme;
- (e) Schnedl, Unzer and Grundmann knew or ought to have known that they were selling securities in breach of the Act;
- (f) Lehman prepared client account statements that purported to show for each client all account activity and account balances; it appears that the account statements were a complete sham and did not reflect actual investments or returns;
- (g) no trade confirmations were ever sent to investors;

- (h) notwithstanding the investments shown in the client accounts, it appears that no oil futures, treasury bonds or any other securities were ever purchased by Lehman on behalf of investors;
- (i) it appears that no money was ever returned to investors; the Austrian Investors made a total investment of approximately €221,000 and have made repeated demands for the return of their funds but have received no response; the Austrian Investors testified that they have been left almost destitute as a result;
- (j) the Austrian Investors were misled into believing that Lehman was carrying on business in Toronto and they thought they were dealing with a company and individuals located in Canada; the Toronto Virtual Office appears to have been established for the sole purpose of misleading investors into believing that was the case; and
- (k) Lehman opened bank accounts in Ontario, established the Toronto Virtual Office and used that office as part of the fraudulent scheme, telephone numbers for the Virtual Office were given to investors, and the Lehman web site and the administrative forms used by Lehman referred to the Toronto Virtual Office.

[30] It is important in these circumstances to impose very significant sanctions in order to demonstrate that we will not tolerate our jurisdiction and capital markets to be used in this manner to defraud investors located outside Canada. That conduct is completely unacceptable.

Trading and Other Prohibitions

[31] One of the Commission's objectives in imposing sanctions is to restrain future conduct that could be harmful to investors or Ontario's capital markets. In this case, we find that the public interest requires us to permanently restrain the Respondents from any future market participation.

[32] In all of the circumstances, we have concluded that it is in the public interest to make the following orders:

- (a) a permanent cease trade order against each of the Respondents;
- (b) a permanent prohibition order against each of the Respondents acquiring any securities;
- (c) a permanent removal of exemptions order against each of the Respondents;
- (d) an order that each of Schnedl, Unzer and Grundmann resign all positions they hold as a director or officer of an issuer;
- (e) an order that each of Schnedl, Unzer and Grundmann be prohibited permanently from becoming or acting as a director or officer of an issuer; and
- (f) an order reprimanding each of the Respondents.

Disgorgement

[33] Subsection 127(1)10 of the Act provides that a person or company that has not complied with Ontario securities law can be ordered to disgorge to the Commission "any amounts obtained as a result of the non-compliance". The disgorgement remedy is intended to ensure that respondents do not retain any financial benefit from their breaches of the Act and to provide specific and general deterrence.

[34] Disgorgement is not intended primarily as a means to compensate investors for their losses. However, subsection 3.4(2)(b) of the Act allows the Commission to order that amounts paid to the Commission in satisfaction of a disgorgement order or administrative penalty be allocated to or for the benefit of third parties.

[35] In contemplating the issue of a disgorgement order, we have considered the following factors which have been determined by the Commission to be relevant:

- (a) whether an amount was obtained by a respondent as a result of non-compliance with the Act;
- (b) whether the amount that a respondent obtained as a result of non-compliance with the Act is reasonably ascertainable;
- (c) the seriousness of the misconduct and the breaches of the Act and whether investors were seriously harmed;

- (d) whether the individuals who suffered losses are likely to be able to obtain redress by other means; and
- (e) the deterrent effect of a disgorgement order on the respondents and other market participants.

(*Re Limelight Entertainment Inc.* (2008) OSCB 12030 at para. 52)

[36] In our view, a disgorgement order is appropriate in these circumstances because it ensures that none of the Respondents will benefit from their breaches of the Act and because such an order will deter them and others from similar misconduct. In our view, it is appropriate that a disgorgement order in these circumstances relate to the full amount that we determined in the Merits Decision to have been obtained by each of Lehman and Schnedl from the Austrian Investors.

[37] We will order that Lehman and Schnedl disgorge \$297,542 on a joint and several basis. That amount represents the total amount in Canadian dollars that was obtained by Lehman and Schnedl from the Austrian Investors. We impose joint and several liability on Lehman and Schnedl because, as stated in the Merits Decision, Schnedl was the directing and controlling mind of Lehman. Ultimately it was Schnedl who concocted, orchestrated and carried out the investment scheme and misappropriated investors' funds.

[38] It is not clear on the evidence what amount was obtained by Unzer or Grundmann from investors. Further, we did not conclude in the Merits Decision that Unzer and Grundmann knowingly committed fraud. As a result, we will not order that either Unzer or Grundmann disgorge any amount or that they pay, on a joint and several basis, the amount we order disgorged by Lehman and Schnedl.

Administrative Penalties

[39] In our view, it is appropriate in this matter to impose substantial administrative penalties against Lehman and Schnedl, in addition to our disgorgement order. We have considered the submissions made by Staff as to the appropriate administrative penalty in this case. However, we find that it is in the public interest to impose a higher administrative penalty against Lehman and Schnedl than that requested by Staff. We have concluded that we have the legal authority to do so without further notice to the Respondents.

[40] In imposing the following administrative penalty, we have considered our findings in the Merits Decision, the respective roles of each Respondent in the illegal conduct involved in this matter and the extent of the involvement of each Respondent in selling the investment scheme to investors.

[41] We will order that an administrative penalty of \$500,000 be paid to the Commission by Lehman and Schnedl, on a joint and several basis. Lehman and Schnedl committed multiple and repeated violations of the Act, including fraud, which caused serious harm to the Austrian Investors. As noted above, Schnedl was the directing and controlling mind of Lehman and orchestrated the investment scheme and misappropriated investors' funds. A very substantial administrative penalty is justified based on the fraud that occurred and the amounts that appear to have been lost by investors. The administrative penalty imposed shall be allocated to or for the benefit of third parties in accordance with section 3.4(2)(b) of the Act in accordance with this decision (see paragraph 43 of these reasons).

[42] We will not order an administrative penalty against Unzer or Grundmann. We did not conclude in the Merits Decision that they knowingly committed fraud and all of their activities appear to have been carried on outside Ontario. Further, the evidence submitted to us by Staff in respect of the activities of Unzer and Grundmann was less compelling than that against Lehman and Schnedl. We have concluded in all of the circumstances that the appropriate sanctions against Unzer and Grundmann are only the cease trade and other market participation bans referred to in paragraph 32 of these reasons.

Allocation of Amounts for Benefit of Third Parties

[43] Any amounts paid to the Commission in compliance with our orders for disgorgement and administrative penalties shall be allocated to or for the benefit of third parties, including investors who lost money as a result of investing in the investment scheme, in accordance with subsection 3.4(2)(b) of the Act. Such amounts are to be distributed to investors who lost money as a result of investing in the investment scheme on such basis, on such terms and to such investors as Staff in its discretion determines to be appropriate in the circumstances. A distribution to investors shall be made only if Staff is satisfied that doing so is reasonably practicable in the circumstances and only if Staff concludes that there are sufficient funds available to justify doing so. If for any reason, Staff decides at any time or from time to time not to distribute any such amounts to investors, such amounts may, by further Commission order, be allocated to or for the benefit of other third parties. Any panel of the Commission may, on the application of Staff, make any order it considers expedient with respect to the matters addressed by this paragraph. We recognise that the evidence led us to conclude that the Austrian Investors lost approximately \$297,542 as a result of the fraudulent investment scheme.

[44] The terms of paragraph 43 shall not give rise to or confer upon any person, including any investor (i) any legal right or entitlement to receive, or any interest in, amounts received by the Commission under our orders for disgorgement and administrative penalties, or (ii) any right to receive notice of any application by Staff to the Commission made in connection with that paragraph or of any exercise by the Commission of any discretion granted to it under that paragraph.

VI. COSTS

[45] Staff seeks an order for the payment of \$51,718.83 of the costs of investigation and of the hearing in this matter against all of the Respondents, on a joint and several basis. Staff has submitted a bill of costs supporting that amount. We accept that the amount claimed by Staff is only a portion of the costs incurred by Staff in this matter.

[46] We order that costs in the amount of \$51,718.83 shall be payable by Lehman and Schnedl, on a joint and several basis. We make no order for costs against Unser or Grundmann for the reasons referred to in paragraph 42 of these reasons.

VII. CONCLUSION

[47] For the reasons discussed above, we have concluded that the sanctions imposed above are proportionate to the respective conduct and culpability of each Respondent in the circumstances and are in the public interest. We will issue a sanctions and costs order in the form appended to these reasons as Schedule "A".

Dated at Toronto, this 2nd day of March, 2011.

