

The Ontario Securities Commission

OSC Bulletin

July 15, 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

July 15, 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
Toronto, Ontario
M5H 3S8

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S. -----

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Vern Krishna	—	VK
Christopher Portner	—	CP
Judith N. Robertson	—	JNR
Charles Wesley Moore (Wes) Scott	—	CWMS

SCHEDULED OSC HEARINGS

July 18 and July
20-25, 2011

10:00 a.m.

Innovative Gifting Inc., Terence Lushington, Z2A Corp., and Christine Hewitt

s. 127

M. Vaillancourt in attendance for Staff

Panel: PLK

July 19, 2011

2:30 p.m.

Heir Home Equity Investment Rewards Inc.; FFI First Fruit Investments Inc.; Wealth Building Mortgages Inc.; Archibald Robertson; Eric Deschamps; Canyon Acquisitions, LLC; Canyon Acquisitions International, LLC; Brent Borland; Wayne D. Robbins; Marco Caruso; Placencia Estates Development, Ltd.; Copal Resort Development Group, LLC; Rendezvous Island, Ltd.; The Placencia Marina, Ltd.; and The Placencia Hotel and Residences Ltd.

s. 127

A. Perschy / B. Shulman in attendance for Staff

Panel: CP

July 20, 2011

10:00 a.m.

Peter Beck, Swift Trade Inc. (continued as 7722656 Canada Inc.), Biremis, Corp., Opal Stone Financial Services S.A., Barka Co. Limited, Trieme Corporation and a limited partnership referred to as "Anguilla LP"

s. 127

B. Shulman in attendance for Staff

Panel: JEAT

July 20-22, July 26-27, August 3-4, and August 9-11, 2011	York Rio Resources Inc., Brilliant Brasilcan Resources Corp., Victor York, Robert Runic, George Schwartz, Peter Robinson, Adam Sherman, Ryan Demchuk, Matthew Oliver, Gordon Valde and Scott Bassingdale	July 27, 2011 10:00 a.m.	Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Ciavarella and Michael Mitton
10:00 a.m.	s. 127 H. Craig/C. Watson in attendance for Staff Panel: VK/EPK		s. 127 H. Craig in attendance for Staff Panel: JEAT
July 20, 2011	L.T.M.T. Trading Ltd. also known as L.T.M.T. Trading and Bernard Shaw	July 27, 2011 11:00 a.m.	Peter Sbaraglia
11:00 a.m.	s. 127 A. Heydon in attendance for staff Panel: JEAT		s. 127 S. Horgan/P. Foy in attendance for Staff Panel: JEAT
July 21, 2011	MBS Group (Canada) Ltd., Balbir Ahluwalia and Mohinder Ahluwalia	July 29, 2011 10:00 a.m.	North American Financial Group Inc., North American Capital Inc., Alexander Flavio Arconti, and Luigino Arconti
11:00 a.m.	s. 37, 127 and 127.1 C. Rossi in attendance for staff Panel: JEAT		s. 127 M. Vaillancourt in attendance for Staff Panel: JEAT
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)	August 8, 2011 10:00 a.m.	Crown Hill Capital Corporation and Wayne Lawrence Pushka
11:00 a.m.	s. 127 S. Chandra in attendance for Staff Panel: EPK		s. 127 A. Perschy in attendance for Staff Panel: TBA
July 26, 2011	Empire Consulting Inc. and Desmond Chambers	August 10, 2011 10:00 a.m.	Ciccone Group, Medra Corporation, 990509 Ontario Inc., Tadd Financial Inc., Cachet Wealth Management Inc., Vince Ciccone, Darryl Brubacher, Andrew J. Martin., Steve Haney, Klaudiusz Malinowski and Ben Giangrosso
3:00 p.m.	s. 127 D. Ferris in attendance for Staff Panel: MGC		s. 127 M. Vaillancourt in attendance for Staff Panel: JEAT

August 17, 2011	TBS New Media Ltd., TBS New Media PLC, CNF Food Corp., CNF Candy Corp., Ari Jonathan Firestone and Mark Green	September 8, 2011	American Heritage Stock Transfer Inc., American Heritage Stock Transfer, Inc., BFM Industries Inc., Denver Gardner Inc., Sandy Winick, Andrea Lee McCarthy, Kolt Curry and Laura Mateyak
10:00 a.m.		10:00 a.m.	
	s. 127		s. 127
	H. Craig in attendance for Staff		J. Feasby in attendance for Staff
	Panel: CP		Panel: TBA
September 2, 2011	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	September 8, 2011	Energy Syndications Inc., Green Syndications Inc., Syndications Canada Inc., Land Syndications Inc. and Douglas Chaddock
10:00 a.m.		11:00 a.m.	
	s. 127 and 127.1		s. 127
	D. Ferris in attendance for Staff		C. Johnson in attendance for Staff
	Panel: TBA		Panel: TBA
September 6, 7, 9 and 12, 2011	Shallow Oil & Gas Inc., Eric O'Brien, Abel Da Silva, Gurdip Singh	September 12, 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, Network Financial Group Inc., and Network Marketing Solutions
10:00 a.m.	Gahunia aka Michael Gahunia and Abraham Herbert Grossman aka Allen Grossman	10:00 a.m.	
	s. 127(7) and 127(8)	September 13, 2011	
	H. Craig in attendance for Staff	2:00 p.m.	
	Panel: TBA		s. 127 and 127.1
			H. Daley in attendance for Staff
			Panel: JDC/MCH
September 6-12, September 14-26 and September 28, 2011	Anthony Ianno and Saverio Manzo	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)
10:00 a.m.	s. 127 and 127.1	10:00 a.m.	s. 127 and 127.1
	A. Clark in attendance for Staff		D. Ferris in attendance for Staff
	Panel: EPK/PLK		Panel: VK/MCH

September 22-23, 2011	Sextant Capital Management Inc., Sextant Capital GP Inc., Otto Spork, Robert Levack and Natalie Spork	October 5, 2011	Irwin Boock, Stanton Defreitas, Jason Wong, Saudia Allie, Alena Dubinsky, Alex Khodjiants
10:00 a.m.		10:00 a.m.	Select American Transfer Co., Leasesmart, Inc., Advanced Growing Systems, Inc., International Energy Ltd., Nutrione Corporation, Pocketop Corporation, Asia Telecom Ltd., Pharm Control Ltd., Cambridge Resources Corporation, Compushare Transfer Corporation, Federated Purchaser, Inc., TCC Industries, Inc., First National Entertainment Corporation, WGI Holdings, Inc. and Enerbrite Technologies Group
	s. 127		
	T. Center in attendance for Staff		
	Panel: TBA		
September 26, 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		
10:00 a.m.			
	s. 127		s. 127 and 127.1
	H. Craig in attendance for Staff		H. Craig in attendance for Staff
	Panel: CP		Panel: MGC
		October 12-24 and October 26-27, 2011	Helen Kuszper and Paul Kuszper
			s. 127 and 127.1
September 26, 2011	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	10:00 a.m.	U. Sheikh in attendance for Staff
10:00 a.m.			Panel: JDC/CWMS
	s. 37, 127 and 127.1		
	H. Craig in attendance for Staff	October 17-24 and October 26-31, 2011	Richvale Resource Corp., Marvin Winick, Howard Blumenfeld, John Colonna, Pasquale Schiavone, and Shafi Khan
	Panel: CP	10:00 a.m.	s. 127(7) and 127(8)
			C. Johnson in attendance for Staff
			Panel: EPK/MCH
October 3-7 and October 12-21, 2011	FactorCorp Inc., FactorCorp Financial Inc. and Mark Twerdun	October 31, 2011	Oversea Chinese Fund Limited Partnership, Weizhen Tang and Associates Inc., Weizhen Tang Corp., and Weizhen Tang
10:00 a.m.	s. 127	10:00 a.m.	
	C. Price in attendance for Staff		s. 127 and 127.1
	Panel: CP		H. Craig in attendance for Staff
			Panel: TBA

October 31 –
November 3,
2011

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

10:00 a.m.

s. 127

C. Rossi in attendance for Staff

Panel: MGC

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.**

10:00 a.m.

s. 37, 127 and 127.1

D. Ferris in attendance for Staff

Panel: EPK/PLK

November
14-21 and
November 23-
28, 2011

**Shaun Gerard McErlean,
Securus Capital Inc., and
Acquiesce Investments**

10:00 a.m.

s. 127

M. Britton in attendance for Staff

Panel: TBA

December 1-5
and December
7-15, 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

S. Chandra in attendance for Staff

Panel: JDC

December 5
and December
7-16, 2011

10:00 a.m.

**L. Jeffrey Pogachar, Paola
Lombardi, Alan S. Price, New Life
Capital Corp., New Life Capital
Investments Inc., New Life Capital
Advantage Inc., New Life Capital
Strategies Inc., 1660690 Ontario
Ltd., 2126375 Ontario Inc.,
2108375 Ontario Inc., 2126533
Ontario Inc., 2152042 Ontario Inc.,
2100228 Ontario Inc., and 2173817
Ontario Inc.**

s. 127

M. Britton in attendance for Staff

Panel: EPK/PLK

December 19,
2011

9:00 a.m.

**New Hudson Television
Corporation,
New Hudson Television L.L.C. &
James Dmitry Salganov**

s. 127

C. Watson in attendance for Staff

Panel: MGC

January 3-10,
2012

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

January 18-30
and February
1-10, 2012

10:00 a.m.

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

s. 37, 127 and 127.1

H. Craig in attendance for Staff

Panel: TBA

February 1-13, February 15-17 and February 21-23, 2012	Irwin Boock, Stanton Defreitas, Jason Wong, Saudia Allie, Alena Dubinsky, Alex Khodjiants 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	TBA	Microsourceonline Inc., Michael Peter Anzelmo, Vito Curalli, Jaime S. Lobo, Sumit Majumdar and Jeffrey David Mandell
10:00 a.m.			s. 127 J. Waechter in attendance for Staff Panel: TBA
		TBA	Frank Dunn, Douglas Beatty, Michael Gollogly
			s. 127 K. Daniels in attendance for Staff Panel: TBA
		TBA	MRS Sciences Inc. (formerly Morningside Capital Corp.), Americo DeRosa, Ronald Sherman, Edward Emmons and Ivan Cavric
March 12, March 14-26, and March 28, 2012	David M. O'Brien		s. 127 and 127(1) D. Ferris in attendance for Staff Panel: TBA
10:00 a.m.	s. 37, 127 and 127.1 B. Shulman in attendance for Staff Panel: TBA		
April 2-5, April 9, April 11-23 and April 25-27, 2012	Bernard Boily	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 and 127.1 M. Vaillancourt/U. Sheikh in attendance for Staff Panel: TBA		s. 127 H. Craig in attendance for Staff Panel: TBA
TBA	Yama Abdullah Yaqeen		
	s. 8(2) J. Superina 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	<p>M P Global Financial Ltd., and Joe Feng Deng</p> <p>s. 127 (1)</p> <p>M. Britton 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: TBA</p>
TBA	<p>Shane Suman and Monie Rahman</p> <p>s. 127 and 127(1)</p> <p>C. Price in attendance for Staff</p> <p>Panel: TBA</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>T. Center in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p>Gold-Quest International, Health and Harmoney, Iain Buchanan and Lisa Buchanan</p> <p>s. 127</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>Brilliant Brasilcan Resources Corp., York Rio Resources Inc., Brian W. Aidelman, Jason Georgiadis, Richard Taylor and Victor York</p> <p>s. 127</p> <p>H. Craig in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p>Rezwealth Financial Services Inc., Pamela Ramoutar, Justin Ramoutar, Tiffin Financial Corporation, Daniel Tiffin, 2150129 Ontario Inc., Sylvan Blackett, 1778445 Ontario Inc. and Willoughby Smith</p> <p>s. 127(1) and (5)</p> <p>A. Heydon in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p>Abel Da Silva</p> <p>s. 127</p> <p>C. Watson in attendance for Staff</p> <p>Panel: TBA</p>		
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>Uranium308 Resources Inc., Michael Friedman, George Schwartz, Peter Robinson, and Shafi Khan</p> <p>s. 127</p> <p>H. Craig/C.Rossi in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p>Nest Acquisitions and Mergers, IMG International Inc., Caroline Myriam Frayssignes, David Pelcowitz, Michael Smith, and Robert Patrick Zuk</p> <p>s. 37, 127 and 127.1</p> <p>C. Price in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p>Ameron Oil and Gas Ltd., MX-IV Ltd., Gaye Knowles, Giorgio Knowles, Anthony Howorth, Vadim Tsatskin, Mark Grinshpun, Oded Pasternak, and Allan Walker</p> <p>s. 127</p> <p>H. Craig/C. Rossi in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p>Goldpoint Resources Corporation, Pasqualino Novielli also known as Lee or Lino Novielli, Brian Patrick Moloney also known as Brian Caldwell, and Zaida Pimentel also known as Zaida Novielli</p> <p>s. 127(1) and 127(5)</p> <p>C. Watson in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p>Paul Donald</p> <p>s. 127</p> <p>C. Price in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p>Lehman Brothers & Associates Corp., Greg Marks, Kent Emerson Lounds and Gregory William Higgins</p> <p>s. 127</p> <p>C. Rossi in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p>Axcess Automation LLC, Axcess Fund Management, LLC, Axcess Fund, L.P., Gordon Alan Driver, David Rutledge, 6845941 Canada Inc. carrying on business as Anesis Investments, Steven M. Taylor, Berkshire Management Services Inc. carrying on business as International Communication Strategies, 1303066 Ontario Ltd. Carrying on business as ACG Graphic Communications, Montecassino Management Corporation, Reynold Mainse, World Class Communications Inc. and Ronald Mainse</p> <p>s. 127</p> <p>Y. Chisholm in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p>Hillcorp International Services, Hillcorp Wealth Management, Suncorp Holdings, 1621852 Ontario Limited, 1694487 Ontario Limited, Steven John Hill, and Danny De Melo</p> <p>s. 127</p> <p>A. Clark in attendance for Staff</p> <p>Panel: TBA</p>

TBA **Global Consulting and Financial Services, Crown Capital Management Corporation, Canadian Private Audit Service, Executive Asset Management, Michael Chomica, Peter Siklos (Also Known As Peter Kuti), Jan Chomica, and Lorne Banks**

s. 127

H. Craig/C. Rossi in attendance for Staff

Panel: TBA

ADJOURNED SINE DIE

Global Privacy Management Trust and Robert Cranston

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

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

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 CSA Staff Notice 31-326 – Outside Business Activities

CSA STAFF NOTICE 31-326

OUTSIDE BUSINESS ACTIVITIES

July 15, 2011

This notice reminds registrants of their obligation to ensure outside business activities do not impair or impede the performance of their regulatory obligations, including compliance with the conflicts of interest provisions under National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*.

Registrants that are members of the Investment Industry Regulatory Organization of Canada (IIROC) or the Mutual Fund Dealers Association of Canada (MFDA) are reminded that the firm and the individuals they employ are also subject to IIROC and MFDA requirements that relate to outside business activities.