"James E. A. Turner"

"Carol S. Perry"

"Sinan O. Akdeniz"

Schedule "A"

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

AND

**IN THE MATTER OF
LEHMAN COHORT GLOBAL GROUP INC.,
ANTON SCHNEIDL, RICHARD UNZER,
ALEXANDER GRUNDMANN AND
HENRY HEHLSINGER**

ORDER

(Sections 127 and 127.1 of the *Securities Act*)

WHEREAS on August 14, 2009, a Statement of Allegations and a Notice of Hearing were issued 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 Lehman Cohort Global Group Inc. ("**Lehman**"), Anton Schnedl ("**Schnedl**"), Richard Unzer ("**Unzer**"), Alexander Grundmann ("**Grundmann**") and Heinrich "Henry" Hehlsinger;

AND WHEREAS the Commission conducted the hearing on the merits in this matter on January 25 and 26, 2010;

AND WHEREAS the Commission issued its reasons and decision on the merits in this matter on July 28, 2010 (the "**Merits Decision**");

AND WHEREAS the Commission concluded that Lehman and Schnedl committed fraud and that Lehman, Schnedl, Unzer and Grundmann (collectively the "**Respondents**" and individually a "**Respondent**") contravened Ontario securities law and have acted contrary to the public interest;

AND WHEREAS the Commission conducted a hearing with respect to the sanctions and costs to be imposed in this matter on November 4, 2010 and issued its reasons imposing sanctions and costs on March 2, 2011 (the "**Sanctions and Costs Decision**");

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this order for the reasons set forth in the Sanctions and Costs Decision;

IT IS HEREBY ORDERED THAT:

- (a) pursuant to clause 2 of subsection 127(1) of the Act, each of the Respondents shall cease trading in any securities permanently;
- (b) pursuant to clause 2.1 of subsection 127(1) of the Act, the acquisition of any securities by any of the Respondents is prohibited permanently;
- (c) pursuant to clause 3 of subsection 127(1) of the Act, any exemptions in Ontario securities law do not apply permanently to any of the Respondents;
- (d) pursuant to clause 7 of subsection 127(1) of the Act, each of Schnedl, Unzer and Grundmann shall immediately resign all positions they may hold as a director or officer of any issuer;
- (e) pursuant to clause 8 of subsection 127(1) of the Act, each of Schnedl, Unzer and Grundmann are prohibited permanently from becoming or acting as a director or officer of any issuer;
- (f) pursuant to clause 6 of subsection 127(1) of the Act, each of the Respondents are reprimanded;
- (g) pursuant to clause 9 of subsection 127(1) of the Act, Lehman and Schnedl shall jointly and severally pay an administrative penalty of \$500,000;
- (h) pursuant to clause 10 of subsection 127(1) of the Act, Lehman and Schnedl shall jointly and severally disgorge to the Commission \$297,542;

- (i) the amounts referred to in paragraphs (g) and (h) of this Order shall be allocated by the Commission to or for the benefit of third parties, including investors who lost money as a result of investing in the investment scheme that was the subject matter of this proceeding, in accordance with subsection 3.4(2)(b) of the Act and the Sanctions and Costs Decision; and
- (j) pursuant to section 127.1 of the Act, Lehman and Schnedl shall jointly and severally pay \$51,718.83 in costs to the Commission.

Dated at Toronto, Ontario this 2nd day of March, 2011.

“James E. A. Turner”

“Carol S. Perry”

“Sinan O. Akdeniz”

3.1.2 Cyril Obasi – s. 31

**IN THE MATTER OF
STAFF'S RECOMMENDATION
FOR THE SUSPENSION OF REGISTRATION OF
CYRIL OBASI**

**OPPORTUNITY TO BE HEARD BY THE DIRECTOR
Section 31 of the Securities Act**

DECISION

1. For the reasons outlined below, my decision is to suspend the registration of Cyril Obasi (Obasi) for nine months.

Overview

2. On January 18, 2011, Staff recommended Obasi's registration as a dealing representative in the category of scholarship plan dealer (SPD) be suspended for nine months and that he be prohibited from applying to have his registration reinstated for a period of nine months from the date of this decision. Staff also submits that as a precondition to any application by Obasi for reinstatement of his registration that he be required to complete the *Conduct and Practices Handbook* course (CPH).
3. Pursuant to section 31 of the *Securities Act* (Ontario) (Act), Obasi is entitled to an opportunity to be heard (OTBH) before a decision is made by me, as Director. My decision is based on the written submissions of Mark Skuce, Legal Counsel, Compliance and Registrant Regulation Branch for the Staff and Obasi (on his own behalf).

The Law

4. 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.
5. Subsection 28(a) of the Act states that the Director may suspend a registrant's registration if it appears to the Director that the person or company has failed to comply with securities law.
6. Subsection 2.1(2) of OSC Rule 31-505 *Conditions of Registration* states that a registered representative of a registered dealer shall deal fairly, honestly and in good faith with his or her clients. Both the OSC and the courts have confirmed that OSC Rule 31-505 is part of Ontario securities law.
7. Subsection 122(1) of the Act provides that a person or company that makes a statement to Staff that, in a material respect 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 the statement not misleading has contravened Ontario securities law.

Arguments relating to Staff's recommendation of suspension of Obasi's registration

Reasons for nine month suspension

8. Staff submits that Obasi's registration be suspended for nine months on the grounds that he breached Ontario securities law by:
 - a. Forging the signatures of two of his clients (the O's) to a letter authorizing him to remain as their account representative,
 - b. Asking Mr. O to cover up for Obasi's misconduct by lying to his sponsoring firm, and
 - c. Lying to Staff when questioned about the forgery.

Obasi's registration history

9. Obasi was first registered in 2003 as a dealing representative in the category of SPD with Global Educational Marketing Corporation (GEMC). He was then registered as a dealing representative in the categories of mutual fund dealer, limited market dealer and SPD with a related company (Global Maxfin Investments Inc. (GMII)). Since February 2010, he has been registered with GEMC as a dealing representative in the category of SPD.

Obasi's alleged conduct

10. In December 2007, the O's purchased a registered educational savings plan through Obasi.
11. In February 2010, Mr. O received a call from Ms. J, a branch manager from GMII. Ms. J was calling to confirm that the O's were content to move their account from GMII to GMEC. Ms. J advised Mr. O that Obasi had moved from GMII to GMEC and that she had a letter dated February 16, 2010, purportedly signed by the O's that stated that they had authorized Obasi to continue as their account representative. Mr. O advised Ms. J that he had no knowledge of Obasi moving from GMII to GMEC and that neither of the O's had signed the February 16 letter.
12. Shortly after, Mr. O received a call from Obasi. During the call, Obasi admitted to Mr. O that he had forged the February 16 letter. Mr. O's affidavit states that Obasi told him the February 16 letter was causing problems with his employer and asks Mr. O to tell GEMC that Mr. O had in fact signed the February 16 letter. Mr. O refused.
13. Mr. O subsequently contacted GEMC and advised that the O's no longer wanted Obasi to be their account representative as they considered Obasi's actions to be dishonest and unethical.
14. When first contacted by Staff in July 2010, Obasi denied the forgery. In a subsequent interview with Staff in December 2010, Obasi admitted to the forgery. However, he maintained that he did not ask Mr. O to cover up for him with GEMC.

Violations of Ontario securities law

15. Staff submits that by forging the February 16 letter, Obasi did not deal with the O's fairly, honestly or in good faith, contrary to OSC Rule 31-505. I agree.
16. Obasi admitted to both forging the O's signatures on the February 16 letter and to lying to Staff in July 2010. Staff submits that this conduct is a violation of subsection 122(1) of the Act. I agree.
17. The evidence of Mr. O and Obasi differs on whether Obasi asked Mr. O to cover up for him. Staff submits I should accept the evidence of Mr. O over Obasi on this point. I agree since, in my opinion, the O's have no reason to be untruthful. As a result, I concur with Staff's submissions that Obasi's conduct is contrary to OSC Rule 31-505.

Principles on general deterrence and sanction

18. Staff argued that in imposing sanctions, the Commission's objective is not to punish past conduct. Rather, the Commission must act in a protective and preventative manner to restrain future conduct that may be harmful to investors or the capital markets. See *Re Mithras Management Ltd.*, (1990) 13 OSCB 1600.
19. Staff also argued that the Director should consider general deterrence as an important factor in determining appropriate sanctions and referred me to *Cartaway Resources Corp. Re*, [2004] S.C.R. (S.C.C.) which held that "it is reasonable to view general deterrence as an appropriate, and perhaps necessary, consideration in making orders that are both protective and preventative".
20. I was also referred to *Re Dornford* (1998) 21 OSCB 7345 where the Commission held that it was appropriate to consider general deterrence in deciding whether to suspend a registrant who had been accused of misappropriating client funds. Extracting from that decision:

"In our view, taking into account general deterrence ... would not be for the purpose of punishing Dornford ... but rather for ... the further protection of the marketplace not only from the actions by Mr. Dornford but also from breaches of trust by others. It seems to us that *Warnes* does not in any way indicate that general deterrence can be taken into account for punitive purposes, but rather, in the securities law context, that it can be taken into account in determining what is necessary to restrain conduct by others that is likely to be prejudicial to the public interest by having capital markets that are fair and efficient."
21. General deterrence has also been endorsed by the Director in the context of an OTBH. In *Re Jaynes* (2000) 23 OSCB 1543, the Director said "I further find that the *Dornford* decision clearly establishes that general deterrence is an appropriate consideration for the Commission to take into account, and by extension, is also important for the Director to take into account in this context."

Case law relating to forgery

22. In *Re Hugh Cairns Bell* (a 2005 decision of the Investment Dealers Association of Canada (IDA)), the hearing panel noted that:
- “Forgery is always serious. It is unequivocally condemned because it is fundamentally dishonest and dangerous. Any act of forgery is a step onto a steep and slippery slope of deception that is always potentially harmful to clients and actually harmful to the ... securities industry as a whole.”
23. In *Bell*, the registrant, who had no previous disciplinary record, forged three client signatures to facilitate certain transactions. There was no malicious intent on the part of Bell, no harm to his clients, and the financial benefit to the registrant was nominal. The registrant cooperated with the IDA’s investigation, accepted responsibility for his actions, and expressed remorse for his conduct. The hearing panel concluded that if Bell had not been terminated as a result of his conduct, the hearing panel likely would have considered a suspension of six months.
24. In *Re Lamontagne* (2009) ABASC 490, the registrant, who also had no previous disciplinary record, forged thirteen client signatures to his firm’s internal documents. The registrant initially denied the forgeries, but subsequently admitted to his misconduct. He did not contest the forgery charges brought against him by the Investment Industry Regulatory Association of Canada (IIROC), however the penalty phase of the hearing was contested. Mitigating factors noted by the hearing panel included that the registrant had paid a significant price for his misconduct, no clients were affected, the registrant had no disciplinary history with IIROC, and the registrant had learned his lesson. The IIROC hearing panel imposed a six month suspension, which was confirmed on appeal to the Alberta Securities Commission.
25. In contrast, in *Re Inglis* (a 2005 decision of the IDA), the registrant was suspended for two years after she signed her client’s signature to an account guarantee form without the client’s knowledge or consent. The case included an additional charge relating to using the client’s funds to satisfy her own undertaking to the client to reimburse the client for deferred sales charges. The IDA panel imposed a suspension of three years.
26. Staff submits that these cases indicate that six months to two years is an acceptable range for a suspension for Obasi. However, Obasi also lied to Staff, which Staff submits should also be reflected in the length of his suspension. As a result, Staff submits that a suspension of nine months is appropriate in this case for the following reasons, having regard to the applicable factors identified in *Re Peter Sabourin et al* (2010) 33 OSCB 5299:
- a. Forgery and lying to Staff are very serious matters,
 - b. Registrants need to be made aware that the OSC will not tolerate forgery by registrants and that Staff will take forceful regulatory action to address situations where forgery has occurred,
 - c. At the time of the forgery, Obasi had been a registrant for over seven years and thus he should have been aware that his conduct was not appropriate for a securities professional,
 - d. The forgery did not result in any financial loss to the O’s or any financial gain to Obasi, and
 - e. Obasi admitted most of his misconduct to Staff and expressed remorse for his actions.

Obasi’s arguments

27. Obasi submitted that a decision by me to suspend his registration would have a drastic effect on his career, his family and his ability to earn income to support and maintain his family. As well, the suspension of his registration would impact his insurance licence and his family would be seriously impacted both financially and socially.
28. Obasi’s materials indicate that he takes responsibility for the situation, refers to the situation as “an obvious misunderstanding” and offered his apologies to me, as Director, for “any conduct that appear [sic] to be not becoming of a licensed representative”. He also advised me that he “will personally give [his] apologies to the clients for the misunderstanding”.
29. He appealed to me for leniency and no suspension of his licence. He promised “to be extremely careful carrying out my business with the code of conduct and guarantee that this kind of misunderstanding will never happen again.”

Reasons

30. After having read the submissions of Staff and Obasi, it is my decision that Mr. Obasi's registration should be suspended for nine months. Mr. Obasi is prohibited from applying to have his registration reinstated for a period of nine months from the date of this decision. As well, as a precondition to any application by Obasi for reinstatement of his registration, I decided that Mr. Obasi should complete the CPH.
31. I was troubled, as Staff was, with Obasi's characterization of the forgery committed by him as a "misunderstanding". In my view, there is clear evidence of Obasi's forgery, his request this the O's lie to his employer to cover up the forgery, and his misrepresentation to Staff when questioned about the forgery. As a result, I had difficulty in concluding that Obasi is truly remorseful for his actions.
32. In my view, the sanctions suggested by Staff are appropriate and reasonable in the circumstances and are commensurate with the securities law violations committed by Obasi. In my view, the nine month suspension suggested by Staff falls clearly into the test set out in Re Mithras above and is in line with the cases referred to me by Staff relating to similar conduct.

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

March 4, 2011

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Chapter 4

Cease Trading Orders

4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Revoke
First Choice Products Inc.	24 Feb 11	07 Mar 11	07 Mar 11	
Seprotech Systems Incorporated	24 Feb 11	08 Mar 11	08 Mar 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

THERE ARE NO ITEMS FOR THIS WEEK.

4.2.2 Outstanding Management & Insider Cease Trading Orders

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

THERE ARE NO ITEMS FOR THIS WEEK.

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Chapter 7

Insider Reporting

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

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

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

Chapter 8

Notice of Exempt Financings

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

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price (\$)	No. of Securities Distributed
01/11/2011	1	Adventrx Pharmaceuticals Inc. - Warrants	1,000,010.00	363,640.00
02/10/2011	15	Agcapita Farmland Investment Partnership LP - Trust Units	54,000.00	10,800.00
02/10/2011	15	Agcapita Farmland Principal Return Fund II - Trust Units	486,000.00	97,200.00
02/04/2011	3	Aleris International, Inc. - Notes	3,564,360.00	3,600.00
02/08/2011	2	Ally Financial Inc. - Notes	2,983,800.00	2.00
01/01/2011	17	Altai Resources Inc. - Units	1,400,000.00	5,600,000.00
12/21/2010	42	Anglo-Canadian Uranium Corp. - Units	577,755.96	4,814,033.00
12/21/2010	42	Anglo-Canadian Uranium Corp. - Units	577,755.96	7,699,882.00
12/06/2010	28	Apella Resources Inc. - Units	494,775.00	3,157,500.00
12/30/2010	16	Armistice Resources Corp. - Common Shares	3,095,000.00	6,190,000.00
02/23/2011	1	Bank of Montreal - Debt	1,984,800.00	1.00
02/17/2010	21	Baytex Energy Corp. - Debentures	13,786,350.00	150,000.00
01/31/2011	2	Bending Lake Iron Group Limited - Common Shares	361,000.00	190,000.00
01/01/2010 to 12/31/2010	22	Bissett Core Equity Trust - Trust Units	8,552,843.72	533,957.90
01/01/2010 to 12/31/2010	25	Bissett Institutional Balanced Trust - Trust Units	47,961,253.23	2,768,565.00
02/03/2011	10	Blaze Software Inc. - Debentures	891,090.00	20.00
01/31/2011	2	BNP Paribas (Canada) - Note	10,200,000.00	1.00
02/10/2011	3	Body Central Corp. - Common Shares	1,511,169.00	92,000.00
01/01/2010 to 12/31/2010	1	CC&L All Strategies Fund - Trust Units	343,012.11	3,831.59
01/01/2010 to 12/31/2010	1	CC&L Arrowstreet EAFE Fund - Trust Units	1,121,998.20	135,475.75
01/01/2010 to 12/31/2010	3	CC&L Balanced Canadian Equity Fund - Trust Units	296,963.53	14,897.38
01/01/2010 to 12/31/2010	9	CC&L Bond Fund - Trust Units	21,081,647.27	1,952,241.29
01/01/2010 to 12/31/2010	3	CC&L Canadian Equity Fund - Trust Units	46,462.60	5,478.85

Notice of Exempt Financings

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price (\$)	No. of Securities Distributed
01/01/2010 to 12/31/2010	5	CC&L Canadian Q Core Fund - Trust Units	37,868,658.10	4,123,817.13
01/01/2010 to 12/31/2010	1	CC&L Canadian Q Growth Fund - Trust Units	51,155,200.10	5,388,201.89
01/01/2010 to 12/31/2010	1	CC&L Canadian Small Cap Fund - Trust Units	5,000.00	438.60
01/01/2010 to 12/31/2010	3	CC&L Genesis Fund - Trust Units	31,079,383.09	23,248,510.10
01/01/2010 to 12/31/2010	8	CC&L Global Fund - Trust Units	6,349,820.28	516,322.76
01/01/2010 to 12/31/2010	2	CC&L Group Balanced Plus Fund II - Trust Units	48,800,124.86	30,579,975.72
01/01/2010 to 12/31/2010	2	CC&L Group Bond Fund II - Trust Units	28,275,121.56	2,524,778.96
01/01/2010 to 12/31/2010	2	CC&L Group Canada Plus Fund II - Trust Units	9,801,288.81	1,027,618.07
01/01/2010 to 12/31/2010	2	CC&L Group Canadian Equity Fund - Trust Units	60,074,839.67	3,384,759.51
01/01/2010 to 12/31/2010	1	CC&L Group Global Fund - Trust Units	851,092.11	112,501.21
01/01/2010 to 12/31/2010	7	CC&L Group Money Market Fund - Trust Units	4,778,116.70	477,811.67
01/01/2010 to 12/31/2010	1	CC&L High Income Fund - Trust Units	5,016,845.70	362,950.45
01/01/2010 to 12/31/2010	21	CC&L Long Bond Fund - Trust Units	20,794,078.20	1,899,565.27
01/01/2010 to 12/31/2010	1	CC&L U.S. Equity Fund - Trust Units	1,844,454.77	275,879.59
01/11/2010 to 07/12/2010	4	CI Signature Canadian Balanced Fund - Units	1,955,868.97	40,054.59
01/06/2010 to 07/12/2010	2	CI Signature Canadian Bond Plus Fund - Units	2,861,539.97	78,274.89
02/22/2011 to 02/25/2011	5	Cleanfield Alternative Energy Inc. - Common Shares	109,613.82	892,899.00
03/29/2010 to 04/06/2010	6	Coalhunter Mining Corporation - Common Shares	87,500.00	700,000.00
04/16/2010	5	Coalhunter Mining Corporation - Common Shares	97,500.00	0.13
02/17/2011	7	ColCan Energy Corp. - Common Shares	485,000.00	1,212,500.00
12/22/2010	1	Coventry Resources Limited - Common Shares	372,498.09	1,407,692.00
02/03/2011 to 02/11/2011	17	Dejour Enterprises Ltd. - Units	3,303,000.10	11,010,000.00
02/03/2011	6	Denbury Resources Inc. - Notes	5,555,000.00	6.00