National Instrument 33-109 *Registration Information* requires disclosure of all outside business activities. Staff of the Canadian Securities Administrators (CSA) will take into account issues that may arise in relation to an individual registrant's outside business activities when assessing their initial application for registration, when there is a change in their registration and in considering continuing fitness for registration. In this evaluation, CSA staff consider a number of matters, including:

- whether the individual will have sufficient time to properly carry out their registerable activities, including remaining current on securities law and product knowledge
- whether the individual will be able to properly service clients
- what is the risk of client confusion and are there effective controls and supervision in place to manage the risk
- whether the outside business activity presents a conflict of interest for the individual, and whether that conflict of interest should be avoided or can be appropriately managed
- whether the outside business activity places the individual in a position of power or influence over clients or potential clients, in particular clients or potential clients that may be vulnerable
- whether the outside business activity provides the individual with access to privileged, confidential or insider information relevant to their registerable activities

A registered firm is responsible for monitoring and supervising the individuals whose registration it sponsors. In relation to outside business activities, this includes:

- having appropriate policies and procedures to deal with outside business activities, including ensuring outside business activities do not:
 - involve activities that are inconsistent with securities legislation and IIROC and MFDA requirements; and
 - interfere with the individual's ability to remain current on securities law and product knowledge
- requiring individual registrants to disclose to their firm, and requiring the firm to review and approve, all outside business activities prior to the activities commencing
- ensuring the firm's chief compliance officer is able to properly supervise and monitor the outside business activities
- maintaining records documenting its supervision of outside business activities and ensuring these records are available for review by regulators
- ensuring that potential conflicts of interest are identified and appropriate steps are taken to manage such conflicts (See section 13.4 of Companion Policy 31-103CP for further guidance.)
- ensuring outside business activities do not impair the ability to provide adequate client service, including, where necessary, having an alternate representative available for the client

- ensuring the outside business activity is consistent with the registrant's duty to deal fairly, honestly and in good faith with its clients
- implementing risk management, including proper separation of the outside business activity and registerable activity
- preventing exposure of the firm to complaints and litigation
- assessing whether the individual's lifestyle is commensurate with the firm's knowledge of the individual's business activities and staying alert to other indicators of possible fraudulent activity

Failure to discharge these responsibilities may be relevant to the firm's continued fitness for registration.

Questions

Please refer your questions to any of the following CSA staff:

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Alberta Securities Commission
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Analyste expert en réglementation-pratiques de distribution
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1.1.3 CSA Staff Notice 51-334 – Continuous Disclosure Review Program Activities for the fiscal year ended March 31, 2011

CSA Staff Notice 51-334 – *Continuous Disclosure Review Program Activities for the fiscal year ended March 31, 2011* is reproduced on the following internally numbered pages. Bulletin pagination resumes at the end of the Staff Notice.

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CSA Staff Notice 51-334 - *Continuous Disclosure Review Program Activities for the fiscal year ended March 31, 2011*

July 15, 2011

PURPOSE OF THIS NOTICE

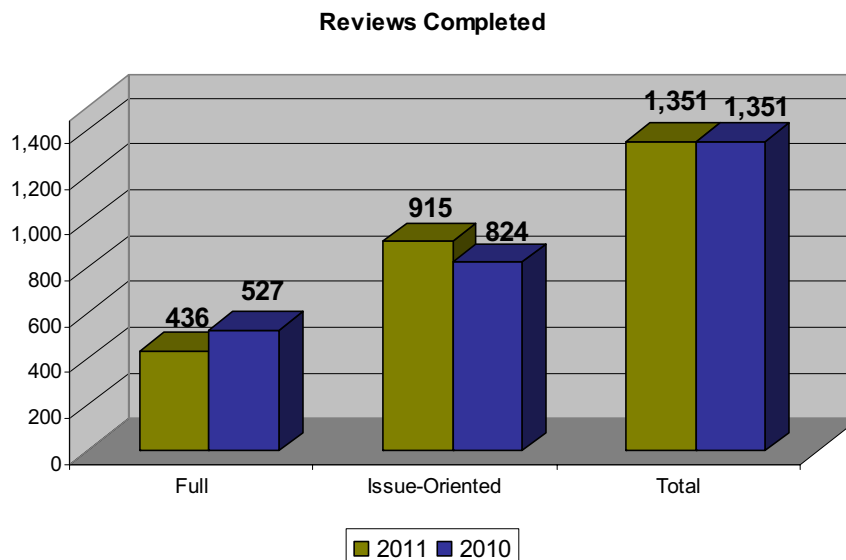
Reliable and accurate information by reporting issuers is critical to strengthen investor confidence and promote efficient capital markets. CSA's continuous disclosure (CD) review program is designed to identify material disclosure deficiencies that affect the reliability and accuracy of a reporting issuer's disclosure record, and has two fundamental objectives: education and compliance. This notice:

- helps issuers understand and comply with their obligations,
- summarizes the results of the CD review program for the fiscal year ended March 31, 2011 (fiscal 2011), and
- provides examples of areas of common deficiencies.

In any given year, issuers are affected by new accounting standards and regulatory changes and these are areas that we generally emphasize in our CD review program. See [CSA Staff Notice 51-312 – \(Revised\) Harmonized Continuous Disclosure Review Program](#) for further details on the program.

YEAR IN REVIEW – FISCAL 2011

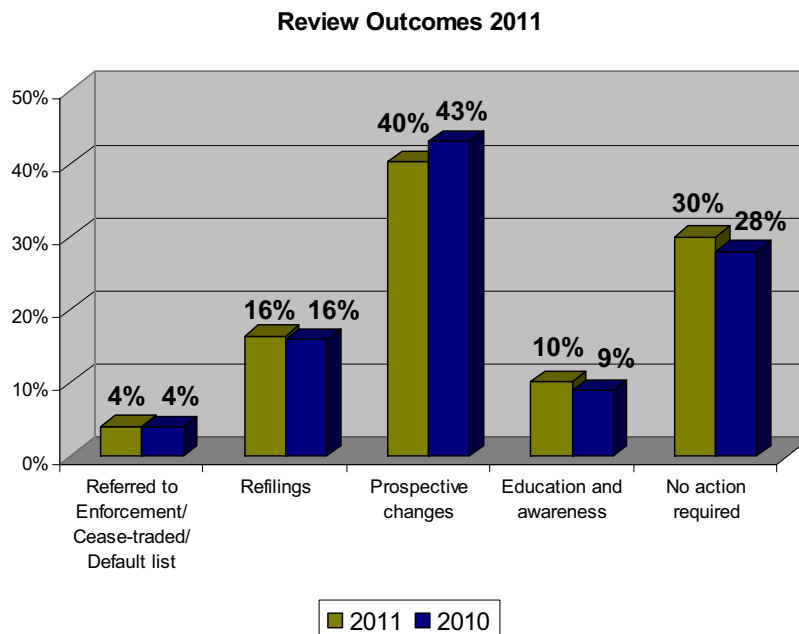
There are approximately 4,100 issuers in Canada, excluding investment funds and issuers that have been cease-traded. Staff of the jurisdictions of the CSA (we) use a risk based approach combined with a high level screening system to select issuers for review and to determine the type of review to conduct (full or issue-oriented). This approach allows us to address areas of particular concern. We apply both qualitative and quantitative criteria in determining the level of review required. The criteria are updated as market conditions change. We focus on accounting issues and disclosure areas where either non-compliance is probable or we foresee a need for increased compliance.



The above chart illustrates the composition of the type of reviews we conducted in fiscal 2011 compared to fiscal 2010. The number of full reviews conducted in fiscal 2011 decreased by 17% from the previous year. The number of issue-oriented reviews increased by 11%. The majority of the increase in issue-oriented reviews is a result of International Financial Reporting Standards (IFRS) transition disclosure reviews, material contract filing requirement reviews, and oil and gas technical disclosure reviews under [National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities](#) (NI 51-101).

OUTCOMES FOR FISCAL 2011

Given our risk based approach combined with a high level screening system to the selection of issuers, we generally select issuers at higher risk of non-compliance. In 2011, 70% of issuers reviewed were required to take action to improve disclosure, compared to 72% in 2010.



We classify the outcomes of the full and issue-oriented reviews into the five categories identified below. A CD review could have more than one category of outcome. For example, an issuer could be required to refile certain documents as well as make certain changes on a prospective basis.

Enforcement referral/ Default list/ Cease trade order

If the issuer has critical CD deficiencies, we may add the issuer to our default lists, issue a cease trade order and/or refer the issuer to Enforcement.

Refiling

The issuer must amend and refile certain CD documents.

Prospective Changes

The issuer is informed that certain changes or enhancements are required in its next filing as a result of deficiencies identified.

Education and Awareness

The issuer receives a proactive letter alerting it to certain disclosure enhancements that should be considered in its next filing.

No action required

The issuer does not need to make any changes or additional filings.

FULL REVIEWS

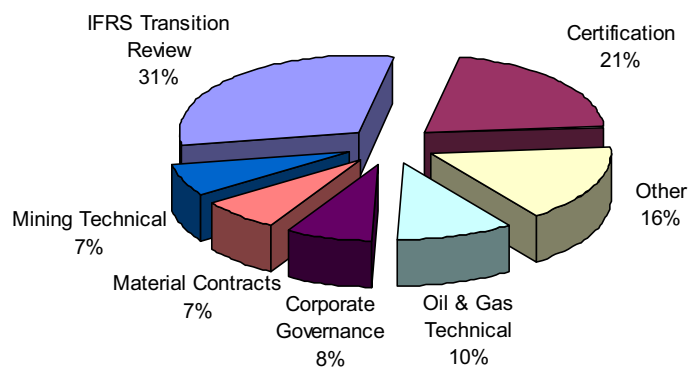
A full review is broad in scope and covers many types of disclosure. A full review covers the issuer's most recent annual and interim financial statements, Management Discussion and Analysis (MD&A), and other disclosure documents such as:

- technical disclosure, including technical reports for oil and gas, and mining issuers;
- annual information forms (AIF);
- annual reports;
- information circulars;
- press releases, material change reports and business acquisition reports (BARs);
- website;
- CFO and CEO certifications; and
- material contracts.

ISSUE-ORIENTED REVIEWS

An issue-oriented review is an in-depth review focusing on a specific accounting, legal or regulatory issue that we believe warrants regulatory scrutiny. The nature of the issue or issues identified determines the periods we will review.

Issue-Oriented Reviews 2011



Of the 1,351 reviews that were completed in fiscal 2011, 68% of the reviews (as compared to 61% of the reviews last year) were issue-oriented reviews completed either as a CSA coordinated initiative or by local jurisdictions. Some jurisdictions did not conduct certain issue-oriented reviews but incorporated specific procedures in their full reviews to address topics or concerns identified in the issue-oriented reviews. The following issue-oriented reviews were completed this year by one or more of the jurisdictions:

IFRS Transition Disclosure

We conducted a review to assess the extent and quality of IFRS transition disclosure made by issuers in 2009 annual MD&A. We compared the disclosure of 196 issuers to the disclosure guidance provided in [CSA Staff Notice 52-320 Disclosure of Expected Accounting Policies Related to the Changeover to International Financial Reporting Standards](#) (SN 52-320). Based on the expectations of SN 52-320, 2009 annual MD&A should have provided a progress update to the issuer's changeover plan and a description of the identified accounting policy differences between the issuer's current Canadian GAAP financial statements and the IFRS policies they intended to adopt after transition. Sufficient IFRS transition disclosure would reduce investor uncertainty about transition readiness and inform users of the potential for volatility in future reported results.

Our review found that:

- 60% of issuers provided details of the key elements of their IFRS changeover plan;
- 82% of issuers provided a description of the identified accounting policy differences between the issuer's current Canadian GAAP financial statements and the IFRS policies they intend to adopt after transition; and
- issuers discussed their changeover plans and identified accounting policy differences but the discussion was often generic and did not provide the specific anticipated impact to the issuer's own financial statements and operations.

For additional reference, see [CSA Staff Notice 52-326 IFRS Transition Disclosure Review](#).

Certification

During fiscal 2011 we conducted a follow-up review of issuers to evaluate the level of improvement in compliance with the provisions of [National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings](#) (NI 52-109). The fiscal 2011 review included the review of issuers identified in the previous fiscal year's review as not fully compliant and included the review of issuers that re-filed financial statements to correct accounting errors. Staff also reviewed the MD&A disclosure relating to the impact of the IFRS on Internal Control over Financial Reporting (ICFR) and Disclosure Control and Procedures (DC&P). The results of the fiscal 2011 review indicated moderate improvement in the level of issuers' compliance as compared to the results of the previous fiscal year's review. For the fiscal 2011 review, 22% of issuers reviewed were required to re-file their MD&A and/or the certificates compare to 30% of issuers in the previous fiscal year review. Common issues identified during this year's review include the following:

- issuers did not disclose or did not fully disclose the certifying officers' conclusion about the effectiveness of ICFR or DC&P in their MD&A or they qualified the conclusions;
- the wording on forms were amended; and
- venture issuers that filed basic certificates voluntarily discussed ICFR or DC&P in their annual MD&A but did not include cautionary language as discussed in part 15.3 of Companion Policy NI 52-109CP.

For additional reference, see [CSA Staff Notice 52-327 Certification Compliance Update](#).

Oil and Gas Technical Disclosure

We conducted reviews on issuers engaged in oil and gas activities to assess compliance with requirements set out in NI 51-101. While there was general compliance among issuers, common issues identified include:

- Omitting some of the information required under Form 51-101F1 and disclosing units inconsistently throughout the oil and gas disclosure;
- Improper use of terminology set out in the Canadian Oil and Gas Evaluation Handbook (COGEH); and
- Boilerplate disclosure of important economic factors or significant uncertainties that affect particular components of the reserves data.

Corporate Governance Disclosure

In fiscal 2011, we conducted a follow-up review to assess compliance with [National Instrument 58-101 Disclosure of Corporate Governance Practices](#). We reviewed the disclosure of approximately 75 reporting issuers and found that:

- 55% of the issuers reviewed were required to make prospective enhancements to their corporate governance disclosure, compared to 36% in a similar review conducted in 2007.

For additional reference, see [CSA Staff Notice 58-306 2010 Corporate Governance Disclosure Compliance Review](#).

Material Contracts

In fiscal 2011, we completed a CD review of approximately 60 issuers to determine if they were complying with the material contract filing requirements under Part 12 of [National Instrument 51-102 Continuous Disclosure Obligations](#) (NI 51-102). In 2008, significant changes were made to the filing requirements of material contracts. Prior to the changes, issuers were not required to file material contracts if they were entered into in the ordinary course of business. The changes do not permit the ordinary course exclusion in certain circumstances. Generally these are situations where it is determined the contract is important to understanding the issuer's business. There were also limits placed upon redaction of material contracts, where previously an issuer could redact any portion of the contract that an executive officer felt would be seriously prejudicial to the interests of the issuer or would violate confidentiality provisions. If the terms and conditions of the contract are necessary for understanding the impact of the material contract on the business of the issuer omission or redaction is not permitted.

Our review found that:

- 16% of issuers reviewed were required to file missing material contracts
- 3% of issuers reviewed were required to revise redacted provisions to comply with our requirements

Issuers should carefully consider the material contract filing rules in NI 51-102 and the related companion policy guidance. In particular, issuers should be aware that they must continually assess whether or not a given contract is material. For example, a contract that was not previously material to an issuer may become material if, due to changes in the issuer's business or other contracts, the issuer becomes substantially dependent on that contract.

Mining Technical Disclosure

Issue-oriented reviews are regularly conducted on mining technical disclosure. The following problem areas remain consistent with prior years:

- the name of the qualified person was not always included in documents containing scientific and technical information;
- required disclosure for historical estimates, such as the source and date of the estimate was not included;
- certificates or consents for the qualified person were not included; and
- corporate presentations or other content on the website did not comply with [National Instrument 43-101 Standards of Disclosure for Mineral Projects](#).

Other

- **Press Releases**

Press releases, websites, corporate presentations and other promotional materials are regularly reviewed to assess compliance with NI 51-101 and COGEH disclosure requirements, and Forward-Looking Information (FLI) requirements in NI 51-102. Press releases are also reviewed to assess compliance with section 11.5 of NI 51-102 announcing a refiling or restatement (11.5 Press Release). Common issues identified include:

- non-compliant reserve and resource classification and disclosure;
- non-compliant use of oil and gas terminology;
- failure to file an 11.5 Press Release in a timely manner; and
- the common issues relating to FLI requirements identified in [CSA Staff Notice 51-330 Guidance Regarding the Application of Forward-Looking Information Requirements under NI 51-102 Continuous Disclosure Obligations](#) (SN 51-330).