Notice of Exempt Financings

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price (\$)	No. of Securities Distributed
02/25/2011	1	Detour Gold Corporation - Common Shares	3,837,500.00	125,000.00
02/01/2011	1	Dias Exploration Inc. - Common Shares	1,200,000.20	3,428,572.00
01/28/2011 to 02/04/2011	6	East Coast Eenergy Inc. - Common Shares	685,000.00	8,042,855.00
01/17/2011	6	Edge Resources Inc. - Common Shares	656,600.00	2,984,545.00
01/01/2010 to 12/31/2010	21	Equity International Investment Trust - Units	179,544,214.18	153,007.20
01/27/2011	1	First Leaside Expansion Limited Partnership - Limited Partnership Interest	100,000.00	100,000.00
04/01/2010	1	Front Point Offshore Fixed Income Opportunities Fund, Ltd. - Common Shares	706,974.38	734.00
01/01/2010 to 12/31/2010	15	Front Street Canadian Energy Resource Fund - Units	5,459,068.81	173,385.42
01/01/2010 to 12/31/2010	9	Front Street Canadian Energy Resource Fund - Units	190,000.00	8,766.57
01/12/2011	13	Gedex Inc. - Common Shares	918,062.50	925,000.00
01/28/2011 to 02/03/2011	12	Geomega Resources Inc. - Units	999,999.00	1,111,110.00
01/01/2010 to 12/31/2010	18	Global Intrepid - Canada Fund - Units	345,243,979.14	3,950,136.30
02/16/2010	1	Global Select Capital Appreciation Portfolio (Luxembourg) - Units	10,000,000.00	1,072,961.37
03/31/2010 to 12/31/2010	1	Global Total Return Portfolio IV (Luxembourg) - Units	30,285,304.43	3,025,613.56
07/01/2010 to 12/31/2010	47	G.I. Capital Alternative Income Fund - Common Shares	3,004,634.69	299,094.27
01/26/2011	30	Highland Resources Inc - Units	2,017,120.00	7,204,000.00
02/11/2011	8	Holle Potash Corp. - Units	670,000.00	2,680,000.00
01/02/2011	6	Holle Potash Corp. - Units	4,000,000.00	16,000,000.00
12/31/2010	32	Home Hardware Stores Limited - Notes	7,755,000.00	7,755,000.00
01/18/2011	11	Houston Lake Mining Inc. - Units	321,499.90	2,143,333.00
01/24/2011 to 01/28/2011	20	IGW Real Estate Investment Trust - Units	967,668.36	962,312.42
02/07/2011	2	Immersion USA, Inc. - Common Shares	802,768.17	116.00
01/01/2010 to 12/31/2010	2	Invesco International Growth Equity Fund - Units	50,827,705.11	5,082,596.41
01/01/2010 to 12/31/2010	1	Invesco Select Canadian Equity Fund - Units	372,701.95	22,800.79
02/09/2011	1	Jaguar Mining Inc. - Note	99,470.00	1.00

Notice of Exempt Financings

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price (\$)	No. of Securities Distributed
02/01/2011	2	Johnson Controls, Inc. - Notes	1,889,607.84	1,914.00
01/01/2010 to 12/31/2010	297	Jov Prosperity Canadian Equity Fund - Units	10,103,024.19	888,801.47
01/01/2010 to 12/31/2010	574	Jov Prosperity Fixed Income Fund - Units	37,398,253.24	3,530,509.02
01/01/2010 to 12/31/2010	424	Jov Prosperity International Equity Fund - Units	12,180,911.26	1,328,593.42
01/01/2010 to 12/31/2010	373	Jov Prosperity US Equity Fund - Units	10,666,125.01	1,572,862.71
05/01/2010 to 12/01/2010	71	KAIOG Partners Fund L.P. - Units	17,655,100.00	174,832.84
01/11/2010 to 12/10/2010	2	KBSH Canadian Growth Equity Fund - Units	546,250.20	10,507.37
04/07/2010 to 10/21/2010	2	KBSH EAFE Equity Fund - Units	1,428,400.42	67,456.74
01/08/2010 to 12/31/2010	79	KBSH Enhanced Income Fund - Units	1,879,246.00	201,386.69
01/04/2010 to 12/30/2010	6	KBSH Money Market Fund - Units	33,979,544.00	3,397,957.04
01/11/2010 to 11/02/2010	70	KBSH Private Canadian Equity Fund - Units	3,056,463.46	192,975.11
01/08/2010 to 12/06/2010	186	KBSH Private Fixed Income Fund - Units	7,370,443.11	704,059.91
01/06/2010 to 11/08/2010	28	KBSH Private Money Market Fund - Units	16,100,921.26	1,610,092.13
01/11/2010	1	KBSH US Growth Equity US\$ Fund - Units	39,949.43	246.09
06/30/2010 to 10/21/2010	2	KBSH US Growth Equity US\$ Fund - Units	1,658,935.69	110,388.25
07/30/2010 to 12/22/2010	15	Kinsale High Yield Hedge Fund - Trust Units	35,684,600.00	3,482,114.28
09/30/2010 to 12/31/2010	22	Kinsale High Yield Strategies Fund - Trust Units	26,083,600.00	2,582,221.00
09/30/2010 to 12/31/2010	14	Kinsale Investment Grade Long Short Fund - Trust Units	21,490,600.00	2,151,540.09
09/30/2010 to 12/31/2010	18	Kinsale Investment Grade Strategies Fund - Trust Units	22,019,600.00	2,210,413.00
02/11/2011	1	Kratos Defense & Security Solutions - Common Shares	1,312,000.00	100,000.00
01/11/2011 to 01/17/2011	5	Lateegra Gold Corp. - Common Shares	1,289,999.80	3,653,571.00
02/24/2010	18	Linear Metals Corporation - Common Shares	1,000,000.00	3,333,333.00
01/21/2011	4	Lomiko Metals Inc. - Common Shares	150,000.00	3,750,000.00
02/07/2011	53	Lupaka Gold Corp. - Warrants	1,819,500.00	1,819,500.00

Notice of Exempt Financings

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price (\$)	No. of Securities Distributed
02/25/2011	2	Mantis Minerals Corp. - Common Shares	37,500.00	750,000.00
02/08/2011	3	Melcor Developments Ltd. - Debentures	40,000,000.00	40,000.00
12/23/2010	91	Metalex Ventures Ltd. - Flow-Through Units	7,304,750.30	N/A
01/24/2011	1	Mobile Complete Inc. - Warrants	1,986,800.00	175,953.00
01/25/2011	3	Mongolia Minerals Corporation - Common Shares	339,999.40	339,999.40
01/01/2010 to 12/31/2010	25	Morgan Meighen Balanced Pooled Fund - Units	2,119,515.23	231,134.00
01/01/2010 to 12/31/2010	3	Morgan Meighen Global Pooled Fund - Units	421,879.21	44,831.00
01/01/2010 to 12/31/2010	16	Morgan Meighen Growth Pooled Fund - Units	1,012,702.44	87,897.00
01/01/2010 to 12/31/2010	45	Morgan Meighen Income Pooled Fund - Units	4,000,230.67	296,475.00
02/07/2011	3	NeoPhotonics Corporation - Common Shares	1,990,051.80	183,000.00
02/08/2011	1	New Solutions Financial (II) Corporation - Debenture	750,000.00	1.00
01/01/2010 to 12/31/2010	2	New Star EAFE Fund - Trust Units	3,325,776.52	159,082.53
02/15/2011	1	Niagara-on-the-Lake Hydro Inc. - Debentures	1,500,000.00	1,500,000.00
01/31/2011	1	Nielson Holdings N.V. - Bonds	501,100.00	250,000,000.00
01/31/2011	2	Nielson Holdings N.V. - Common Shares	4,264,361.00	185,000.00
02/28/2011	8	NXA Inc. - Units	366,000.00	366.00
01/06/2010 to 12/31/2010	70	OceanRock HFI Growth Pool - Trust Units	999,324.84	106,670.56
01/29/2010 to 12/08/2010	39	OceanRock HFI Tactical Asset Pool - Trust Units	367,456.00	39,214.79
02/16/2011	24	Omni-Lite Industries Canada Inc. - Units	6,923,000.00	3,220,000.00
01/26/2011	6	Online Energy Inc. - Common Shares	128,153.50	98,580.00
02/03/2011	23	Pacific Arc Resources Ltd. - Units	600,000.00	3,000,000.00
01/01/2010 to 12/31/2010	3	PCJ Canadian Equity Fund - Trust Units	17,181,594.84	1,748,577.94
01/01/2010 to 12/31/2010	1	PCJ Canadian Small Cap Fund - Trust Units	170,334.68	16,893.37
01/15/2010 to 12/31/2010	214	Perennial Equity Portfolio - Units	81,784,552.08	6,506,566.01
01/15/2010 to 12/31/2010	189	Perennial Fixed Income Portfolio - Units	28,217,278.05	2,403,381.58
01/01/2010 to 12/31/2010	74	Performance Diversified Fund - Units	82,874,232.00	82,964.00