- **Complaints**

Staff followed up on complaints referred by other areas of our respective Commissions. Complaints were also received from investors and other external stakeholders regarding specific disclosure issues. Generally, issue-oriented reviews were conducted to consider the issues raised and assess the potential impact to investors. In some circumstances, such complaints lead to further action being taken against an issuer.

COMMON DEFICIENCIES IDENTIFIED

Our reviews continue to focus on identifying material deficiencies and disclosure enhancements. To help issuers better understand their disclosure obligations we have provided guidance and examples of common deficiencies in the following appendices:

Appendix A: MD&A Deficiencies

1. Non-GAAP Financial Measures
2. Forward-Looking Information
3. Discussion of Operations
4. Liquidity
5. Fourth Quarter and Quarterly Discussion
6. Venture Issuer

Appendix B: Financial Statements Deficiencies

1. Inventory
2. Related Party Transactions

Appendix C: Regulatory Compliance Deficiencies

1. Statement of Executive Compensation (Form 51-102F6)

This is not an exhaustive list of deficiencies noted in our reviews, and issuers should be reminded that their CD record must comply with all relevant securities legislation.

AREAS OF FOCUS FOR FISCAL YEAR 2012

IFRS

For fiscal 2012, our main focus will be on IFRS transition. We will continue to use a risk based approach combined with a high level screening system to determine the issuers we will select for review and the type of review required. In addition, we will continue to be responsive to any market condition changes and address particular areas of concern in a timely manner.

Results by jurisdiction

The Alberta Securities Commission, the Ontario Securities Commission and the Autorité des marchés financiers publish reports summarizing the results of the CD review program in their jurisdictions. See the individual regulator's website for a copy of its report:

- www.albertasecurities.com
- www.osc.gov.on.ca
- www.lautorite.qc.ca

APPENDIX A

MD&A DEFICIENCIES

The quality of MD&A disclosure continues to be an area where we see deficiencies. MD&A is a narrative explanation through the eyes of management of how the issuer performed during the period covered by the financial statements, and what the issuer's financial condition and future prospects are. We often find boilerplate disclosure that does not change from period to period. Issuers frequently replicate disclosure from the financial statements without any analysis. Entity-specific disclosure provides investors with information that complements the financial statements so they are able to assess the current financial condition of the issuer and its future prospects.

There are six important areas where we continue to see boilerplate disclosure in the MD&A: non-GAAP financial measures, forward looking information (FLI), discussion of operations, liquidity, 4th quarter discussion, and venture issuer disclosure. For each, we have provided examples of deficient disclosure contrasted against more robust, entity-specific disclosure.

1. Non-GAAP Financial Measures

Issuers often provide key performance measures in continuous disclosure documents. If these measures are not permitted by an issuer's GAAP they constitute non-GAAP financial measures per [CSA Staff Notice 52-306 Non-GAAP Financial Measures](#) (SN 52-306). Note that SN 52-306 was amended in November 2010 to reflect the changeover to IFRS.

Non-GAAP financial measures are often provided in MD&A without the additional disclosure prescribed by SN 52-306. Issuers frequently omit the following disclosure:

- an explanation of why the non-GAAP financial measure is meaningful to investors and the additional purpose, if any, for which management uses the non-GAAP financial measure; and
- a clear quantitative reconciliation from the non-GAAP financial measure to the most directly comparable measure calculated in accordance with the issuer's GAAP presented in the financial statements.

In addition, issuers are reminded of their responsibility to ensure that information provided is not misleading. Therefore, adjustments should not be described as non-recurring or unusual if they are reasonably likely to occur within the next two years or have occurred in the previous two years.

Example of deficient disclosure

Our operating income before specific items rose 31%, reaching a new peak of \$101 million.

Example of entity-specific disclosure

Our profit for the fiscal year was \$50 million compared to \$31 million in the previous fiscal year. Operating income before specific items (OIBI) rose 31%, reaching a new peak of \$101 million. OIBI of the previous fiscal year was \$77 million.

OIBI is mainly derived from the consolidated financial statements but does not have any standardized meaning prescribed by Canadian GAAP. Therefore it is unlikely to be comparable to similar measures presented by other companies.

OIBI is used by management to evaluate the performance of its operations based on a comparable basis which excludes specific items that are non-recurring. When a specific item occurs in more than two consecutive fiscal years, it is no longer considered to be non-recurring by management.

We believe that a significant number of users of our MD&A analyze our results based on OIBI since it is a yearly comparable measure of the performance of the Company.

Reconciliation of OIBI to profit in thousands of dollars:

OIBI	\$101	\$77
Restructuring of distribution network	(\$6)	\$0
Relocation of production	\$0	(\$9)
Gross income as per financial statements	\$95	\$68
Sales and administrative expenses.	\$23	\$19
Financial expenses	\$12	\$9
Tax expenses	\$10	\$9
Net income as per financial statements	\$50	\$31

2. Forward Looking Information (FLI)

Part 4A.3 of NI 51-102 sets out the disclosure requirements for FLI. Many issuers do not identify material FLI in their disclosure. Identification of material FLI is important to investors in order for them to understand that FLI is being provided. Disclosure of both the material factors or assumptions including material risk factors underlying the FLI is necessary for investors to understand that actual results may vary from FLI. Issuers continue to provide boilerplate disclosure and are reminded that the material factors or assumptions used to develop the FLI should be disclosed. Also, in light of the current transition to IFRS, issuers are reminded that Part 4B.2(2)(b) of NI 51-102 requires that FLI be based on the accounting policies that the issuer expects to use to prepare its historical financial statement for the period covered by the FLI.

Example of deficient disclosure

In order to attain its profitability objectives and ensure its continued operation, the Company must continue to increase cash flows from day-to-day operation. To do so, the Company expects sales to increase in 2011.

Example of entity-specific disclosure

In order to attain its profitability objectives and ensure its continued operation, the Company must continue to increase cash flows from day-to-day operation. To do so, the Company expects that the level of sales in 2011 will increase.

The following factors support management assessment about increase of sales:

- Economic recovery
- Seller network completed in the course of 2011
- Restructuration of some sale territories based on market sectors
- Customer development for private label.

Unknown risks and uncertainties could impact our expectation on sale increase such as, increase competition, pressure on sales prices and failure in launching new products. We will update our forward-looking statement for any adverse events that could materially impact management expectation of increase of sales.

For additional reference, see SN 51-330.

3. Discussion of Operations

Issuers are required to analyze their operations in the most recently completed financial year, including a comparison against the previous completed financial year. The analysis should discuss and quantify all material variances. Common deficiencies include discussion of immaterial information without inclusion of information that maybe material to investors and insufficient analysis of why changes have occurred. Issuers are reminded that the MD&A should contain a balanced discussion of their operations. In the example below we highlight an element to be considered in the discussion of operations, the gross profit.

Example of Deficient Disclosure

Gross profit was \$75 million, compared with \$100 million the preceding year.

Example of entity-specific disclosure

Gross profit for the fiscal year ended April 30, 2010 decreased by 25 percent to \$75 million from \$100 million for the corresponding period last year. The first eight months of the year were marked by contract cancellations and delays due to the prevailing economic situation. The unfavourable foreign exchange translation impact on gross profit for the year, when compared to the effective rates for the same period last year, is estimated at \$5 million.

Canada-U.S.

Gross profit in Canada-U.S. decreased by approximately 10 million year-over-year as competitive pressures negatively affected pricing and margins. This was offset by an increase in gross profit of approximately \$2 million as a result of cost cutting measures.

South and Central America

Gross profit in this geographic segment decreased significantly due to competitive pressures on pricing and higher repair costs relating to the ramp up near year end to fulfill new contracts. The impact on gross profit of each element was approximately \$7 million and \$1 million respectively.

4. Liquidity

The MD&A should identify and discuss any known or expected fluctuations and trends in an issuer's liquidity, taking into account demands, commitments, events or uncertainties. Where applicable the discussion should also include disclosure of any defaults or risk of defaults on debt covenants and how the issuer intends to cure the default or otherwise address the risk as set out in the example below. The disclosure relating to expected liquidity fluctuations is required for all issuers but it is especially important when issuers have negative cash flows from operations, a negative working capital position or have breached their debt covenants.

Example of deficient disclosure

The Company's credit facility contains certain covenants that the Company must comply with . Otherwise the amounts outstanding are payable on demand. As at December 31, 2010 the Company violated such covenants.

Example of entity-specific disclosure

The Company's share capital is not subject to any external restrictions; however its credit facility is subject to periodic reviews. The credit facility also contains certain covenants, such that the Company cannot, without prior approval of the bank, hedge or contract petroleum or natural gas volumes, on a fixed price basis, exceeding 50 per cent of production volumes, nor can it monetize or settle any fixed price financial hedge or contract. The credit facility also contains a financial covenant that requires the Company to maintain a working capital ratio of at least 1:1. As at December 31, 2010, this ratio was 0.5:1. The bank has waived the breach and has allowed the Company six months to remedy the deficiency. The Company intends to acquire additional financing through private placements to fund current working capital needs and remedy the deficiency.

5. Fourth Quarter and Quarterly Discussion

Issuers must discuss and analyze items or events that have had a material impact in the fourth quarter. Many issuers tend to overlook this area. Some issuers file a separate fourth-quarter MD&A and use the exemption available under section 1.10 of NI 51-102F1, however do not make appropriate reference to the separate quarterly MD&A.

Example of deficient disclosure

During August 2010, the Company reactivated exploration activities, initiating a drill program on its XYZ property. Also, during the fourth quarter of fiscal 2009, the Company incurred a write-down of resource properties of \$1.1 million relating to the GHI property. Operating costs, excluding property write-downs, for the quarter totalled \$0.2 million and consisted primarily of management salaries, management services and non-cash stock-based compensation expense.

Example of entity-specific disclosure

The Company recorded a net loss of \$400,000 in the quarter compared to a net loss of \$900,000 in the prior quarter. Operating expenses increased during the quarter, which was offset by foreign exchange gains of \$300,000 and a tax recovery of \$700,000. The increase in operating expenses is largely attributable to an increase in advisory fees and salaries of approximately \$500,000. The increase in advisory fees is related to strategic alternatives that would enable financing of the ABC Project. The increase in salaries is attributable to the advancement of the ABC Project during the quarter. The Company will continue to incur operating losses until such time as the commercial development of the ABC Project results in positive earnings.

6. Venture Issuer Disclosure

Section 5.3 of NI 51-102 requires venture issuers that have not had significant revenue from operations to provide a breakdown of material components of capitalized or expensed exploration costs. In staff's view the description of the component should be specific enough for a reader to understand its nature. For example, the descriptor "Consultant" is not specific enough for a reader to understand the nature of the costs incurred.

Furthermore, if the venture issuer's business primarily involves mining exploration, the analysis must be presented on a property-by-property basis. In some cases we have observed that venture mining issuers have not presented the required disclosure on a property by property basis.

APPENDIX B

FINANCIAL STATEMENT DEFICIENCIES

Common problems identified within the financial statements generally relate to note disclosure and measurement issues. A clear and concise description of the significant accounting policies of an issuer is considered an integral part of their financial statements as the policies provide a roadmap to investors for understanding the financial results.

Inventory and Related Party disclosure continues to be an area where we commonly see insufficient disclosure. Discussion in these areas tends to be boilerplate. In order for investors to understand the significance to the issuer's financial condition and operations we expect issuers to provide all the required disclosure. For each area we provide examples of deficient disclosure contrasted against more robust, entity-specific disclosure.

1. Inventory

The financial statement inventory note disclosure required by Part V of the CICA Handbook – Canadian GAAP (Pre-changeover Canadian GAAP) is now harmonized with IFRS. IFRS allows fewer alternatives for the measurement of inventories. It also permits reversal of write-downs, requires impairment testing at each reporting period, and has increased disclosure requirements. Issuers generally comply with the measurement of inventories but frequently do not provide all of the required disclosure.

Example of deficient disclosure

For the year ended December 31, 2010, the cost of sales was \$1,032,485 (\$984,502 in 2009). The cost of sale includes an inventory impairment reversal of \$165,242 (\$0 in 2009).

Paragraph 3031.36 (g) of Pre-changeover Canadian GAAP and paragraph 36 (f) and (g) of IAS 2 *Inventories* requires the disclosure of the circumstances or events that led to the reversal of a write-down of inventories. In the above example, the disclosure was not provided.

Example of deficient disclosure

Raw materials and finished goods are recorded at the lower of average cost and net realizable value. The cost of inventory is recognized as an expense when the inventory is sold. Previous write-downs to net realizable value are reversed if there is a subsequent increase in the value of the related inventories.

In the above example the issuer did not provide the cost formula to measure inventory as required by paragraph 3031.36 (a) of Pre-changeover Canadian GAAP and paragraph 36 (a) of IAS 2 *Inventories*.

Example of entity-specific disclosure

Inventories of finished products, converted products, raw materials and materials & supplies are valued at the lower of cost and net realizable value. Costs are allocated to inventory using the weighted average cost method and include direct costs related to units of production as well as a systematic allocation of fixed and variable production overhead. Net realizable value for finished products, converted products and raw materials is considered to be the selling price of the finished product in the ordinary course of business less the estimated costs of completion

and estimated costs to complete the sale. In certain circumstances, particularly pertaining to the company's materials & supplies inventories, replacement cost is considered to be the best available measure of net realizable value. Inventory is reviewed monthly to ensure the carrying value does not exceed net realizable value. If carrying value does not exceed net realizable value, a write-down is recognized immediately. The write-down may be reversed in a subsequent period if the circumstances which caused it no longer exist.

2. Related Party Transactions

Issuers tend to be too generic in disclosure of related party transactions. Frequently, disclosure of the nature of the transaction and description of the relationship with the related party is omitted. In addition, when issuers have significant balances owing to related parties details provided in the financial statements notes do not contain all the required disclosure.

Example of deficient disclosure

Selling and administrative expenses includes \$750,000 paid to directors and officers of the Corporation. Included in professional fees is \$200,000 in fees paid and accrued to directors and officers of the Corporation. The due to related parties balance of \$900,000 includes amounts owing to directors and officers of the Corporation for services rendered. The amounts owing to related parties are non-interest bearing.

Example of entity-specific disclosure

The related party payable of \$900,000 at year end includes \$400,000 of consulting services rendered by the Chief Information Officer in the current year for technical feasibility studies in relation to product XYZ. The remaining balance of \$500,000 pertains to rent owing to an entity controlled by the Vice-President of Marketing for last 4 fiscal years. Given the Corporation's financial status, the related parties and the Corporation agreed to no fixed term for repayment.

Selling and administrative expenses includes \$750,000 paid to directors and officers of the Corporation. Consulting services provided by the Chief Information Officer represents \$550,000 of this expense and the balance is comprised of \$200,000 in rent paid to the Vice-President of Marketing. Included in professional fees is \$200,000 in fees paid to a director of the Corporation for legal services in connection with the litigation disclosed in Note 14. These related party transactions are considered to be in the normal course of business and are recorded at the exchange amount, which is considered to be equal to amounts agreed upon by the related parties.

Issuers will have to revisit their related party transaction disclosure as part of their transition to IFRS, as the requirements differ from Pre-changeover Canadian GAAP. One of the major differences for issuers to consider is that Pre-changeover Canadian GAAP addresses both the measurement and disclosure of related party transactions, while IAS 24 *Related Party Disclosures* only addresses disclosure requirements. Other differences between IFRS and Pre-changeover Canadian GAAP include the following areas:

- the definition of related parties is broader under IFRS than under Pre-changeover Canadian GAAP; and
- compensation for key management personnel is a related party disclosure under IFRS, whereas executive compensation arrangements are generally not considered related party transactions under Pre-changeover Canadian GAAP but are governed by securities legislation.

APPENDIX C: REGULATORY COMPLIANCE DEFICIENCIES

The CD review program assesses issuer compliance with requirements in our securities laws. Our objective is to promote clear and informative disclosure that will allow investors to make informed investment decisions. We have identified the following areas where we continue to see lack of compliance: executive compensation and material contracts.

1. Statement of Executive Compensation (Form 51-102F6)

All direct and indirect compensation provided to certain executive officers and directors for, or in connection with, services they have provided to the issuer or subsidiary of the issuer must be disclosed. The objective of this requirement is to provide insight into executive compensation as a key aspect of the overall stewardship and governance of issuers and to help investors understand how decisions about executive compensation are made. Many issuers continue to provide insufficient disclosure of performance goals or similar conditions, as well as the benchmark group used for specific levels of compensation.

Benchmarking

Generally, benchmarking is the process of setting a target for executive compensation at a level relative to the issuer's peers. If an issuer benchmarks, it must: (i) disclose the name of all of the individual companies included in the benchmark group; and (ii) discuss why those companies were selected to be part of the peer group.

Example of deficient disclosure

Compensation for the named executive officers (NEOs) is composed primarily of three components: base fees, performance bonuses and stock based compensation. The determination of each component is based on industry standards. In establishing compensation, the Company takes into consideration levels of compensation provided by industry competitors.

Example of entity-specific disclosure

In order to promote competitive compensation practices, the board evaluates compensation of the NEOs, relative to a peer group of 10 publicly traded Canadian companies (the "Canadian Group"). These companies are selected on the basis of a number of factors, including similar industry characteristics, revenue and market capitalization. The objective of the executive compensation policy is to position the total compensation package at the median of the Canadian Group. Each of the elements of the compensation package (base salary, short-term incentives and long-term incentives) is separately considered in the benchmarking in order to be consistent with general market practices. The 10 companies included in the Canadian Group in 2010 were: [List of companies].

The Canadian Group is reviewed on an annual basis to ensure that the inclusion criteria and companies on the list are still pertinent. Changes may be made, if necessary.

Performance goals or similar conditions

Issuers should provide disclosure of a performance goal or similar condition that is either a quantitative or qualitative performance target achieved by the issuer on which the issuer has based its decision to award compensation. For subjective targets, the issuer may describe the target without providing specific measures. In this situation, the issuer's compensation, analysis and disclosure should clearly disclose that compensation decisions are not based on objective identifiable measures. For targets that are based on objective identifiable measures, issuers

must disclose them unless a reasonable person would consider that disclosing them would seriously prejudice the issuer's interests.

Example of deficient disclosure

To determine short term incentive compensation, the Board of Directors reviews the performance of the NEOs and considers a variety of factors, both objective and subjective, when determining compensation levels. These factors include the long-term interests of the Company and its shareholders, the financial and operating performance of the Company and each NEO's individual performance, contribution towards meeting corporate objectives, responsibilities and length of service.

Example 1 of entity-specific disclosure

The compensation paid to directors and NEOs of the Company is determined on a case-by-case basis with reference to the role that each director and NEO provides to the Company. The Company does not currently prescribe a set of formal objective measures to determine discretionary bonus entitlements. Rather, the Company uses informal goals typical for development and early production stage companies such as strategic acquisitions, advancement of exploration and other transactions that serve to increase the Company's valuation. Precise goals or milestones are not pre-set by the board of directors of the Company.

Example 2 of entity-specific disclosure

Bonuses paid pursuant to the short term incentive compensation program depend on the level of achievement of financial objectives of the Company. The Company attributes to each NEO, depending on his hierarchic level, a bonus target level set as a percentage of his salary, representing the amount which will be paid if all objectives are achieved according to the targets set. Depending on the performance, actual bonuses may vary between zero and twice the target bonus, based on the level of achievement of the objectives set out at the beginning of the fiscal year.

For the fiscal year ended October 31, 2010, the financial objectives used for purposes of the short term incentive compensation were earnings per share and earnings before interest and taxes of the sector. These objectives are meant to tie the performance of the executive with the financial performance of the Company.

The following table presents the objectives for 2010 approved by the Board of Directors and the results achieved by the Company:

Performance measure	Objectives	Results
Earnings per share	\$1.32	\$1.50
Earnings before interest and taxes sector A (millions of dollars)	\$162	\$189
Earnings before interest and taxes sector B (millions of dollars)	\$79	\$98
Earnings before interest and taxes sector C (millions of dollars)	\$83	\$91

Incentive compensation as a percentage of salary:

	NEO-1	NEO-2	NEO-3	NEO-4	NEO-5
Minimum	0%	0%	0%	0%	0%
Target	100%	100%	50%	75%	50%
Maximum	200%	200%	100%	100%	75%

For additional reference, see [CSA Staff Notice 51-331 Report on Staff's Review of Executive Compensation Disclosure](#).

FOR MORE INFORMATION

Contact any of the following:

<p>Alan Mayede Senior Securities Analyst British Columbia Securities Commission 604-899-6546 Toll-free 800-373-6393 (in BC and Alberta) amayede@bcsc.bc.ca</p>	<p>Lisa Enright Manager, Corporate Finance Ontario Securities Commission 416-593-3686 lenright@osc.gov.on.ca</p> <p>Ritu Kalra Senior Accountant, Corporate Finance Ontario Securities Commission 416-593-8083 rkalra@osc.gov.on.ca</p>
<p>Jonathan Taylor Manager, CD Compliance & Market Analysis Alberta Securities Commission 403-297-4770 jonathan.taylor@asc.ca</p>	<p>Johanne Boulerice Manager, Continuous Disclosure Autorité des marchés financiers 514-395-0337 ext. 4331 Toll-free: 1-877-525-0337, ext. 4331 johanne.boulerice@lautorite.qc.ca</p>
<p>Ian McIntosh Deputy Director, Corporate Finance Saskatchewan Financial Services Commission 306-787-5867 ian.mcintosh@gov.sk.ca</p>	<p>Kevin Redden Director, Corporate Finance Nova Scotia Securities Commission 902-424-5343 reddenkg@gov.ns.ca</p> <p>Junjie (Jack) Jiang Securities Analyst, Corporate Finance Nova Scotia Securities Commission 902-424-7059 jiangjj@gov.ns.ca</p>
<p>Bob Bouchard Director, Corporate Finance Manitoba Securities Commission 204-945-2555 bob.bouchard@gov.mb.ca</p>	<p>Pierre Thibodeau Senior Securities Analyst & Acting Chief Financial Officer New Brunswick Securities Commission 506-643-7751 pierre.thibodeau@nb-sc-cvmnb.ca</p>

1.2 Notices of Hearing

1.2.1 Crown Hill Capital Corporation and Wayne Lawrence Pushka

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

AND

**IN THE MATTER OF
CROWN HILL CAPITAL CORPORATION AND
WAYNE LAWRENCE PUSHKA**

NOTICE OF HEARING

TAKE NOTICE THAT the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to sections 127 and 127.1 of the Ontario *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") at the offices of the Commission at 20 Queen Street West, 17th Floor Hearing Room on August 8, 2011 at 10:00 a.m., or as soon thereafter as the hearing can be held:

TO CONSIDER whether, in the opinion of the Commission, it is in the public interest, pursuant to sections 127 and 127.1 of the Act, to order:

- (a) pursuant to clause 2 of section 127(1) that trading in any securities by the Respondents cease permanently or for such period as is specified by the Commission;
- (b) pursuant to clause 2.1 of section 127(1) that acquisition of any securities by the Respondents is prohibited permanently or for such period as is specified by the Commission;
- (c) pursuant to clause 3 of section 127(1) that any exemptions contained in Ontario securities law do not apply to the Respondents permanently or for such period as is specified by the Commission;
- (d) pursuant to clause 6 of section 127(1) that the Respondents be reprimanded;
- (e) pursuant to clause 7, 8.1, 8.3 of section 127(1) that each of the individual Respondents resign all positions that he holds as a director or officer of an issuer, registrant, or investment fund manager;
- (f) pursuant to clause 8, 8.2, 8.4 of section 127(1) that each of the individual Respondents be prohibited from becoming or acting as a director or officer of any issuer, registrant, or investment fund manager;
- (g) pursuant to clause 8.5 of section 127(1) that each of the Respondents be prohibited from becoming or acting as a registrant, as an investment fund manager and as a promoter;
- (h) pursuant to clause 9 of section 127(1) that the Respondents each pay an administrative penalty of not more than \$1 million for each failure to comply with Ontario securities law;
- (i) pursuant to clause 10 of section 127(1) that the Respondents each disgorge to the Commission any amounts obtained as a result of their non-compliance with Ontario securities law;
- (j) pursuant to section 127.1 that the Respondents be ordered to pay the costs of the investigation and hearing; and
- (k) such other orders as the Commission deems appropriate.

BY REASON OF the allegations set out in the Statement of Allegations of Staff of the Commission dated July 7, 2011 and such further additional allegations and evidence as counsel may advise and the Commission may permit;

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

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

DATED at Toronto this 7th day of July, 2011.

"John Stevenson"
Secretary to the Commission

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

AND

**IN THE MATTER OF
CROWN HILL CAPITAL CORPORATION AND
WAYNE LAWRENCE PUSHKA**

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

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

I. OVERVIEW

1. Crown Hill Capital Corporation ("CHCC") was the trustee and manager of Crown Hill Fund, an investment trust established by a declaration of trust pursuant to Ontario laws, a publicly traded non-redeemable investment fund and a reporting issuer in Ontario. Commencing in 2008, CHCC caused the Crown Hill Fund and its predecessor funds to enter into a series of transactions to have CHCC acquire, either initially or ultimately, the management contracts for other non-redeemable investment funds and bring about mergers of the funds. In doing so, CHCC and Wayne Lawrence Pushka, its President, Chief Executive Officer and indirect owner, acted primarily in their own interest rather than that of the Crown Hill Fund, contrary to s. 116 of the *Securities Act*, R.S.O. 1990, c.S.5, as amended (the "Act") and/or contrary to the public interest..
2. In two instances, CHCC used the Crown Hill Fund's assets to finance CHCC's acquisition of the management contracts for other non-redeemable investment funds as a means whereby CHCC would increase the assets under management and consequently its management fees. In doing so, CHCC caused the fund to breach its investment requirements and/or exposed it to unnecessary risks and costs contrary to s. 116 of the Act and/or contrary to the public interest.
3. Staff allege that the conduct at issue transpired during the period April 2008 up to and including June 2009 ("Material Time").

II. THE RESPONDENTS

4. CHCC is a company incorporated in Ontario. It was the trustee and manager of the Crown Hill Fund or its predecessors throughout the Material Time. As trustee and manager, CHCC had exclusive authority to manage the operations and affairs of the Crown Hill Fund, to make all decisions regarding the business of the Crown Hill

Fund and to bind it and accordingly was its Investment Fund Manager pursuant to the Act.

5. Wayne Lawrence Pushka ("Pushka") is a resident in Ontario. Pushka is the President and Chief Executive Officer and a director of CHCC as well as the sole shareholder of CHCC's parent company.
6. Pushka was registered as an Investment Counsel Portfolio Manager with the Commission during the Material Time.

III. INITIAL ACQUISITIONS AND CONDUCT OF CHCC

A. MACCs Fund Acquisition

- (i) Summary of the Transaction
7. In 2008, CHCC managed a predecessor to the Crown Hill Fund, Crown Hill Dividend Fund ("Crown Hill Div Fund"), an investment trust established pursuant to Ontario laws by a declaration of trust dated May 19, 2004 and a publicly-traded investment fund.
8. In or around February 1, 2008, a subsidiary of CHCC purchased the management contracts for MACCs Sustainable Yield Trust ("MACCs Fund"), another investment trust established pursuant to Ontario laws by a declaration of trust dated January 28, 2005 and a publicly-traded investment fund. CHCC subsequently became the trustee and manager of the MACCs Fund.
9. CHCC managed the Crown Hill Div Fund and MACCs Fund separately until the end of 2008.
10. On June 4, 2008, CHCC sought and obtained the approval of the unit holders of MACCs Fund to make various amendments to that fund's declaration of trust including to expand its Investment Objectives and Investment Strategy to merge with, or acquire assets from, other investment funds listed on the Toronto Stock Exchange on the grounds that this would reduce the operating costs to unit holders.
11. On August 28, 2008, CHCC similarly sought and obtained the approval of the unit holders of the Crown Hill Div Fund to make various amendments to that fund's declaration of trust also on the grounds that this would reduce the operating costs to unit holders. The amendments were to give CHCC as trustee the authority to merge or otherwise combine or consolidate that fund with one or more funds managed by CHCC or an affiliate without seeking unit holder approval provided that the merging fund met certain merger criteria. The merger criteria included the following:

- a. the funds being merged had similar investment objectives as set out in their declarations of trust;
 - b. CHCC, as trustee, had determined in good faith that there would be no increase in the management expense ratio borne by the Crown Hill Div Fund unit holders; and
 - c. the merger would be capable of being accomplished on a tax-deferred "rollover" basis for the Crown Hill Div Fund unit holders.
12. The operating costs of both funds included:
- a. costs which were relatively fixed; and
 - b. the trustee and management fees payable to CHCC which were calculated as a percentage of the net asset value of the funds.
13. In the fall of 2008, CHCC authorized certain amendments to the declaration of trust for the MACCS Fund, including to allow an increase in the management fees payable to CHCC by the MACCs Fund to more than double to 1%.
14. Following the amendments, the MACCs Fund's declaration of trust as compared with the Crown Hill Div Fund's declaration of trust:
- a. had less restrictive investment requirements;
 - b. provided broader powers to CHCC; and
 - c. authorized higher management fees for CHCC.
15. On December 30, 2008, Crown Hill Div Fund merged with the MACCs Fund to form one fund. The merged fund's net asset value as of December 31, 2008 was approximately \$10,210,504.
16. While the new fund was named the "Crown Hill Fund", the Crown Hill Div Fund merged into the MACCs Fund and the latter fund's declaration of trust as amended became the declaration of trust of the Crown Hill Fund (the "Amended Declaration of Trust"). Consequently, the management fees previously payable to CHCC by Crown Hill Div Fund of 0.6% increased to 1%.
- (ii) Breaches of the Act and Conduct Contrary to the Public Interest
17. CHCC's actions in increasing its management fees were inconsistent with its stated rationale for causing the predecessor funds to merge and

reduced the benefits to unit holders that the mergers were supposed to achieve. CHCC did not act honestly, in good faith and in the best interests of the unit holders of the predecessors to the Crown Hill Fund contrary to s. 116 of the Act in increasing the management fees payable by the funds to CHCC, loosening the investment requirements or restrictions and/or broadening CHCC's powers.