Notice of Exempt Financings

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price (\$)	No. of Securities Distributed
01/01/2010 to 12/31/2010	45	Performance Growth Fund - Units	2,498,901.00	2,499.00
01/26/2011	2	Pharmasset Inc. - Common Shares	2,548,150.00	55,000.00
12/16/2010 to 12/23/2010	18	Portage Minerals Inc. - Units	1,194,095.00	6,353,555.00
02/24/2011	7	Preo Software Inc. - Debentures	640,000.00	640.00
01/01/2010 to 12/31/2010	1	Private Client Balanced Portfolio - Trust Units	55,000.00	4,704.23
01/01/2010 to 12/31/2010	1	Private Client Money Market Portfolio - Trust Units	60,000.00	6,003.53
01/24/2011	2	pSivida Corp. - Common Shares	500,000.00	125,000.00
02/23/2011 to 02/24/2011	8	Pure Energy Visions Corporation - Debentures	1,000,000.00	1,000.00
01/04/2010 to 12/01/2010	28	Radiant Performance Fund LP - Limited Partnership Units	7,554,000.00	83,370.00
02/18/2011	20	Red Pine Exploration Inc - Common Shares	1,090,000.00	10,900,000.00
08/31/2010 to 12/31/2010	102	Red Sky Partners Fund - Units	36,018,333.33	359,453.67
01/28/2011	17	Regal Resources Inc. - Units	350,000.00	3,500,000.00
02/14/2011	13	Resource Hunter Capital Corp. - Units	300,000.00	3,000,000.00
02/14/2011	13	Resource Hunter Capital Corp. - Units	300,000.00	3,000,000.00
01/04/2010 to 08/03/2010	9	Rosalind Capital Partners L.P. - Limited Partnership Units	1,304,835.00	92,954.00
03/01/2010	5	Rosalind Opportunities Fund I L.P. - Limited Partnership Units	300,000.00	300.00
02/18/2011	8	RS Technologies Inc. - Units	1,092,000.00	1,300,000.00
02/11/2011 to 02/17/2011	25	Samaranta Mining Corporation - Common Shares	873,495.48	2,208,750.00
02/04/2011	1	Savient Pharmaceuticals Inc. - Notes	2,970,300.00	3,000,000.00
01/01/2010 to 12/31/2010	8	Scheer, Rowelett & Associates Canadian Equity Fund - Trust Units	50,418,816.02	3,627,057.74
01/08/2010 to 12/20/2010	8	SEAMARK Pooled Balanced Fund - Units	878,879.38	63,455.00
05/04/2010	1	SEAMARK Pooled Canadian Small Cap Fund - Units	80,000.00	7,863.00
01/29/2010 to 12/01/2010	3	SEAMARK Pooled International Equity Fund - Units	443,410.00	31,262.00
01/15/2010 to 12/21/2010	14	SEAMARK Pooled Money Market Fund - Units	10,386,006.95	1,039,202.00
01/29/2010 to 12/01/2010	3	SEAMARK Pooled U.S. Equity Fund - Units	270,933.00	20,255.00

Notice of Exempt Financings

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price (\$)	No. of Securities Distributed
01/25/2011	2	Searchlight Capital PV LP - Limited Partnership Interest	19,892,000.00	20,000,000.00
01/28/2010 to 12/29/2010	66	Secutor Founders Fund - Units	2,395,748.46	N/A
01/04/2010 to 12/31/2010	8	Select Canadian Equity Managed Fund - Units	36,635,190.06	3,861,571.74
05/07/2010 to 05/12/2010	1	Select CI Short Term Advantage Trust (Int'l) Fund - Units	34,999,942.77	3,394,860.37
01/04/2010 to 09/14/2010	8	Select Income Managed Fund - Units	186,325,212.74	17,601,431.21
01/04/2010 to 12/31/2010	8	Select International Equity Managed Fund - Units	41,755,060.21	4,699,867.39
01/04/2010 to 12/31/2010	8	Select US Equity Managed Fund - Units	36,132,977.61	4,569,777.56
01/01/2010 to 01/12/2010	312	Sentry Market Neutral L.P. - Limited Partnership Units	37,642,093.63	342,795.46
01/01/2010 to 01/12/2010	381	Sentry Select Market Neutral RRSP Fund - Trust Units	10,350,152.14	954,546.29
03/01/2010 to 12/01/2010	50	Sherpa Diversified Returns Fund - Units	9,242,672.80	910,927.57
01/08/2010 to 07/14/2010	53	Signature Select Global Fund - Units	831,764.37	95,832.38
01/01/2010 to 12/31/2010	3	Smedley Special Opportunities Fund - Units	3,000,000.00	3,000.00
01/01/2010 to 12/31/2010	15	Sprucegrove Global Pooled Fund - Units	185,820,147.98	14,758,575.35
01/01/2010 to 12/31/2010	18	Sprucegrove Global Pooled Fund (Pension) - Units	224,132,185.25	12,124,208.14
01/01/2010 to 12/31/2010	22	Sprucegrove International Pooled Fund - Units	332,239,842.85	3,837,326.78
01/01/2010 to 12/31/2010	12	Sprucegrove Special International Pooled Fund - Units	254,492,033.91	2,149,276.11
01/01/2010 to 12/31/2010	1	SRA/PCJ Canadian Equity Core Fund - Trust Units	19,119,089.77	2,202,236.91
01/01/2010 to 12/31/2010	5	SSGA Canadian Long Term Government Bond Index Fund - Units	307,510,062.20	27,284,180.93
01/01/2010 to 12/31/2010	2	SSGA Canadian Real Return Bond Index Fund - Units	34,491,081.22	3,106,033.23
01/01/2010 to 12/31/2010	13	SSGA Canadian Short Term Investment Fund - Units	580,512,058.70	58,051,205.87
01/01/2010 to 12/31/2010	13	SSGA Enhanced Canadian Long Term Bond Fund - Units	136,553,899.65	12,976,714.76
01/01/2010 to 12/31/2010	7	SSGA Germany Index Fund - Units	74,940,394.68	1,683,240.86

Notice of Exempt Financings

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price (\$)	No. of Securities Distributed
01/01/2010 to 12/31/2010	2	SSGA MA Canadian Equity Index Plus Fund - Units	1,461,387.89	131,110.05
01/01/2010 to 12/31/2010	2	SSGA MA International Alpha Select Fund - Units	1,356,634.31	125,101.17
01/01/2010 to 12/31/2010	22	SSGA MSCI EAFE Index Fund - Units	128,699,403.57	15,472,232.67
01/01/2010 to 12/31/2010	7	SSGA Netherlands Index Fund - Units	25,002,733.12	445,545.86
01/01/2010 to 12/31/2010	3	SSGA New Zealand Index Fund - Units	973,927.48	62,275.01
01/01/2010 to 12/31/2010	5	SSGA Norway Index Fund - Units	7,313,554.58	199,879.45
01/01/2010 to 12/31/2010	5	SSGA Portugal Index Fund - Units	2,875,533.55	391,290.33
01/01/2010 to 12/31/2010	6	SSGA Singapore Index Fund - Units	14,621,587.39	301,948.65
01/01/2010 to 12/31/2010	7	SSGA Sweden Index Fund - Units	26,927,915.85	351,992.18
01/01/2010 to 12/31/2010	10	SSGA S&P 500 Index Fund Hedged to Canadian Dollars for Canadian Pension Plans - Units	77,972,898.10	11,225,162.09
01/01/2010 to 12/31/2010	1	SSGA S&P 500 Stock Index Futures Fund - Units	3,563,138.91	337,005.55
01/01/2010 to 12/31/2010	6	SSGA S&P/TSX Composite Index Fund - Units	31,425,855.93	4,216,412.58
01/01/2010 to 12/31/2010	6	SSGA United Kingdom Index Fund - Units	189,102,217.86	5,360,572.39
02/22/2010	22	Strategic Resources Inc. - Units	748,000.00	6,800,000.00
02/23/2011	62	Swisher Hygiene Inc. - Receipts	58,246,875.00	12,262,500.00
01/01/2010 to 12/31/2010	29	TD Harbour Capital Balanced Fund - Trust Units	1,973,940.84	17,226.65
01/01/2010 to 12/31/2010	72	TD Harbour Capital Canadian Balanced Fund - Trust Units	4,692,337.29	38,699.96
01/01/2010 to 12/31/2010	4	TD Harbour Capital Commodity Fund - Trust Units	622,096.33	6,202.89
01/01/2010 to 12/31/2010	2	TD Harbour Capital Foreign Balanced Fund - Trust Units	12,762.86	104.34
11/30/2010 to 12/31/2010	47	TD Private Diversified Canadian Equity Fund - Trust Units	6,627,000.00	66,146.60
01/25/2011	2	The Hertz Corporation - Notes	1,248,250.00	1,248,250.00
01/01/2010 to 12/31/2010	145	Thornmark Alpha Fund - Units	3,118,129.47	253,565.48
01/01/2010 to 12/31/2010	109	Thornmark Dividend & Income Fund - Units	13,231,790.34	1,164,755.12

Notice of Exempt Financings

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price (\$)	No. of Securities Distributed
01/01/2010 to 12/31/2010	63	Thornmark Enhanced Equity Fund - Units	5,136,598.83	435,250.20
01/01/2010 to 12/31/2010	27	Thornmark Fixed Income Fund - Units	7,591,959.58	743,479.94
12/23/2010	56	TIEX Inc. - Units	795,000.00	6,962,500.00
01/29/2010 to 12/31/2010	261	Trident Global Opportunities Fund - Units	28,166,481.61	112,380.00
01/25/2011	2	Trillium Power Wind Corporation - Flow-Through Shares	56,975.00	21,500.00
01/01/2010 to 12/31/2010	1	Trimark Resources Fund - Units	2,615.40	130.57
01/01/2010 to 12/31/2010	1	Trimark Select Growth Fund - Units	492,421.42	34,937.40
01/26/2011 to 02/10/2011	14	Union Agriculture Group Corp. - Common Shares	3,484,226.38	1,593,258.00
02/07/2011	1	UPCB Finance III Limited - Notes	39,544,000.00	40,000.00
01/31/2011 to 02/03/2011	5	Vanedge Capital I Limited Partnership - Units	7,000,000.00	7,000,000.00
01/27/2011	14	Vanoil Energy Ltd. - Common Shares	2,624,000.00	5,248,000.00
02/02/2011	1	Velti plc - Common Shares	594,000.00	50,000.00
01/26/2011	1	VendTek Systems Inc. - Units	550,000.00	550.00
02/10/2011	3	Venoco, Inc. - Notes	995,500.00	1,000.00
01/26/2011	1	Verso Paper Holdings LLC - Notes	248,227.00	250,000.00
02/18/2011	18	Waldron Energy Corporation - Common Shares	5,002,500.00	1,334,000.00
03/01/2011	2	Wallbridge Mining Company Limited - Common Shares	0.00	50,000.00
02/04/2011	15	Walton DC Region Land 1 Investment Corporation - Common Shares	478,430.00	47,843.00
02/04/2011	5	Walton DC Region Land LP 1 - Units	542,740.75	54,850.00
01/04/2010 to 01/12/2010	9	Waterfall Vanilla L.P. - Limited Partnership Units	2,370,644.90	2,370.64
01/26/2011 to 01/28/2011	17	Wesbrooke Retirement Limited Partnership - Units	504,000.00	504,000.00
02/01/2011	1	Wimberly Apartments Limited Partnership - Units	19,844.00	31,250.00
02/11/2011	3	Yangaroo Inc. - Debentures	1,125,000.00	1,125.00
05/18/2010	28	Zone Resources Inc. - Units	750,000.00	5,000,000.00

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:

North American Tungsten Corporation Ltd.