B. Fairway Merger and Loan

(i) Summary of the Transaction

18. In the summer of 2008, CHCC had entered into discussions with a third party to purchase the management contracts for some of its investment funds including the Fairway Diversified Income and Growth Trust (the "Fairway Fund") with the aim of merging them with the MACCs Fund and Crown Hill Div Funds.
19. In the fall of 2008, CHCC decided to acquire the management contract for the Fairway Fund. In order to fund that acquisition, CHCC decided to borrow approximately \$1 million from the Crown Hill Fund.
20. The acquisition of the management contract and merger of the Fairway Fund into the Crown Hill Fund was completed in January 2009 within a month of the merger of the MACCs Fund and Crown Hill Div Funds.
21. Section 118(2) of the Act at the time prohibited a portfolio manager from causing an investment portfolio managed by it to make a loan to the portfolio manager or its affiliates. Since the existing portfolio manager of the Crown Hill Fund was an affiliate of CHCC, CHCC retained Robson Capital Management Inc. ("Robson") on January 16, 2009 pursuant to its powers under the Crown Hill Fund's Amended Declaration of Trust to act as the Crown Hill Fund's portfolio manager.
22. On January 20, 2009, in accordance with CHCC's plan Crown Hill Fund loaned the parent of CHCC \$995,000 to fund CHCC's purchase of 2193322 Ontario Inc., a numbered company which owned the management contract for the Fairway Fund.
23. On the same day, CHCC amalgamated 2193322 Ontario Inc. into it and became the manager of the Fairway Fund. On January 23, 2009, CHCC caused the Fairway Fund to merge with and into the Crown Hill Fund. Following the merger, the Crown Hill Fund had approximately \$42 million in assets.
24. Following CHCC's appointment of Robson, CHCC began to charge the Crown Hill Fund an additional portfolio management fee of 0.25% of the net asset value of the Crown Hill Fund.

(ii) Breaches of the Act and Conduct Contrary to the Public Interest

25. CHCC and Pushka, as the indirect owner of CHCC, stood to benefit, and did benefit, from the acquisition of the management contracts for the Fairway Fund as they would entitle CHCC to earn the management fees payable by the Fairway Fund until its merger into the Crown Hill Fund. As a result of that merger, the assets of the Crown Hill Fund under management would significantly increase, consequently increasing CHCC's management fees payable by the Crown Hill Fund.

26. CHCC as a trustee and manager had a conflict of interest in causing the Crown Hill Fund to lend money to CHCC's parent so that CHCC could acquire for its benefit the management contract for the Fairway Fund. Moreover, CHCC unnecessarily created a continuing conflict of interest as CHCC was in substance the debtor of the Crown Hill Fund and the one responsible for repaying a significant loan contrary to s.116 of the Act and contrary to public interest.

27. In causing the Crown Hill Fund to provide a loan to CHCC's parent company, CHCC failed to act honestly, in good faith and in the best interests of the Crown Hill Fund and/or did not act with the degree of care, diligence and skill of a reasonably prudent person in the circumstances contrary to s.116 of the Act in that *inter alia* it:

- a. failed to assess the results of the prior acquisition and merger, that of the MACCs Fund and Crown Hill Div Fund;
- b. failed to fully explore sources of financing for the purchase of the management contracts for the Fairway Fund other than the Crown Hill Fund so as to avoid the unnecessary and continuing conflicts referred to above;
- c. failed to consider and evaluate all the risks, costs and expenses associated with the proposed transaction including the additional costs of retaining additional portfolio managers; and/or
- d. appointed Robson despite the fact that the sole registered Investment Counsel Portfolio Manager at Robson had little or no experience in managing a portfolio of securities of the size and nature of the Crown Hill Fund.

28. CHCC did not have written policies in place to address conflicts of interest contrary to National Instrument 81-107 s. 2.2 and the public interest.

IV. CITADEL TRANSACTION AND CONDUCT OF CHCC

A. Summary of the Transaction

29. Approximately three months after the acquisition of the management contract for the Fairway Fund and its merger into the Crown Hill Fund, Pushka entered into discussions with the owners of the management contracts for thirteen investment funds with approximately \$1 billion in assets under administration regarding the acquisition of those management contracts. In or around May 8, 2009, the parties agreed on a price of \$28 million.

30. The funds in question were the Citadel Diversified Investment Trust, the Citadel Premium Income Fund, the Equal Weight Plus Fund, the Citadel HYTES Fund, the Citadel S-1 Income Trust Fund, the Citadel SMaRT Fund, the Citadel Stable S-1 Income Trust, the Energy Plus Income Fund, the Financial Preferred Securities Corporation, the Series S-1 Income Fund, the Sustainable Production Energy Trust, the CGF Mutual Funds Corporation and the CGF Resources 2008 Flow-Through LP (the "Citadel Funds").

31. CHCC and Pushka, as the indirect owner of CHCC, would personally benefit if CHCC acquired the management contracts for the Citadel Funds as they would entitle CHCC to earn the management fees payable by the Citadel Funds until the mergers. As a result of the mergers of the Citadel Funds into the Crown Hill Fund, the assets under management of the Crown Hill Fund would significantly increase, consequently increasing the management fees payable by the Crown Hill Fund to CHCC. However, CHCC did not have the funds to acquire the management contracts.

32. In order to fund the acquisition of the management contracts for the Citadel Funds, CHCC decided to use over 60% of the assets of the Crown Hill Fund and structured a transaction, which it began to implement, to effect in substance a loan of \$28 million from the Crown Hill Fund to CHCC.

33. On June 3, 2009, CHCC caused the Crown Hill Fund to acquire indirectly the management contracts for the Citadel Funds. CHCC caused the Crown Hill Fund to form a limited partnership named CH Fund Administration LP ("CH LP") with as general partner, 2206687 Ontario Inc., a wholly-owned subsidiary of the Crown Hill Fund. The Crown Hill Fund invested \$28 million and took back senior participating limited partnership units.

34. The CH LP then formed a wholly-owned subsidiary named 1472278 Alberta Ltd. that acquired the rights to the management contracts for the Citadel Funds at a purchase price of \$28 million. 1472278 Alberta Limited (the "Citadel Funds Manager") thereby obtained authority to

- manage the operations and affairs of the Citadel Funds and became its Investment Fund Manager pursuant to the Act.
35. As of June 4, 2009, Pushka was a director and officer of 2206687 Ontario Inc., the CH LP general partner and also the President and a director of 1472278 Alberta Ltd.
36. On June 4, 2009, CHCC had the Crown Hill Fund issue a press release announcing the acquisition of the management rights to all of the Citadel Funds and that it intended to effect a reorganization in order to facilitate a merger of the Crown Hill Fund with certain Citadel Funds with investment objectives similar to those of the Crown Hill Fund.
37. CHCC advised the Crown Hill Fund unit holders in its Management Information Circular dated June 3, 2009 and filed June 9, 2009 for a meeting to be held June 29, 2009 (the "June 2009 MIC") of the further steps in the transaction, indicating in part the following:
- a. the Crown Hill Fund would enter into a joint venture with CHCC through a joint venture entity ("the JV");
 - b. CHCC would assign to the JV its manager trustee rights with respect to the Crown Hill Fund and its outstanding loan agreement with the Crown Hill Fund in exchange for subordinated interest in the JV;
 - c. the Crown Hill Fund would transfer the management rights with respect to the Citadel Funds to the JV in return for senior interest in the JV;
 - d. the JV would become the trustee and manager of the Crown Hill Fund and also the trustee and manager of the Citadel Funds; and
 - e. the Crown Hill Fund would then merge with certain Citadel Funds over time relying on permitted merger provisions.
38. CHCC advised its unit holders in the June 2009 MIC that the Crown Hill Fund would be entitled to receive the management fees earned by the JV until it had recovered all the expenses of acquiring the management rights to the Citadel Funds, an initial \$4 million return from the JV plus a return of approximately 6% on both such expense recovery amount and the \$4 million return, collectively referred to as the "Preferred Return". CHCC further advised that the repayment of the investment along with the \$4 million and the 6% interest was expected to take approximately four years.
39. The Crown Hill Fund's Preferred Return was to be capped. In contrast, once the Crown Hill Fund received its fixed return, CHCC would receive all of the management fees for the assets of the funds under management going forward.
40. While CHCC referred to the \$4 million as a "return", the purpose and nature of the payment concerned a tax liability for the Crown Hill Fund unit holders. CHCC had recognized that by causing the Crown Hill Fund to acquire for \$28 million the indirect interest in management contracts for the Citadel Funds, the Crown Hill Fund would receive an active income stream from the management fees for those funds on which tax would be payable by the Crown Hill Fund unit holders. CHCC estimated that a payment of approximately \$3.68 million to the Crown Hill Fund would address the tax liabilities created, leaving the unit holders prior to the mergers in a neutral position in that regard on an after tax basis.
41. CHCC structured the Citadel Funds transaction so that the amount owing to the Crown Hill Fund would increase by \$4 million at the time of the creation of the JV and would be recorded as an increase in the net asset value of the Crown Hill Fund prior to the mergers. Over time, as certain Citadel Funds gradually merged into the Crown Hill Fund, the unit holders for those former Citadel Funds would join the existing Crown Hill Fund unit holders in bearing the tax liabilities payable on the active income stream from the management fees for the Citadel Funds.
42. The reorganization did not proceed as planned as of June 4, 2009 and the Crown Hill Fund did not receive the Preferred Return set out in the June 2009 MIC.
43. Staff of the Ontario Securities Commission raised certain concerns regarding the acquisition and planned reorganization and merger. Brompton Administration Limited along with Bloom Investment Counsel, Inc., the portfolio manager for six of the Citadel Funds, also raised concerns with respect to the proposed mergers and took action seeking the support of unit holders of several of the Citadel Funds to take over their management contracts and proceed with their own plans for those funds.
44. On July 20, 2009, CHCC appointed an additional portfolio manager with responsibility for a portion of the assets of the Crown Hill Fund who was entitled to its portfolio management fees of 0.33% on the net asset value of the assets it managed payable by the Crown Hill Fund.
45. In December 2009, five of the Citadel Funds merged into the Crown Hill Fund and renamed it the Citadel Income Fund. CHCC also caused the Crown Hill Fund to sell its indirect interest in the

management contracts to CHCC in return for \$28.645 million, approximately \$10 million of which was borrowed. CHCC had the Crown Hill Fund provide a loan to an intermediary, 2195422 Ontario Inc., for the \$10 million which the company in turn lent to CHCC. The interest rate on the loans, which remain outstanding in part, is prime plus 2% and the loans have an initial term of seven years and may be extended for a further seven years.

B. CHCC's Breaches of the Act and Conduct Contrary to the Public Interest

(i) Inappropriate Use of Assets

46. The management contracts for the Citadel Funds were fee-for-service contracts whose purchase required the performance of management and other services pursuant to the contracts as well as the obligation to fulfil the duties of an Investment Fund Manager under the Act, responsibilities which the Crown Hill Fund was incapable of providing.

47. By causing the Crown Hill Fund to indirectly acquire the management contracts, CHCC put the Crown Hill Fund in the position of having control over, and indirect responsibility for, the management of the Citadel Funds in accordance with the underlying contracts and the Act. This was inconsistent with the general nature of a non-redeemable investment fund as provided by the definition in s.1(1) of the Act and s.1.2 of the Companion Policy to National Instrument 81-106 and was contrary to the public interest.

(ii) Lack of Timely and Accurate Disclosure to Crown Hill Fund Unit Holders

48. At the time that CHCC caused the Crown Hill Fund to indirectly purchase the management contracts for the Citadel Funds, CHCC knew that it would be necessary to seek the approval of the Crown Hill Fund unit holders to proceed with the JV and effect the mergers. Nevertheless, CHCC caused the Crown Hill Fund to pay \$28 million, 60% of its assets at the time, to acquire indirectly the management contracts for the Citadel Funds before any unit holders' meeting took place and even before CHCC gave any notice to the Crown Hill Fund unit holders of any meeting. In doing so, CHCC did not act honestly, in good faith and in the best interests of the Crown Hill Fund and its unit holders contrary to s. 116 of the Act.

49. CHCC did make disclosure of the acquisition in early June 2009 and scheduled a meeting for Crown Hill Fund unit holders to vote on the further steps involved in the Citadel Fund transaction. However, CHCC's June 2009 MIC was misleading in the circumstances at the time and thereby inconsistent with the duties of CHCC as Crown Hill

Fund's manager, contrary to Ontario securities laws including s. 116 of the Act and contrary to the public interest, *inter alia*, in failing to accurately:

a. explain the unusual nature of the acquisition of the management contracts for the Citadel Funds already made and the associated risks and tax implications of that acquisition; and/or

b. explain the purpose and nature of the \$4 million payment as well as the associated risks in not actually achieving benefits on an after-tax basis.

(iii) Violations of the Crown Hill Fund's Investment Requirements

50. In causing the Crown Hill Fund to enter into the CH Admin LP and directing Robson to pay \$28 million or 60% of its assets to acquire indirectly the management contracts for the Citadel Funds, CHCC caused the Crown Hill Fund to use 60% of its assets to acquire the management contracts for the Citadel Funds contrary to its Investment Strategy and its Investment Restrictions as set out in s. 5.2 and s. 5.3 of the Amended Declaration of Trust.

51. CHCC knew or should have known the terms of Crown Hill Fund's Investment Strategy and Investment Restrictions as set out in Amended Declaration of Trust. In causing the Crown Hill Fund to violate its Investment Strategy and Investment Restrictions, CHCC failed to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances as required and/or failed to act honestly, in good faith and in the best interests of the Crown Hill Fund and its unit holders, contrary to s. 116 of the Act and/or the public interest.

(iv) Failure to Avoid or Minimize Risks and Costs to the Fund

52. The transaction as planned and initiated by CHCC was novel and created risks of objections from regulators and other parties in the market place including the existing portfolio managers for the Citadel Funds and their unit holders.

53. The Citadel Funds management contracts included provisions which permitted a change in managers on the payment by the fund of break fees to the existing manager. CHCC knew that the break fees which would be payable to 1472278 Alberta Ltd., and indirectly the Crown Hill Fund, were only approximately \$18.8 million, exposing the fund to a risk that it could lose more than \$8 million, representing more than a quarter of its investment and approximately 18% of its assets at the time.

54. In causing the Crown Hill Fund to indirectly acquire the management contracts for the Citadel Funds for \$28 million, CHCC failed to consider, avoid and/or minimize the risks of significant losses as well as the costs and expenses associated with the Citadel transaction, contrary to s. 116 of the Act and/or the public interest.
- (v) Summary of Breaches and Conduct Contrary - Interests of CHCC Paramount
55. In structuring the Citadel transaction as it did and taking the initial steps in that regard by causing the Crown Hill Fund to indirectly acquire the management contracts, CHCC acted primarily in its own interests (and those of Pushka) rather than the interests of the Crown Hill Fund, contrary to s. 116 of the Act and contrary to the public interest.
56. CHCC failed to act honestly, in good faith and in the best interests of the Crown Hill Fund and/or did not act with the degree of care, diligence and skill of a reasonably prudent person in the circumstances contrary to s.116 of the Act and/or the public interest in that *inter alia* it:
 - a. failed to assess the results of the prior acquisition and mergers and consider the current situation of the Crown Hill Fund and the need for these mergers with the Citadel Funds and the purported benefits of such mergers;
 - b. failed to consider the appropriateness of causing the Crown Hill Fund to acquire the management contracts for the Citadel Funds so as to use fund assets as a means of financing CHCC's ultimate acquisition of those contracts;
 - c. failed to consider financing alternatives for the acquisition of the management contracts and/or to determine fair and reasonable terms for such financing;
 - d. failed to properly assess and seek to avoid or minimize the risks of significant losses to the Crown Hill Fund as well as all the costs and expenses associated with the acquisition, the JV and mergers;
 - e. caused the Crown Hill Fund to spend 60% of its assets to acquire the indirect interest in the management contracts, without first making timely and accurate disclosure to the Crown Hill Fund unit holders; and/or
 - f. provided inadequate and misleading disclosure in the June 2009 MIC as described above.

V. CONDUCT OF PUSHKA

57. Pushka as President and Chief Executive Officer and a director of CHCC and, indirectly its owner, authorized, permitted or acquiesced in the conduct of CHCC described above that constituted breaches of section 116 of the Act. In so doing and pursuant to s. 129.2 of the Act, Pushka breached the Act and acted contrary to the public interest.
58. In June 2009, Pushka was a director of the Citadel Fund Manager which owed obligations to those funds pursuant to s. 116 at the same time that CHCC was seeking to bring about the mergers of certain Citadel Funds into the Crown Hill Fund. In authorizing, permitting or acquiescing to CHCC's conduct described above while also a director of the Citadel Fund Manager, Pushka failed to act honestly, in good faith and in the best interests of the Citadel Funds and/or did not act with the degree of care, diligence and skill of a reasonably prudent person in the circumstances contrary to s. 116 of the Act and/or the public interest *inter alia* in:
 - a. seeking to bring about the mergers without seeking and obtaining the approval of the unit holders of the Citadel Funds in advance;
 - b. failing to consider the current situation of the Citadel Funds and whether there were any benefits for each of those funds of merging with and into the Crown Hill Fund; and/or
 - c. failing to evaluate and seek to minimize all the risks, costs and expenses associated with the mergers for the Citadel Funds and their unit holders including any tax implications.

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

59. The conduct engaged in by the Respondents as set out above violated Ontario securities laws as specified. In addition, that conduct compromised the integrity of Ontario's capital markets, was abusive to Ontario's capital markets and was contrary to the public interest.
60. Staff reserves the right to make such other allegations as Staff may advise and the Commission may permit.

Dated at Toronto this 7th day of July, 2011

1.2.2 MBS Group (Canada) Ltd. et al. – ss. 37, 127 and 127.1

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

AND

**IN THE MATTER OF
MBS GROUP (CANADA) LTD.,
BALBIR AHLUWALIA AND
MOHINDER AHLUWALIA**

**NOTICE OF HEARING
(Sections 37, 127 and 127.1)**

TAKE NOTICE THAT the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to sections 37, 127 and 127.1 of the Ontario *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") at the offices of the Commission at 20 Queen Street West, 17th Floor Hearing Room on July 21, 2011 at 11:00 a.m., or as soon thereafter as the hearing can be held, to consider:

- (i) whether, in the opinion of the Commission, it is in the public interest, pursuant to sections 37, 127 and 127.1 of the Act to order that:
 - (a) trading in any securities by MBS Group (Canada) Ltd. ("MBS Group"), Mohinder Ahluwalia ("Mohinder") and Balbir Ahluwalia ("Balbir") collectively the "Respondents", cease permanently or for such period as is specified by the Commission;
 - (b) the acquisition of any securities by the Respondents is prohibited permanently or for such other period as is specified by the Commission;
 - (c) any exemptions contained in Ontario securities law do not apply to the Respondents permanently or for such period as is specified by the Commission;
 - (d) each of the Respondents disgorge to the Commission any amounts obtained as a result of non-compliance by that respondent with Ontario securities law;
 - (e) the Respondents be reprimanded;
 - (f) Mohinder and Balbir (collectively the "Individual Respondents") resign one or more positions that they hold as a director or officer of any issuer, registrant, or investment fund manager;
 - (g) the Individual Respondents be prohibited from becoming or acting as a director or

officer of any issuer, registrant, and investment fund manager;

- (h) the Respondents be prohibited from becoming or acting as a registrant, as an investment fund manager and as a promoter;
 - (i) the Respondents each pay an administrative penalty of not more than \$1 million for each failure by that respondent to comply with Ontario securities law; and
 - (j) the Respondents be ordered to pay the costs of the Commission investigation and the hearing.
- (ii) whether, in the opinion of the Commission, an order should be made pursuant to section 37 of the Act that the Respondents cease permanently to telephone from within Ontario to any residence within or outside Ontario for the purpose of trading in any security or any class of securities; and,
 - (iii) whether to make such further orders as the Commission considers appropriate.

BY REASON OF the allegations as set out in the Statement of Allegations of Staff of the Commission dated June 30, 2011 and such further additional allegations as counsel may advise and the Commission may permit;

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

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

DATED at Toronto this 30th day of June, 2011

"John Stevenson"
Secretary to the Commission

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

AND

**IN THE MATTER OF
MBS GROUP (CANADA) LTD.,
BALBIR AHLUWALIA AND
MOHINDER AHLUWALIA**

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

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

I. OVERVIEW

1. This proceeding involves the unregistered trading and illegal distribution of securities of The Electrolinks Corporation ("Electrolinks") by MBS Group (Canada) Ltd. ("MBS Group"), Mohinder Ahluwalia ("Mohinder") and Balbir Ahluwalia ("Balbir") (collectively, the "Respondents").
2. Electrolinks was incorporated in 2004 for the purpose of acquiring Q2 Media Inc. ("Q2 Media") – a privately held corporation that was involved in the development of broadband over powerline communications ("BPL") solutions - and financing the expansion of Q2 Media's business.
3. Electrolinks was marketed as "... the leading powerline communications solutions application developer ..." and purported to have rights in Canada to "the only commercially ready technology" to transmit data (both internet and voice) over existing electrical power lines, called "Power Line Communications" ("PLC").
4. From approximately June 2004 to June 2007 (the "Material Time"), the Respondents engaged in or held themselves out as engaging in the business of trading in securities and the Respondents, directly and/or through representatives, sold Electrolinks shares to members of the public in Ontario and other jurisdictions.
5. MBS Group was a company started by brothers Mohinder and Balbir.
6. According to an agreement dated April 12, 2004, Electrolinks engaged MBS Group as a consultant in connection with the "private offering of shares" of Electrolinks.
7. During the Material Time, the primary function of MBS Group was to sell shares in Electrolinks.
8. During the Material Time, the Respondents, directly and/or through representatives, sold Electrolinks shares to over 100 investors in

Ontario and other jurisdictions and collectively raised over \$1.5 million from these sales.

9. During the Material Time, Electrolinks was not a reporting issuer and the Electrolinks securities were not qualified by a prospectus.
10. None of MBS Group, Mohinder Ahluwalia or Balbir Ahluwalia were ever registered in any capacity with the Ontario Securities Commission (the "Commission").

II. THE RESPONDENTS

11. MBS Group was incorporated in the Province of Ontario on July 9, 2004. During the Material Time, the registered office of MBS Group was located in Ontario.
12. Balbir is a resident of Ontario. At all times, he was a directing mind and de facto officer and director of MBS Group.
13. Balbir has never been registered with the Commission in any capacity.
14. Mohinder Singh Ahluwalia is a resident of Ontario. During the Material Time, Mohinder was a director of MBS Group.
15. Mohinder has never been registered with the Commission in any capacity.

**IV. UNREGISTERED TRADING IN SECURITIES OF
ELECTROLINKS CONTRARY TO SECTION
25(1) OF THE ACT**

16. Staff allege that the Respondents engaged in or held themselves out as engaging in the business of trading in securities of Electrolinks.
17. During the Material Time, Balbir Ahluwalia, Mohinder Ahluwalia and MBS Group, directly and/or through representatives, sold shares in Electrolinks to members of the public in Ontario and other jurisdictions.
18. The actions of the Respondents in relation to the shares of Electrolinks constituted the trading of securities without registration contrary to section 25(1) of the *Securities Act*, R.S.O. 1990, c. S. 5, as amended (the "Act").

**V. ILLEGAL DISTRIBUTION OF SECURITIES OF
ELECTROLINKS CONTRARY TO SECTION
53(1) OF THE ACT**

19. Electrolinks has never filed a preliminary prospectus or a prospectus with the Commission or obtained receipts for them from the Director as required by section 53(1) of the Act.

20. The trading of securities of Electrolinks as set out above constituted distributions of those securities by the Respondents in circumstances where there were no exemptions available to them under the Act contrary to section 53 of the Act.

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

21. The specific allegations advanced by Staff related to the trades in Electrolinks securities during the Material Time are as follows:
- (a) The Respondents traded in securities without being registered to trade in securities, contrary to section 25(1) of the Act and contrary to the public interest;
 - (b) The actions of the Respondents related to the sale of securities of Electrolinks constituted distributions of securities of Electrolinks where no preliminary prospectus and prospectus were issued nor receipted by the Director, contrary to section 53(1) of the Act and contrary to the public interest;
 - (c) Balbir being a director and/or officer of MBS Group did authorize, permit or acquiesce in the commission of the violations of sections 25(1) and 53(1) of the Act, as set out above, by MBS Group or by the salespersons, representatives or agents of MBS Group, contrary to section 129.2 of the Act and contrary to the public interest; and
 - (d) Mohinder being a director and/or officer of MBS Group did authorize, permit or acquiesce in the commission of the violations of sections 25(1) and 53(1) of the Act, as set out above, by MBS Group or by the salespersons, representatives or agents of MBS Group, contrary to section 129.2 of the Act and contrary to the public interest.
22. Staff reserve the right to make such other allegations as Staff may advise and the Commission may permit.

DATED at Toronto, June 30, 2011.

1.4 Notices from the Office of the Secretary

1.4.1 Maitland Capital Ltd. et al.

FOR IMMEDIATE RELEASE
July 7, 2011

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

AND

**IN THE MATTER OF
MAITLAND CAPITAL LTD., ALLEN GROSSMAN,
HANOUGH ULFAN, LEONARD WADDINGHAM,
RON GARNER, GORD VALDE,
MARIANNE HYACINTHE, DIANA CASSIDY,
RON CATONE, STEVEN LANY, S,
ROGER MCKENZIE, TOM MEZINSKI, WILLIAM ROUSE
and JASON SNOW**

TORONTO – Following the hearing held on June 28, 2011, the Commission issued an Order in the above named matter.

A copy of the Order dated June 28, 2011 is available at www.osc.gov.on.ca.

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

For investor inquiries:

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

1.4.2 Citadel Income Fund and Energy Income Fund

**FOR IMMEDIATE RELEASE
July 8, 2011**

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

AND

**IN THE MATTER OF
CITADEL INCOME FUND AND
ENERGY INCOME FUND**

TORONTO – Take notice that the hearing in the above named matter scheduled to be heard on July 12, 2011 at 2:00 p.m. will now commence at 11:00 a.m.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

For media inquiries:

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Manager, Public Affairs
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OSC Contact Centre
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1-877-785-1555 (Toll Free)

1.4.3 Crown Hill Capital Corporation and Wayne Lawrence Pushka

**FOR IMMEDIATE RELEASE
July 8, 2011**

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

AND

**IN THE MATTER OF
CROWN HILL CAPITAL CORPORATION AND
WAYNE LAWRENCE PUSHKA**

TORONTO – The Office of the Secretary issued a Notice of Hearing on July 7, 2011 setting the matter down to be heard on August 8, 2011 at 10:00 a.m. or as soon thereafter as the hearing can be held in the above named matter.

A copy of the Notice of Hearing dated July 7, 2011 and Statement of Allegations of Staff of the Ontario Securities Commission dated July 7, 2011 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

For media inquiries:

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1-877-785-1555 (Toll Free)

1.4.4 Bernard Boily

**FOR IMMEDIATE RELEASE
July 8, 2011**

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

AND

**IN THE MATTER OF
BERNARD BOILY**

TORONTO – The Commission issued an Order in the above named matter which provides that this matter is adjourned to a confidential pre-hearing conference which shall take place on September 13, 2011 at 3:00 p.m.; and the following dates shall be reserved for the hearing on the merits in this matter: April 2, 3, 4, 5, 9, 11, 12, 13, 16, 17, 18, 19, 20, 23, 25, 26, and 27, 2012.

A copy of the Order dated July 5, 2011 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

For media inquiries:
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Carolyn Shaw-Rimmington
Manager, Public Affairs
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Dylan Rae
Media Relations Specialist
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For investor inquiries:

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1-877-785-1555 (Toll Free)

1.4.5 MBS Group (Canada) Ltd. et al.

**IMMEDIATE RELEASE
July 12, 2011**

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

AND

**IN THE MATTER OF
MBS GROUP (CANADA) LTD.,
BALBIR AHLUWALIA AND
MOHINDER AHLUWALIA**

TORONTO – The Office of the Secretary issued a Notice of Hearing on June 30, 2011 setting the matter down to be heard on July 21, 2011 at 11:00 a.m. or as soon thereafter as the hearing can be held in the above named matter.

A copy of the Notice of Hearing dated June 30, 2011 and Statement of Allegations of Staff of the Ontario Securities Commission dated June 30, 2011 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Acuity Funds, Ltd. et al.

Headnote

MI 11-102-Passport System – Lapse date of mutual fund prospectus extended until merger and amalgamation of funds – Extension of lapse date will not affect the currency or accuracy of the information contained in the prospectus – Securities Act (Ontario).

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 147.

June 28, 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
ACUITY FUNDS LTD.
(The “Filer”)

AND

IN THE MATTER OF
ACUITY CANADIAN EQUITY FUND
ACUITY DIVIDEND FUND
ACUITY GLOBAL DIVIDEND FUND
ACUITY GLOBAL HIGH INCOME FUND
ACUITY MONEY MARKET FUND
ALPHA BALANCED PORTFOLIO
ALPHA GLOBAL PORTFOLIO
ALPHA GROWTH PORTFOLIO
ALPHA INCOME PORTFOLIO
(Collectively, The “Merging Trust Funds”)

AND

ACUITY ALL CAP 30 CANADIAN EQUITY CLASS
ACUITY NATURAL RESOURCE CLASS
ACUITY HIGH INCOME CLASS
ACUITY DIVERSIFIED INCOME CLASS
(Collectively, “The Merging Corporate Funds” And
Together With The Merging Trust Funds,
The “Merging Funds”)

AND

ACUITY ALL CAP 30 CANADIAN EQUITY FUND
ACUITY CANADIAN BALANCED FUND
ACUITY CANADIAN SMALL CAP FUND
ACUITY CLEAN ENVIRONMENT EQUITY FUND
ACUITY CONSERVATIVE ASSET ALLOCATION FUND
ACUITY DIVERSIFIED INCOME FUND
ACUITY EAFE EQUITY FUND
ACUITY FIXED INCOME FUND
ACUITY GROWTH & INCOME FUND
ACUITY HIGH INCOME FUND

ACUITY NATURAL RESOURCE FUND
ACUITY SOCIAL VALUES BALANCED FUND
ACUITY SOCIAL VALUES CANADIAN EQUITY FUND
ACUITY SOCIAL VALUES GLOBAL EQUITY FUND
ALPHA SOCIAL VALUES PORTFOLIO
(Collectively The “Continuing Funds”)
(The Merging Funds And The Continuing Funds
Are Collectively, “The Funds”)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) that the time limit pertaining to the distribution of securities of the Funds under their multi-fund simplified prospectus dated August 18, 2010 be extended to September 30, 2011 (the **Extended Lapse Date**) to permit the continued distribution of securities of the Funds (the **Requested Exemption**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions:

- (i) the Ontario Securities Commission is the principal regulator for this application; and
- (ii) 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 (collectively, with Ontario, the **Jurisdictions**).