Principal Regulator - British Columbia

Type and Date:

Preliminary Short Form Prospectus dated March 8, 2011

NP 11-202 Receipt dated

Offering Price and Description:

\$10,000,000.00 - 20,000,000 Units Price: \$0.50 per Offered Unit

Underwriter(s) or Distributor(s):

Fraser Mackenzie Limited

Stifel Nicolaus Canada Inc.

Octagon Capital Corporation

Scotia Capital Inc.

Promoter(s):

-

Project #1708348

Issuer Name:

Vecta Energy Corporation

Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated March 8, 2011

NP 11-202 Receipt dated

Offering Price and Description:

\$32,000,000.00 (Minimum Offering) A Minimum of * Subscription Receipts each representing the right to receive one Common Share Price: \$ * per Subscription Receipt

Underwriter(s) or Distributor(s):

Wellington West Capital Markets Inc.

Promoter(s):

-

Project #1708482

Issuer Name:

Alberta Oilsands Inc.

Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated March 7, 2011

NP 11-202 Receipt dated March 7, 2011

Offering Price and Description:

\$10,000,000.00 - 20,000,000 Flow-Through Shares Price: \$0.50 per Flow-Through Share

Underwriter(s) or Distributor(s):

Canaccord Genuity Corp.

Fraser Mackenzie Limited

Octagon Capital Corporation

Promoter(s):

-

Project #1707831

Issuer Name:

Antrim Energy Inc.

Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated March 2, 2011

NP 11-202 Receipt dated March 2, 2011

Offering Price and Description:

\$44,940,000.00 - 42,000,000 Common Shares \$1.07 per Common Share

Underwriter(s) or Distributor(s):

Cormark Securities Inc.

Mackie Research Capital Corporation

RBC Dominion Securities Inc.

CIBC World Markets Inc.

Salman Partners Inc.

Promoter(s):

-

Project #1706002

Issuer Name:

Artek Exploration Ltd.

Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated March 3, 2011

NP 11-202 Receipt dated March 3, 2011

Offering Price and Description:

\$11,520,000.00 - 4,800,000 Common Shares - and - \$5,100,000.00 - 1,700,000 Flow Through Shares Price: \$2.40 per Common Share and \$3.00 per Flow Through Share

Underwriter(s) or Distributor(s):

National Bank Financial Inc.

Cormark Securities Inc.

Peters & Co. Limited

FirstEnergy Capital Corp.

Stifel Nicolaus Canada Inc.

Promoter(s):

-

Project #1706348

Issuer Name:

Canaco Resources Inc.
Principal Regulator - British Columbia

Type and Date:

Preliminary Short Form Prospectus dated March 2, 2011
NP 11-202 Receipt dated March 2, 2011

Offering Price and Description:

\$119,880,000.00 Treasury Offering (22,200,000 Common Shares) and \$43,200,000 Secondary Offering (8,000,000 Common Shares) Price: \$5.40 per Offered Share

Underwriter(s) or Distributor(s):

Canaccord Genuity Corp.
TD Securities Inc.

Promoter(s):

-

Project #1705906

Issuer Name:

CARS and PARS Programme
Principal Regulator - Ontario

Type and Date:

Preliminary Base Shelf Prospectus dated March 7, 2011
NP 11-202 Receipt dated March 7, 2011

Offering Price and Description:

Coupons And Residuals ("CARS") and Par Adjusted Rate Securities ("PARS") Programme
("CARS and PARS Programme") Strip Coupons, Strip Residuals and Strip Packages (including packages of Strip Coupons and PARS) derived by RBC Dominion Securities Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc., National Bank Financial Inc., Scotia Capital Inc. and TD Securities Inc. from up to Cdn \$5,000,000,000.00 of Debt Obligations of Various Canadian Corporations, Trusts and Partnerships

Underwriter(s) or Distributor(s):

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

Promoter(s):

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

Project #1707463

Issuer Name:

Cequence Energy Ltd.
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated March 2, 2011
NP 11-202 Receipt dated March 2, 2011

Offering Price and Description:

11,650,000 Common Shares - \$33,202,500 and 2,100,000 Flow-Through Shares - \$7,350,000
Price: \$2.85 per Common Share and \$3.50 per Flow-Through Share

Underwriter(s) or Distributor(s):

Peters & Co. Limited
FirstEnergy Capital Corp.
Cormark Securities Inc.
National Bank Financial Inc.
Stifel Nicolaus Canada Inc.
CIBC World Markets Inc.

Promoter(s):

-

Project #1705908

Issuer Name:

Citadel Income Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated March 3, 2011
NP 11-202 Receipt dated March 4, 2011

Offering Price and Description:

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

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #1706739

Issuer Name:

Crocodile Gold Corp.
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated March 7, 2011
NP 11-202 Receipt dated March 7, 2011

Offering Price and Description:

\$85,050,000.00 - 81,000,000 Units Price: \$1.05 per Unit

Underwriter(s) or Distributor(s):

GMP Securities L.P.
Cormark Securities Inc.
Raymond James Ltd.
Macquarie Capital Markets Canada Ltd.
TD Securities Inc.
Fraser Mackenzie Limited
NCP Northland Capital Partners Inc.
Union Securities Ltd.

Promoter(s):

-

Project #1707634

Issuer Name:

Educators Bond Fund
Educators Monthly Income Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectuses dated March 3, 2011
NP 11-202 Receipt dated March 4, 2011

Offering Price and Description:

Class A and B units

Underwriter(s) or Distributor(s):

Educators Financial Group Inc.

Promoter(s):

Educators Financial Group Inc.

Project #1706981

Issuer Name:

Emera Incorporated
Principal Regulator - Nova Scotia

Type and Date:

Preliminary Short Form Prospectus dated March 2, 2011
NP 11-202 Receipt dated March 2, 2011

Offering Price and Description:

\$175,301,000.00 - 5,530,000 Common Shares Price:

\$31.70 per Common Share

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.

Scotia Capital Inc.

TD Securities Inc.

RBC Dominion Securities Inc.

BMO Nesbitt Burns Inc.

National Bank Financial Inc.

Promoter(s):

-

Project #1705698

Issuer Name:

Energy Income Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated March 3, 2011
NP 11-202 Receipt dated March 4, 2011

Offering Price and Description:

Warrants to Subscribe for up to * Units at a Subscription

Price of \$* per Unit

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #1706759

Issuer Name:

Gatehouse Asia Dragon Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectus dated March 1, 2011
NP 11-202 Receipt dated March 2, 2011

Offering Price and Description:

Offering Series A, F and I units

Underwriter(s) or Distributor(s):

-

Promoter(s):

Gatehouse Capital Inc.

Project #1705068

Issuer Name:

IC Potash Corp.
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated March 2, 2011
NP 11-202 Receipt dated March 2, 2011

Offering Price and Description:

\$20,000,000.00 - 12,500,000 Common Shares Price: \$1.60
per Common Share

Underwriter(s) or Distributor(s):

Stifel Nicolaus Canada Inc.

Wellington West Capital Markets Inc.

Macquarie Capital Markets Canada Ltd.

Cormark Securities Inc.

Mackie Research Capital Corporation

Clarus Securities Inc.

Stonecap Securities Inc.

Promoter(s):

-

Project #1705774

Issuer Name:

iShares JPMorgan USD Emerging Markets Bond Index
Fund (CAD-Hedged)

iShares NASDAQ 100 Index Fund (CAD-Hedged)

iShares S&P Global Healthcare Index Fund (CAD-Hedged)

iShares S&P/TSX Capped Consumer Staples Index Fund

iShares S&P/TSX Capped Utilities Index Fund

iShares S&P/TSX Equity Income Index Fund

iShares S&P/TSX Global Base Metals Index Fund

iShares S&P/TSX Venture Index Fund

Principal Regulator - Ontario

Type and Date:

Preliminary Long Form Prospectus dated March 1, 2011
NP 11-202 Receipt dated March 2, 2011

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

Blackrock Asset Management Canada Limited

Promoter(s):

BlackRock Asset Management Canada Limited

Project #1705455

Issuer Name:

Longview Oil Corp.
Principal Regulator - Alberta

Type and Date:

Preliminary Long Form Prospectus dated March 4, 2011
NP 11-202 Receipt dated March 4, 2011

Offering Price and Description:

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

Underwriter(s) or Distributor(s):

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

Promoter(s):

Advantage Oil & Gas Ltd.
Project #1707213

Issuer Name:

Meritas Income Portfolio
Meritas Maximum Growth Portfolio
OceanRock Income Portfolio
OceanRock Maximum Growth Portfolio
Principal Regulator - British Columbia

Type and Date:

Preliminary Simplified Prospectuses dated March 2, 2011
NP 11-202 Receipt dated March 2, 2011

Offering Price and Description:

Series A and F units

Underwriter(s) or Distributor(s):

-

Promoter(s):

OceanRock Investments Inc.
Project #1705788

Issuer Name:

Miocene Metals Limited
Principal Regulator - Ontario

Type and Date:

Preliminary Long Form Prospectus dated March 1, 2011
NP 11-202 Receipt dated March 2, 2011

Offering Price and Description:

Public Offering of \$7,200,000.00 - 10,000,000 Units and
9,000,000 Flow-Through Shares -
Price: \$0.36 per Unit and \$0.40 per Flow-Through Share

Underwriter(s) or Distributor(s):

Macquarie Private Wealth Inc.