Interpretation

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

Representations

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

1. The Filer is the manager of the Funds. The Filer and the Funds are not in default of any of the requirements of the Legislation.
2. The Funds are reporting issuers under the Legislation. Securities of the Funds are currently qualified for distribution in all Jurisdictions under a simplified prospectus and annual information form dated August 18, 2010, as amended (the **Prospectus**).
3. Pursuant to the Legislation, the lapse date for the distribution of securities of the Funds under the Prospectus is August 18, 2011 (the **Lapse Date**).
4. On April 12, 2011, the Filer announced, in a press release, mergers of the Merging Funds, and material change reports and an amendment to the Prospectus (the **April Amendment**) were filed on SEDAR on April 13, 2011.
5. At special meetings of the securityholders of the Funds, the mergers of the Merging Funds into the relevant Continuing Funds, or other funds managed by the Filer or an affiliate of the Filer, were approved on either May 18, 2011 or May 31, 2011.
6. The merger of the Merging Trust Funds are expected to take place as of the close of business on or about August 26, 2011, after which the Merging Trust Funds will be wound up.
7. The four Merging Corporate Funds of Acuity Corporate Class Ltd. are merging since Acuity Corporate Class Ltd. will amalgamate and continue with AGF All World Tax Advantage Group Limited as one corporation to be called AGF All World Tax Advantage Group Limited. The amalgamation will take effect on Saturday, October 1, 2011. Two of the Merging Corporate Funds, specifically, Acuity High Income Class and Acuity Diversified Income Class of Acuity Corporate Class Ltd., are not merging in the usual sense but are continuing as classes of the amalgamated corporation. After the amalgamation on October 1, 2011, Acuity High Income Class and Acuity Diversified Income Class will continue under the names, AGF High Income Class and AGF Diversified Income Class, and will be part of the amalgamated corporation, AGF All World Tax Advantage Group Limited. The assets of the remaining two of the Merging Corporate Funds will be contributed through merger to two other classes, such that the two Merging Corporate Funds will not exist as separate classes.
8. The financial year end of the Funds will be changed to September 30, commencing with September 30, 2011.
9. The April Amendment disclosed the timing and details of all of the foregoing changes. There have been no other material changes in the affairs of the Funds other than those for which amendments to the Prospectus have been filed.
10. The Filer proposes to continue the distribution of the Merging Funds until their respective effective dates of the mergers and to continue the distribution of all of the Continuing Funds.
11. Absent exemptive relief, the Filer would not be permitted to continue the distribution of the Funds unless the Filer had filed the pro forma prospectus for the Funds 30 days prior to the Lapse Date, filed the final prospectus no later than 10 days after the Lapse Date and obtained a decision for such final prospectus dated no later than 20 days after the Lapse Date. Pursuant to the Legislation, provided a pro forma simplified prospectus is filed 30 days prior to August 18, 2011, a final version is filed by August 28, 2011, and a receipt for the simplified prospectus is issued by the securities regulatory authorities by September 7, 2011, the securities of the Funds may be distributed after the Lapse Date during the prospectus renewal period.
12. The Filer will file the pro forma prospectus in mid to late August 2011 in respect of the Continuing Funds, will file the final prospectus on October 3, 2011 and request a decision document as of October 3, 2011 in order to allow for the completion of the final mergers on Saturday October 1, 2011. In the case of AGF High Income Class and AGF Diversified Income Class, a preliminary prospectus (rather than a pro forma prospectus due to the fact that they are continuing as part of the amalgamated corporation, with a different manager) will be filed in mid to late August 2011 and the final prospectus will be filed on October 3, 2011. The Filer will offer securities of all Funds under the Prospectus until the date of merger of the Merging Trust Funds and until September 30, 2011 for the Merging Corporate Funds and the Continuing Funds (other than AGF High Income Class and AGF Diversified Income Class).
13. There is approximately a month or potentially less than a month between the Extended Lapse Date and the date on which a decision document could be issued in respect of the existing Lapse Date.
14. The Extended Lapse Date will permit the Filer to be able to complete the proposed mergers and changes to fund groups in an orderly manner and to have offering documents that are not confusing

to investors, in a situation where the extension of the Lapse Date is less than a month.

15. There have been no material changes in the affairs of the Funds other than those for which amendments to the Prospectus have been or will be filed.
16. The extension requested will not affect the currency or accuracy of the information contained in the Prospectus, as it may be further amended for material changes in accordance with NI 81-106, and accordingly will not be prejudicial to the public interest.

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 Requested Exemption is granted.

“Charles Wesley Moore Scott”
Commissioner
Ontario Securities Commission

“James E. A. Turner”
Vice-Chair
Ontario Securities Commission

2.1.2 Northwest & Ethical Investments L.P. et al.

Headnote

NP 11-203 – Process for Exemptive Relief Applications in Multiple Jurisdictions – Approval of mutual fund mergers – approval required because mergers do not meet the criteria for pre-approved re-organizations and transfers in National Instrument 81-102 – mergers have different investment objectives – mergers not a “qualifying exchange” or a tax-deferred transaction under the Income Tax Act – mergers involve different fee structures – securityholders of terminating funds provided with timely and adequate disclosure regarding the mergers.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 5.5(1)(b), 5.6(1), 5.7(1)(b), 19.1.

June 24, 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
NORTHWEST & ETHICAL INVESTMENTS L.P.,
ACTING THROUGH ITS GENERAL PARTNER, NORTHWEST & ETHICAL INVESTMENTS INC.
(the Filer)

AND

IN THE MATTER OF
THE TERMINATING FUNDS AND THE CONTINUING FUNDS
LISTED IN SCHEDULE “A” (collectively, the Funds)

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**) granting approval under section 5.5(1)(b) of National Instrument 81-102 *Mutual Funds* (**NI 81-102**) to merge each Terminating Fund into the Continuing Fund opposite its name in the chart attached as Schedule A (the **Proposed Mergers**) (the **Merger Approvals**).

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 to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Yukon, Northwest Territories and Nunavut.

Interpretation

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

Representations

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

The Filer

1. The Filer is a limited partnership existing under the laws of Ontario with its head office located in Toronto, Ontario and is the manager of the Funds; the Filer is registered in the category of portfolio manager in Ontario and British Columbia and has applied for registration as an investment fund manager in Ontario.
2. The Filer is not in default of securities legislation in any of the provinces and territories of Canada.

The Funds

3. Each of the Funds is an open-end mutual fund trust existing under the laws of Ontario.
4. Securities of the Funds are qualified for sale as follows:
 - (a) The Continuing Funds are qualified for sale in all provinces and territories of Canada pursuant to an amended and restated simplified prospectus dated August 23, 2010, amending and restating the simplified prospectus dated June 28, 2010; and
 - (b) The Terminating Funds are qualified for sale in all provinces and territories of Canada, other than Quebec, pursuant to a simplified prospectus dated June 28, 2010.
5. The Funds are reporting issuers under applicable Canadian securities legislation and subject to the requirements of NI 81-102. The Funds are not on the list of defaulting reporting issuers maintained under applicable Canadian securities legislation or in default of applicable Canadian securities legislation in any jurisdiction.
6. Each Fund follows the standard investment restrictions and practices established under applicable Canadian securities legislation except to the extent that it has received permission from the Canadian Securities Administrators to deviate therefrom.
7. The net asset value (**NAV**) for each of the Funds is calculated on a daily basis on each day the Toronto Stock Exchange is open for business. As at April 29, 2011, the NAV of the Funds was as set out in Schedule A.

The Proposed Mergers

8. The Board of Directors of the general partner of the Filer approved the Proposed Mergers on April 15, 2011; the Proposed Mergers were described in a press release dated and filed on SEDAR on April 18, 2011 and a material change report filed on SEDAR on April 21, 2011.
9. Upon announcement of the Proposed Mergers, purchase of, and transfers to, units of the Terminating Funds were suspended at the close of business on April 19, 2011, except for purchases made through pre-approved automatic purchase plans.
10. The Filer proposes to effect the Proposed Mergers, subject to and after obtaining all necessary approvals, on or about June 27, 2011 (the **Effective Date**) after which the Continuing Funds will continue as publicly offered open-end mutual funds.
11. The Filer believes the Proposed Mergers will be beneficial to securityholders of each Fund for the following reasons:
 - (a) Securityholders of the applicable Terminating Fund and Continuing Fund may enjoy increased economies of scale and lower operating expenses as part of a larger combined Continuing Fund;
 - (b) Each Continuing Fund will have a portfolio of greater value allowing for increased portfolio diversification opportunities than within the applicable Terminating Fund; and
 - (c) Each Continuing Fund, as a result of its increased size, will benefit from a more significant profile in the marketplace.

12. The Independent Review Committee for the Funds (the **IRC**) has advised the Filer that, after reasonable inquiry, it has concluded that the Proposed Mergers do not create any conflict issues that have not been adequately addressed and, on that basis, achieve a fair and reasonable result for the Funds (the **IRC's Recommendation**).
13. If approved by investors each Proposed Merger will result in Class A and Class B unitholders in each Terminating Fund ceasing to be holders of units of a class of the Terminating Fund and becoming Series A unitholders of the applicable Continuing Fund.
14. A notice of meeting, management information circular (the **Circular**) and a form of proxy were mailed to investors of the Terminating Funds and filed on SEDAR on or about June 1, 2011 in connection with the securityholder meetings. The materials mailed to investors also included a copy of a tailored prospectus containing the current Part A and current Part B of the simplified prospectus for the relevant Continuing Fund.
15. The Circular sets out:
 - (a) The Proposed Mergers, including the procedures for implementing them and the consequences of the Proposed Mergers, including their fees consequences and their tax consequences for the Terminating Funds and for investors in the Terminating Funds;
 - (b) That as the holders of Class A units and Class B units of a Terminating Fund are impacted differently by the Proposed Mergers because they have different fees and expenses, they will be asked to approve the mergers on a class basis. In the event the Proposed Merger of a Terminating Fund into a Continuing Fund is not approved by either the Class A or the Class B unitholders of a Terminating Fund, the merger will proceed to be implemented only with the unitholders of the class of units which approved the merger. The remaining unitholders will remain as unitholders of the Terminating Fund and such Fund will be terminated. In the event that both Class A and Class B unitholders do not approve the mergers, both Class A and Class B unitholders will remain unitholders of the Terminating Fund and such Terminating Fund will be terminated;
 - (c) The similarities and differences, including the differences in fundamental investment objectives, between the Terminating Funds and the Continuing Funds;
 - (d) The various ways in which investors can obtain a copy of the full simplified prospectus, annual information form, financial statements and the management report of fund performance of the Continuing Funds. The Filer intends to rely on the exemptive relief decision dated October 22, 2009 previously granted to the Filer which permits the Filer to deliver to investors a tailored simplified prospectus and to deliver the financial statements and management report of fund performance to investors only on request; and
 - (e) The IRC's Recommendation.
16. The Circular provides sufficient information about the Proposed Mergers to permit investors to make an informed decision about the Proposed Mergers.
17. The Filer is conducting the Proposed Mergers on a taxable basis as the Filer has determined that proceeding with the Proposed Mergers on a taxable basis will enable the Continuing Funds to retain their respective tax losses. As investors in the Terminating Funds will become investors in the Continuing Funds if the Proposed Mergers are approved, this preserves a tax benefit for all investors by reducing the tax liability of any gains from an investment in the Continuing Funds. In addition, each Terminating Fund is expected to have sufficient loss carryforwards to shelter any net realized capital gains resulting from the liquidation of portfolio assets and the disposition of portfolio assets to the applicable Continuing Fund.
18. The cost of effecting the Proposed Mergers (consisting primarily of legal, proxy solicitation, brokerage fees, printing, mailing and regulatory fees) will be borne by the Filer.
19. Investors in the Terminating Funds will continue to have the right to redeem securities of the Terminating Funds until the close of business on the business day before the Effective Date; unitholders who purchased their units of the Terminating Funds pursuant to a deferred sales charge option (the **DSC units**) and who elect to redeem their DSC units in the Terminating Funds prior to the Effective Date will be required to pay any applicable deferred sales charges when they redeem their DSC units.
20. No sales charges will be payable in connection with the purchase by the Terminating Funds of securities of the Continuing Funds.
21. Following the Proposed Mergers, the Terminating Funds will be wound up as soon as reasonably practicable.

22. The Merger Approvals are required because the Proposed Mergers do not satisfy all of the criteria for pre-approved mergers set out in section 5.6 of NI 81-102, specifically:
- (a) A reasonable person would not consider that the Continuing Funds and Terminating Funds have substantially similar fundamental investment objectives;
 - (b) The Proposed Mergers will not be structured as “qualifying exchanges” or as tax deferred transactions under the *Income Tax Act*; and
 - (c) A reasonable person would not consider that the Continuing Funds and Terminating Funds have substantially similar fee structures, specifically:
 - each of the Continuing Funds pays the Filer a fixed administration fee whereas currently, each Terminating Fund pays all of its operating expenses (legal, audit, transfer agent, custodial services, costs of financial reporting, prospectus and regulatory filing fees, taxes including HST, brokerage fees as well as costs associated with the IRC). Additionally, the Filer has, in some years, waived or absorbed a portion of each of the Terminating Funds operating expenses, with the result that each Terminating Funds’ management expense ratio is variable and uncertain compared with those of the Continuing Funds; and
 - unitholders of each Terminating Fund will become Series A unitholders of the applicable Continuing Fund. Class B unitholders of the Terminating Funds pay a management fee that is negotiated between the Filer and each Class B unitholder, whereas Series A unitholders of the Continuing Funds pay a fixed management fee out of the assets of the Continuing Fund.
23. Except as noted above, the Proposed Mergers will comply with all of the other criteria for pre-approved reorganizations and transfers set out in section 5.6 of NI 81-102.

Decision

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

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

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

SCHEDULE A**Terminating Funds and Continuing Funds and NAVs as at April 29, 2011**

	Terminating Fund	Continuing Fund
1.	Credential EnRich Canadian Equity Pool – \$19,920,646	Ethical Canadian Dividend Fund – \$333,942,652
2.	Credential EnRich US Equity Pool – \$14,536,146	Ethical American Multi-Strategy Fund – \$69,481,585
3.	Credential EnRich International Equity Pool – \$14,995,789	Northwest EAFE Fund – \$66,660,980

2.1.3 Stoneham Drilling Trust – s. 1(10)

Headnote

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

Applicable Legislative Provisions

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

Citation: Stoneham Drilling Trust, Re, 2011 ABASC 367

July 6, 2011

Borden Ladner Gervais LLP
Centennial Place, East Tower
1900, 520-3rd Ave SW
Calgary, AB T2P 0R3

Attention: Scott Cedergren

Dear Sir:

Re: Stoneham Drilling Trust(the Applicant) – Application for a decision under the securities legislation of Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland and Labrador (the Jurisdictions) that the Applicant is not a reporting issuer

The Applicant has applied to the local securities regulatory authority or regulator (the **Decision Maker**) in each of the Jurisdictions for a decision under the securities legislation (the **Legislation**) of the Jurisdictions to be deemed to have ceased to be a reporting issuer in the Jurisdictions.

As the Applicant has represented to the Decision Makers that:

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

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

"Blaine Young"
Associate Director, Corporate Finance

2.1.4 Houston Lake Mining Inc. et al.

Headnote

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

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, ss. 25(1), 25(2), 71(1), 71(2), 74(1), 147.
National Instrument 44-101 Short Form Prospectus, s. 8.1.
Form 44-101 Short Form Prospectus, item 20.
National Instrument 44-102 Shelf Distributions, ss. 5.5.2, 5.5.3, 11.1.

July 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
HOUSTON LAKE MINING INC. (“Houston” or “the Company”),
DUTCHESS OPPORTUNITY CAYMAN FUND, LTD (the “Purchaser”)

AND

DUTCHESS CAPITAL MANAGEMENT II, LLC
(the “Manager”, and together with the Company
and the Purchaser, the “Filers”)

DECISION

Background

The principal regulator in the Jurisdiction has received an application (the “**Application**”) from the Filers for a decision under the securities legislation of the Jurisdiction (the “**Legislation**”) for certain exemptions sought, namely:

- (a) the following disclosure requirements under the Legislation (the “**Prospectus Disclosure Requirements**”) do not fully apply to Houston in connection with the Distribution (as defined below):
 - i. the statement in the Prospectus Supplement (as defined below) respecting statutory rights of withdrawal and rescission in the form prescribed by item 20 of Form 44-101F1 of National Instrument 44-101 – *Short Form Prospectus Distributions* (“**NI 44-101**”); and

- ii. the statements required by subsections 5.5(2) and (3) of National Instrument 44-102 – *Shelf Distributions* (“**NI 44-102**”);
- (b) the prohibition from acting as a dealer unless the person is registered as such (the “**Dealer Registration Requirement**”) or from acting as an underwriter unless the person or company is registered as a dealer and is authorized to act as an underwriter in the circumstances (the “**Underwriter Registration Requirement**”) does not apply to the Purchaser and the Manager in connection with the Distribution; and
- (c) the requirement that a dealer send a copy of the Prospectus (as defined below) to a subscriber or purchaser in the context of a distribution (the “**Prospectus Delivery Requirement**”) does not apply to the Purchaser and the Manager or the dealer(s) through whom the Purchaser distributes Shares (as defined below) and, as a result, rights of withdrawal or rights of rescission or damages for non-delivery of the Prospectus do not apply in connection with the Distribution (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 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 and Alberta.