Promoter(s):

Wallbridge Mining Company Limited
Project #1705053

Issuer Name:

Namibia Rare Earths Inc.
Principal Regulator - Nova Scotia

Type and Date:

Preliminary Long Form Prospectus dated March 3, 2011
NP 11-202 Receipt dated March 4, 2011

Offering Price and Description:

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

Underwriter(s) or Distributor(s):

Cormark Securities Inc.
Byron Capital Markets Ltd.
CIBC World Markets Inc.

Promoter(s):

-

Project #1706652

Issuer Name:

Open Range Energy Corp.
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated March 8, 2011
NP 11-202 Receipt dated March 8, 2011

Offering Price and Description:

\$18,200,100.00 - 6,386,000 Common Shares Price: \$2.85
per Common Share

Underwriter(s) or Distributor(s):

National Bank Financial Inc.
Cormark Securities Inc.
FirstEnergy Capital Corp.
Stifel Nicolaus Canada Inc.
Canaccord Genuity Corp.
GMP Securities L.P.
Hayood Securities Inc.

Promoter(s):

-

Project #1708374

Issuer Name:

Salida Wealth Preservation Fund S.à.r.l.
Principal Regulator - Ontario

Type and Date:

Preliminary Long Form Non-Offering Prospectus dated
March 8, 2011

NP 11-202 Receipt dated March 8, 2011

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

Salida Capital International Limited
Project #1708197

Issuer Name:

Sun Life BlackRock Canadian Balanced Fund
Sun Life BlackRock Canadian Bond Index Fund
Sun Life BlackRock Canadian Equity Fund
Sun Life BlackRock Canadian Equity Index Fund
Sun Life McLean Budden Canadian Bond Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectuses dated March 2, 2011
NP 11-202 Receipt dated March 3, 2011

Offering Price and Description:

Series A, F and I units

Underwriter(s) or Distributor(s):

-

Promoter(s):

Sun Life Global Investments (Canada) Inc.

Project #1706280

Issuer Name:

Advantaged Canadian High Yield Bond Fund
Principal Regulator - Ontario

Type and Date:

Final Long Form Prospectus dated March 7, 2011
NP 11-202 Receipt dated March 8, 2011

Offering Price and Description:

Class A and Class F Units @ Net Asset Value

Underwriter(s) or Distributor(s):

Scotia Capital Inc.
BMO Nesbitt Burns Inc.
GMP Securities L.P.
National Bank Financial Inc.
TD Securities Inc.
Cancord Genuity Corp.
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Acumen Capital Finance Partners Limited
Dundee Securities Ltd
Macquarie Private Wealth Inc.
Union Securities Ltd.
Wellington West Capital Market Inc.

Promoter(s):

Scotia Capital Inc.

Project #1692331

Issuer Name:

Allied Properties Real Estate Investment Trust
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated March 7, 2011
NP 11-202 Receipt dated March 7, 2011

Offering Price and Description:

\$75,020,000.00 - 3,410,000 Units Price: \$22.00 per Unit

Underwriter(s) or Distributor(s):

Scotia Capital Inc.
RBC Dominion Securities Inc.
CIBC World Markets Inc.
Canaccord Genuity Corp.
National Bank Financial Inc.
Dundee Securities Ltd.
Macquarie Capital Markets Canada Ltd.
Desjardins Securities Inc.

Promoter(s):

-

Project #1703303

Issuer Name:

Bauer Performance Sports Ltd.
Principal Regulator - Ontario

Type and Date:

Final Long Form Prospectus dated March 3, 2011
NP 11-202 Receipt dated March 3, 2011

Offering Price and Description:

Cdn\$75,000,000.00 - 10,000,000 Common Shares Price:
Cdn\$7.50 per Common Share

Underwriter(s) or Distributor(s):

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

Promoter(s):

-

Project #1691136

Issuer Name:

Bell Aliant Preferred Equity Inc.
Principal Regulator - Nova Scotia

Type and Date:

Final Short Form Prospectus dated March 7, 2011
NP 11-202 Receipt dated March 8, 2011

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

BMO Nesbitt Burns Inc.
Scotia Capital Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
TD Securities Inc.
Desjardins Securities Inc.
National Bank Financial Inc.
Canaccord Genuity Corp.
HSBC Securities (Canada) Inc.
GMP Securities L.P.
Beacon Securities Limited

Promoter(s):

-

Project #1700731

Issuer Name:

Black Birch Capital Acquisition II Corp.
Principal Regulator - Ontario

Type and Date:

Amendment #1 dated March 4, 2011 to the CPC
Prospectus dated October 19, 2010
NP 11-202 Receipt dated March 8, 2011

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

Northern Securities Inc.

Promoter(s):

Paul Haber

Project #1621292

Issuer Name:

Brookfield New Horizons Income Fund
Principal Regulator - Ontario

Type and Date:

Final Long Form Prospectus dated March 1, 2011
NP 11-202 Receipt dated March 4, 2011

Offering Price and Description:

Maximum \$150,000,000.00 (15,000,000 Units) \$10.00 per Unit

Underwriter(s) or Distributor(s):

Brookfield Financial Corp.
MGI Securities Inc.

Promoter(s):

Brookfield Investment Management (Canada) Inc.
Project #1677891

Issuer Name:

CHY Fund
Principal Regulator - Ontario

Type and Date:

Final Long Form Prospectus dated March 7, 2011
NP 11-202 Receipt dated March 8, 2011

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

SCOTIA MANAGED COMPANIES ADMINISTRATION INC.

Project #1694424

Issuer Name:

DeeThree Exploration Ltd.
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated March 4, 2011
NP 11-202 Receipt dated March 4, 2011

Offering Price and Description:

\$15,450,000.00 - 3,000,000 Flow-Through Shares; and
\$100,190,000.00 - 23,300,000 Subscription Receipts each
representing the right to receive one Common Share

Underwriter(s) or Distributor(s):

Macquarie Capital Markets Canada Ltd.
Casimir Capital Ltd.
CIBC World Markets Inc.
Cormark Securities Inc.
Dundee Securities Ltd.
Raymond James Ltd.
Desjardins Securities Inc.
D & D Securities Inc.
Emerging Equities Inc.

Promoter(s):

-

Project #1700852

Issuer Name:

Denison Mines Corp.
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated March 8, 2011
NP 11-202 Receipt dated March 8, 2011

Offering Price and Description:

\$64,965,000.00 - 18,300,000 Common Shares \$3.55 Per
Common Share

Underwriter(s) or Distributor(s):

GMP Securities L.P.
Cormark Securities Inc.
Scotia Capital Inc.
Dundee Securities Ltd.
Raymond James Ltd.

Promoter(s):

-

Project #1704511

Issuer Name:

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 Advantage Bond Class
Dynamic Advantage Bond Fund
Dynamic American Value Fund
Dynamic Aurion Canadian Equity Class
Dynamic Aurion Tactical Balanced Class
Dynamic Aurion Total Return Bond Class
Dynamic Aurion Total Return Bond Fund
Dynamic Canadian Bond Fund (formerly Dynamic Income Fund)
Dynamic Canadian Dividend Class
Dynamic Canadian Dividend Fund
Dynamic Canadian Value Class
Dynamic Diversified Real Asset Fund
Dynamic Dividend Fund
Dynamic Dividend Income Class
Dynamic Dividend Income Fund
Dynamic Dividend Value Fund
Dynamic Dollar-Cost Averaging Fund
Dynamic EAFE Value Class
Dynamic Emerging Markets Class
Dynamic Energy Income Fund (formerly Dynamic Focus+ Energy Income Trust Fund)
Dynamic Equity Income Fund (formerly Dynamic Focus+ Diversified Income Fund)
Dynamic European Value Fund
Dynamic Far East Value Fund
Dynamic Financial Services Fund (formerly Dynamic Focus+ Wealth Management Fund)
Dynamic Focus+ Balanced Fund
Dynamic Focus+ Equity Fund
Dynamic Focus+ Resource Fund
Dynamic Global Discovery Class
Dynamic Global Discovery Fund
Dynamic Global Dividend Value Class
Dynamic Global Dividend Value Fund
Dynamic Global Energy Class
Dynamic Global Infrastructure Fund
Dynamic Global Real Estate Fund (formerly Dynamic Focus+ Real Estate Fund)
Dynamic Global Value Balanced Fund
Dynamic Global Value Class
Dynamic Global Value Fund (formerly Dynamic International Value Fund)
Dynamic High Yield Bond Fund
Dynamic Money Market Class
Dynamic Money Market Fund
Dynamic Power American Currency Neutral Fund
Dynamic Power American Growth Class
Dynamic Power American Growth Fund
Dynamic Power Balanced Class
Dynamic Power Balanced Fund
Dynamic Power Canadian Growth Class
Dynamic Power Canadian Growth Fund
Dynamic Power Global Balanced Class
Dynamic Power Global Growth Class

Dynamic Power Global Navigator Class
Dynamic Power Small Cap Fund
Dynamic Precious Metals Fund
Dynamic Real Return Bond Fund
Dynamic Short Term Bond Fund
Dynamic Small Business Fund (formerly Dynamic Focus+ Small Business Fund)
Dynamic Strategic All Income Portfolio
Dynamic Strategic Gold Class
Dynamic Strategic Growth Portfolio (formerly Dynamic Fund of Funds)
Dynamic Strategic Yield Class
Dynamic Strategic Yield Fund
Dynamic Value Balanced Class
Dynamic Value Balanced Fund
Dynamic Value Fund of Canada
DynamicEdge 2020 Class Portfolio
DynamicEdge 2020 Portfolio
DynamicEdge 2025 Class Portfolio
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DynamicEdge 2030 Portfolio
DynamicEdge Balanced Class Portfolio
DynamicEdge Balanced Growth Class Portfolio
DynamicEdge Balanced Growth Portfolio
DynamicEdge Balanced Portfolio
DynamicEdge Equity Class Portfolio
DynamicEdge Equity Portfolio
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DynamicEdge Growth Portfolio
Dynamic Power Global Growth Fund
Principal Regulator - Ontario

Type and Date:

Amendment #1 dated March 1, 2011 to Final Simplified Prospectus and Annual Information Form (NI 81-101) dated December 14, 2010
NP 11-202 Receipt dated March 7, 2011

Offering Price and Description:

Series A, F, FT, G, I, IP, O, OP, IT and T Securities @ Net Asset Value

Underwriter(s) or Distributor(s):

Goodman & Company, Investment Counsel Ltd.

Promoter(s):

Goodman & Company, Investment Counsel Ltd.

Project #1651947

Issuer Name:

Dynamic Global Value Balanced Fund
(Series A, F, FT, I, O and T Securities)
Dynamic Short Term Bond Fund
(Series A, F, I and O Securities)
Dynamic Advantage Bond Class
(Series A, F, FT, I, IT and T Securities)
Dynamic Strategic Yield Class
(Series A, F, FT, G, I, IT and T Securities)
Dynamic Value Balanced Class
(Series A, F, FT, G, I, O, IT and T Securities)
Dynamic Power Balanced Class
(Series A, F, FT, G, I, IP, O, OP, IT and T Securities)
Dynamic Aurion Total Return Bond Class
(Series A, F, FT, I, IT and T Securities)
Principal Regulator - Ontario

Type and Date:

Amendment #1 dated March 1, 2011 to the Simplified
Prospectuses and Annual Information Form dated
December 14, 2010
NP 11-202 Receipt dated March 7, 2011

Offering Price and Description:

Series A, F, FT, G, I, IP, O, OP, IT and T Securities @ Net
Asset Value

Underwriter(s) or Distributor(s):

Goodman & Company, Investment Counsel Ltd.
Goodman & Company, Investment Counsel Ltd.

Promoter(s):

Goodman & Company, Investment Counsel Ltd.
Project #1669182/1651947

Issuer Name:

InnVest Operations Trust
InnVest Real Estate Investment Trust
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated March 8, 2011
NP 11-202 Receipt dated March 8, 2011

Offering Price and Description:

\$25,200,000.00 - 3,600,000 Stapled Units and
\$50,000,000.00 - 5.75% Stapled Convertible Unsecured
Subordinated Debentures: Price: \$7.00 per Stapled Unit
\$1,000 per Stapled Debenture

Underwriter(s) or Distributor(s):

RBC Dominion Securities Inc.
Scotia Capital Inc.
CIBC World Markets Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
Canaccord Genuity Corp.

Promoter(s):

-

Project #1703300/1703292

Issuer Name:

New Horizons Master Fund

Type and Date:

Final Long Form Prospectus dated March 1, 2011
Received on March 4, 2011

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

Brookfield Investment Management (Canada) Inc.
Project #1683051

Issuer Name:

NorthWest Healthcare Properties Real Estate Investment
Trust

Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated March 2, 2011
NP 11-202 Receipt dated March 2, 2011

Offering Price and Description:

\$75,200,000.00 - 6,400,000 Units Price \$11.75 per
Offered Unit

Underwriter(s) or Distributor(s):

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

Promoter(s):

-

Project #1700696

Issuer Name:

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

Type and Date:

Final Short Form Prospectus dated March 8, 2011
NP 11-202 Receipt dated March 8, 2011

Offering Price and Description:

\$50,017,500.00 - 8,550,000 Trust Units Price: \$5.85 Per Unit

Underwriter(s) or Distributor(s):

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

Promoter(s):

-

Project #1704799

Issuer Name:

Stem Cell Therapeutics Corp.
Principal Regulator - Alberta

Type and Date:

Final Shelf Prospectus dated March 2, 2011
NP 11-202 Receipt dated March 2, 2011

Offering Price and Description:

\$15,000,000.00:
Common Shares
Warrants
Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #1657410

Issuer Name:

Tamarack Valley Energy Ltd.
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated March 4, 2011
NP 11-202 Receipt dated March 4, 2011

Offering Price and Description:

\$20,000,330.00 - 40,817,000 Common Shares \$0.49 per Common Share

Underwriter(s) or Distributor(s):

Dundee Securities Ltd.
Peters & Co. Limited
Wellington West Capital Markets Inc.
Acumen Capital Finance Partners Limited
AltaCorp Capital Inc.

Promoter(s):

-

Project #1700749

Issuer Name:

THE GOODWOOD CAPITAL FUND
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectus dated March 2, 2011
NP 11-202 Receipt dated March 7, 2011

Offering Price and Description:

Mutual Fund Units @ Net Asset Value

Underwriter(s) or Distributor(s):

-

Promoter(s):

Goodwood Inc.
Project #1689658

Issuer Name:

Tradex Bond Fund
Principal Regulator - Ontario

Type and Date:

Amendment #1 dated March 1, 2011 to the Simplified Prospectus and Annual Information Form dated May 7, 2010

NP 11-202 Receipt dated March 4, 2011

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

Tradex Management Inc.

Promoter(s):

Tradex Management Inc.
Project #1561675

Issuer Name:

Wild Stream Exploration Inc.
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated March 2, 2011
NP 11-202 Receipt dated March 2, 2011

Offering Price and Description:

\$75,950,000.00 - 7,000,000 Common Shares at \$10.85 per Common Share

Underwriter(s) or Distributor(s):

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

Promoter(s):

-

Project #1700765

Issuer Name:

Molopo Energy Canada Ltd.

Principal Jurisdiction - Alberta

Type and Date:

Preliminary Long Form Prospectus dated December 23, 2010

Withdrawn on March 3, 2011

Offering Price and Description:

\$ * - * Common Shares

Price: \$ * per share

Underwriter(s) or Distributor(s):

Macquarie Capital Markets Canada Ltd.

Promoter(s):

-

Project #1680990

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Change in Registration Category	ING Direct Asset Management Limited	From: Portfolio Manager To: Portfolio Manager and Investment Fund Manager	March 3, 2011
Change in Registration Category	Harvest Portfolios Group Inc.	From: Investment Fund Manager and Exempt Market Dealer To: Investment Fund Manager	March 3, 2011
Change in Registration Category	Conseillers en Gestion Globale State Street Ltée. / State Street Global Advisors, Ltd.	From: Exempt Market Dealer, Portfolio Manager and Commodity Trading Manager To: Exempt Market Dealer, Portfolio Manager, Investment Fund Manager and Commodity Trading Manager	March 3, 2011
Change in Registration Category	MD Physician Services Inc.	From: Exempt Market Dealer and Portfolio Manager To: Exempt Market Dealer, Portfolio Manager and Investment Fund Manager	March 3, 2011
Change in Registration Category	Radiant Investment Management Ltd.	From: Exempt Market Dealer and Portfolio Manager To: Exempt Market Dealer, Portfolio Manager and Investment Fund Manager	March 4, 2011
Change in Registration Category	Gryphon Investment Counsel Inc.	From: Portfolio Manager To: Portfolio Manager and Investment Fund Manager	March 4, 2011
New Registration	Peter Yuile & Co. Ltd.	Portfolio Manager	March 4, 2011

Registrations

Type	Company	Category of Registration	Effective Date
Change in Registration Category	Accilent Capital Management Inc.	From: Exempt Market Dealer, Portfolio Manager and Commodity Trading Manager To: Exempt Market Dealer, Portfolio Manager, Commodity Trading Manager and Investment Fund Manager	March 7, 2011
Change in Registration Category	New Star Canada Inc.	From: Portfolio Manager To: Portfolio Manager and Investment Fund Manager	March 7, 2011
New Registration	Longbow Capital Inc.	Exempt Market Dealer	March 7, 2011
Change in Registration Category	University of Toronto Asset Management	From: Portfolio Manager To: Portfolio Manager and Investment Fund Manager	March 9, 2011
New Registration	Kootenay Capital Management Corp.	Exempt Market Dealer, Portfolio Manager and Investment Fund Manager	March 9, 2011

Chapter 25

Other Information

25.1 Exemptions

Assistant Manager, Investment Funds Branch

25.1.1 Artemis Investment Management Limited and Omega Advisors U.S. Capital Appreciation Fund – NI 41-101 General Prospectus Requirements, s. 19.1

Headnote

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

Applicable Legislative Provisions

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

February 17, 2011

Aird & Berlis LLP

Attention: Jennifer Wainwright

Dear Madame:

Re: Artemis Investment Management Limited (the Manager), Omega Advisors U.S. Capital Appreciation Fund (the Fund)

Exemptive Relief Application under Section 19.1 of National Instrument 41-101 General Prospectus Requirements (NI 41-101)
Application No. 2011/0110, SEDAR Project No. 1659171

By letter dated February 8, 2011, (the **Application**), the Manager applied on behalf of the Fund to the Director of the Ontario Securities Commission (the **Director**) pursuant to section 19.1 of NI 41-101 for relief from the operation of subsection 2.3(1) of NI 41-101, which prohibits an issuer from filing a prospectus more than 90 days after the date of the receipt for the preliminary prospectus.

This letter confirms that, based on the information and representations made in the Application, and for the purposes described in the Application, the Director grants the requested exemption to be evidenced by the issuance of a receipt for the Fund's prospectus, provided the Fund's final prospectus is filed no later than March 31, 2011.

Yours very truly,

"Darren McKall"

March 11, 2011

(2011) 34 OSCB 3161

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