Interpretation

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

Representations

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

Houston

- 1. Houston is incorporated under the laws of Alberta and has its head office located at 2892 White Street, Val Caron, Ontario, P3N 1B2.
- 2. Houston is a junior mining company engaged in the exploration and development of precious metals, base metals and rare minerals in the province of Ontario.
- 3. Houston is currently a reporting issuer under the securities legislation of each of the provinces of Ontario, Alberta and British Columbia and is not in default of the securities legislation in any jurisdiction in Canada.
- 4. Houston's authorized share capital consists of an unlimited number of common shares (“**Shares**”), of which 49,532,637 Shares were outstanding as at March 24, 2011.
- 5. The Shares are listed for trading on the TSX Venture Exchange (the “**Exchange**”) under the symbol “HLM”; based on the closing price of \$0.155 of the Shares on the Exchange on March 24, 2011, the current market capitalization of Houston is approximately \$7.7 million.
- 6. Upon the filing of an annual information form for the year ended March 31, 2010, Houston became qualified to file a short form prospectus under section 2.2 of NI 44-101 and is therefore qualified to file a base shelf prospectus under NI 44-102.
- 7. Houston intends to file with the securities regulators in of Ontario, Alberta and British Columbia a base shelf prospectus (such base shelf prospectus and any amendments thereto referred to as the “**Base Shelf Prospectus**”).
- 8. The statements in subsection 5.5(2) and (3) of NI 44-102 included in the Base Shelf Prospectus will be qualified by adding the following “, except in cases where an exemption from such delivery requirements has been obtained.”

The Purchaser and the Manager

- 9. The Purchaser is an investment fund established as a Cayman Islands exempt limited partnership and its head office is located at Codan Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

10. The Purchaser is managed by the Manager, a limited liability corporation incorporated under the laws of Delaware, having its head office at 50 Commonwealth Ave, Suite 2, Boston, Massachusetts, USA. The Manager is an affiliate of the Purchaser under applicable securities laws.
11. The Purchaser is one of a number of investment funds managed by the Manager. The Manager is the investment manager for funds which have made direct investments in growth-stage and mature public companies which span a wide array of sectors using various investment structures such as equity line facilities, equity-linked notes and direct placements.
12. Neither the Purchaser nor the Manager is a reporting issuer or registered as a registered firm as defined in National Instrument 31-103 – *Registration Requirements and Exemptions* in any jurisdiction of Canada. Neither the Purchaser nor the Manager is the equivalent of a reporting issuer or registered in any similar capacity in any jurisdiction of the U.S.
13. The Purchaser and the Manager are not in default of securities legislation in any jurisdiction of Canada.

Proposed Distribution Arrangement

14. Houston and the Purchaser propose to enter into an equity line facility agreement (the “**Distribution Agreement**”), pursuant to which the Purchaser will agree to subscribe for, and Houston will have the right, but not the obligation, to issue and sell up to C\$10 million of Shares (the “**Aggregate Commitment Amount**”) over a period of 25 months in a series of drawdowns. Houston will be entitled to request, in respect of each drawdown, an amount that is equal to, in its sole discretion, either (i) \$500,000; or (ii) 200% of the average daily volume of the Shares as traded on the Exchange, multiplied by the average of the three daily closing prices immediately preceding the date of such put.
15. The Distribution Agreement will provide Houston with the ability to raise capital as needed from time to time. The Purchaser regularly engages in such transactions. The Purchaser will, in most cases, finance its commitment to subscribe for Shares on a drawdown through short-sales or resales out of existing holdings of Houston’s securities.
16. The subscription price per Share and therefore the number of Shares to be issued to the Purchaser for each drawdown will be calculated based on a predetermined percentage discount from the lowest daily volume-weighted average price per Share on the Exchange over a period of five consecutive trading days following a drawdown notice sent by Houston (the “**Drawdown Pricing Period**”). Specifically, the Shares will be issued at a subscription price equal to the lowest daily volume-weighted average price per Share on the Exchange during the Drawdown Pricing Period multiplied by 95%. Houston may fix in such drawdown notice a minimum subscription price below which it will not issue any Shares. Houston and the Purchaser can mutually agree in writing to amend the minimum price set forth in a drawdown notice during the applicable Drawdown Pricing Period. Notwithstanding the foregoing, the subscription price per Share may not be lower than the volume-weighted average price per Share on the Exchange over a period of five consecutive trading days immediately preceding the applicable drawdown notice, less the permitted discount under the private placement rules contained in the Exchange Company Manual (the “**Floor Price**”).
17. Subject to earlier settlement in certain circumstances, on the seventh trading day following the date of each drawdown notice (each, a “**Settlement Date**”), the amount of the drawdown will be paid by the Purchaser in consideration for the relevant number of newly issued Shares.
18. The Distribution Agreement will provide that, at the time of each drawdown notice and at each Settlement Date, Houston will make a representation to the Purchaser that the Base Shelf Prospectus, as supplemented (the “**Prospectus**”), contains full, true and plain disclosure of all material facts relating to Houston and the Shares being distributed. Houston would therefore be unable to issue, or decide to issue, Shares when it is in possession of undisclosed information that would constitute a material fact or a material change.
19. On or after each Settlement Date, the Purchaser may seek to sell all or a portion of the Shares subscribed for under the drawdown.
20. During the term of the Distribution Agreement, the Purchaser and its affiliates, associates or insiders, as a group, will not own at any time, directly or indirectly, Shares representing more than 9.9% of the issued and outstanding Shares.
21. The Purchaser and its affiliates, associates or insiders, will not hold a “net short position” in Shares during the term of the Distribution Agreement. However, the Purchaser may, after the receipt of a drawdown notice, seek to short-sell Shares to be subscribed for under the drawdown, or engage in hedging strategies, in order to reduce the economic risk associated with its commitment to subscribe for Shares, provided that:
 - i. the Purchaser complies with applicable rules of the Exchange and applicable securities regulations;

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

The Prospectus Supplements

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

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment are not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. **However, such rights and remedies will not be available to purchasers of common shares distributed under this prospectus because the prospectus will not be delivered to purchasers, as permitted under a decision document issued by the Ontario Securities Commission on •, 2011.**

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

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

(the "**Amended Statement of Rights**")

28. The Base Shelf Prospectus, as supplemented by each Prospectus Supplement, will (a) qualify the distribution of Shares to the Purchaser on the Settlement Date of the drawdown disclosed in the relevant Prospectus Supplement, and (b) qualify the distribution of Shares to purchasers who purchase them from the Purchaser through the dealer(s) engaged by the Purchaser through the TSX Venture Exchange (the "**Exchange**") (the "**Exchange Purchasers**") during the period that commences on the date of issuance of a drawdown notice to the Purchaser and ends on the earlier of (i) the date on which the distribution of such Shares has ended or (ii) the 40th day following the Settlement Date (collectively, a "**Distribution**").
29. The Prospectus Delivery Requirement is not workable in the context of the Distribution because the Exchange Purchasers will not be readily identifiable as the dealer(s) acting on behalf of the Purchaser may combine the sell orders made under the Prospectus with other sell orders and the dealer(s) acting on behalf of the Exchange Purchasers may combine a number of purchase orders.
30. The Prospectus Supplement will contain an underwriter's certificate in the form set out in section 2.2 of Appendix B to NI 44-102, signed by the Purchaser.
31. At least three business days prior to the filing of the first Prospectus Supplement to be filed in connection with a distribution pursuant to the equity line facility under the Distribution Agreement, Houston will provide for comment to the Ontario Securities Commission a draft of such Prospectus Supplement.

Press Releases / Continuous Disclosure

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

36. Houston will also disclose in its financial statements and management's discussion and analysis filed on SEDAR under National Instrument 51-102 – Continuous Disclosure Obligations, for each financial period, the number and price of Shares issued to the Purchaser pursuant to the Distribution Agreement.

Deliveries upon Request

37. Houston will deliver to the Ontario Securities Commission and to the Exchange, upon request, a copy of each drawdown notice delivered by Houston to the Purchaser under the Distribution Agreement.
38. The Purchaser and the Manager will provide to the Ontario Securities Commission, upon request, full particulars of trading and hedging activities by the Purchaser or the Manager (and, if required, trading and hedging activities by their respective affiliates, associates or insiders) in relation to securities of Houston during the term of the Distribution Agreement.

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) as it relates to the Prospectus Disclosure Requirement:
 - (i) Houston comply with the representations in paragraphs 8, 22, 27, 28, 32, 33, 34, 35, 36 and 37; and
 - (ii) The number of Shares distributed by Houston under the Distribution Agreement does not exceed, in any 12 month period, 19.9% of the aggregate number of Shares outstanding calculated at the beginning of such period;
- (b) as it relates to the Prospectus Delivery Requirement, the Dealer Registration Requirement and the Underwriter Registration Requirement, the Purchaser and/or the Manager, as the case may be, comply with the representations in paragraph 21, 23, 24, 25, 30 and 38; and
- (c) this decision will only apply to Distributions completed within 25 months following the date of the receipt for the Base Shelf Prospectus, and this decision will terminate 25 months after such date.

As to the Exemption Sought from the Prospectus Disclosure Requirements:

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

As to the Exemption Sought from the Dealer Registration Requirement, the Underwriter Registration Requirement and the Prospectus Delivery Requirement:

“Wes M. Scott”
Commissioner
Ontario Securities Commission

“Christopher Portner”
Commissioner
Ontario Securities Commission

2.1.5 Gaz Métro inc.

Headnote

National Policy 11-203 Process For Exemptive Relief Applications in Multiple Jurisdictions – National Instrument 52-107 Acceptable Accounting Principles, Auditing Standards and Reporting Currency, s. 9.1 – The Filer requests relief from the requirements under section 3.2 of National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards (NI 52-107) that financial statements be prepared in accordance with Canadian GAAP applicable to publicly accountable enterprises (the Exemption Sought) to permit the Filer to prepare its financial statements in accordance with U.S. GAAP for its financial years that begin on or after 1 January 2012 but before 1 January 2015.

Applicable Legislative Provisions

National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards, s. 5.1.

[TRANSLATION]

July 11, 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 GAZ MÉTRO INC. (the Filer)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) exempting the Filer from the requirements under section 3.2 of *Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards* (**Regulation 52-107**) that financial statements be prepared in accordance with Canadian GAAP applicable to publicly accountable enterprises (the **Exemption Sought**) to permit the Filer to prepare its financial statements (including the financial statements of Gaz Métro Limited Partnership (**Gaz Métro**) included in the financial statements of the Filer) in accordance with U.S. GAAP for its financial years that

begin on or after 1 January 2012 but before 1 January 2015.

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

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

Interpretation

Terms defined in *Regulation 14-101 respecting Definitions*, *Regulation 11-102*, *Regulation 51-102 respecting Continuous Disclosure Obligations* or *Regulation 52-107* have the same meaning if used in this decision, unless otherwise defined herein.

Representations

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

1. The Filer is a corporation existing under the *Business Corporations Act* (Québec), R.S.Q., c. S-31.1. The head office of the Filer is in Montréal, Québec.
2. The Filer is a reporting issuer or equivalent in the Jurisdictions and each of the Passport Jurisdictions and is not in default of securities legislation in any jurisdiction.
3. The Filer is not an SEC issuer.
4. The Filer has “activities subject to rate regulation” as defined in the Handbook.
5. As a “qualifying entity” for the purposes of section 5.4 of *Regulation 52-107*, the Filer is permitted by that provision to prepare its financial statements for its financial year commencing 1 October 2011 and ending 30 September 2012 in accordance with Canadian GAAP – Part V of the Handbook.
6. Were the Filer an SEC issuer, it would be permitted by section 3.7 of *Regulation 52-107* to file financial statements prepared in accordance with U.S. GAAP, which accords treatment of

“activities subject to rate regulation” similar to that under Canadian GAAP – Part V.

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) for its financial years commencing on or after 1 January 2012 but before 1 January 2015 and interim periods therein, the Filer files its financial statements (including the financial statements of Gaz Métro included in the financial statements of the Filer) accordance with U.S. GAAP; and
- (b) information for comparative periods presented in the financial statements referred to in paragraph (a) is prepared in accordance with U.S. GAAP.

The Exemption Sought will terminate in respect of the Filer’s financial statements for annual periods (and interim periods therein) commencing on or after the earlier of:

- (c) 1 January 2015; and
- (d) the date on which the Filer ceases to have “activities subject to rate regulation” as defined in the Handbook as at the date of this decision.

“Louis Morisset”
Superintendent Securities Markets
Autorité des marchés financiers

2.1.6 Valener Inc.

Headnote

National Policy 11-203 Process For Exemptive Relief Applications in Multiple Jurisdictions – National Instrument 52-107 Acceptable Accounting Principles, Auditing Standards and Reporting Currency, s. 9.1 – The Filer requests relief from the requirements under section 3.2 of National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards (NI 52-107) that financial statements be prepared in accordance with Canadian GAAP applicable to publicly accountable enterprises (the Exemption Sought) to permit the Filer to prepare its financial statements in accordance with U.S. GAAP for its financial years that begin on or after 1 January 2012 but before 1 January 2015.

Applicable Legislative Provisions

National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards, s. 5.1.

[TRANSLATION]

July 11, 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
VALENER INC.
(the Filer)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) exempting the Filer from the requirements under section 3.2 of *Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards* (**Regulation 52-107**) that financial statements be prepared in accordance with Canadian GAAP applicable to publicly accountable enterprises (the **Exemption Sought**) to permit the Filer to prepare its financial statements (including the financial statements of Gaz Métro Limited Partnership (**Gaz Métro**) included in the financial statements of the Filer) in accordance with U.S. GAAP for its financial years that

begin on or after 1 January 2012 but before 1 January 2015.

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

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

Interpretation

Terms defined in *Regulation 14-101 respecting Definitions*, *Regulation 11-102*, *Regulation 51-102 respecting Continuous Disclosure Obligations* or *Regulation 52-107* have the same meaning if used in this decision, unless otherwise defined herein.

Representations

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

1. The Filer is a corporation incorporated under the *Canada Business Corporations Act*, R.S.C. (1985), c. C-44. The head office of the Filer is in Montréal, Québec.
2. The Filer is a reporting issuer or equivalent in the Jurisdictions and each of the Passport Jurisdictions and is not in default of securities legislation in any jurisdiction.
3. The Filer is not an SEC issuer.
4. The Filer has “activities subject to rate regulation” as defined in the Handbook.
5. As a “qualifying entity” for the purposes of section 5.4 of *Regulation 52-107*, the Filer is permitted by that provision to prepare its financial statements for its financial year commencing 1 October 2011 and ending 30 September 2012 in accordance with Canadian GAAP – Part V of the Handbook.
6. Were the Filer an SEC issuer, it would be permitted by section 3.7 of *Regulation 52-107* to file financial statements prepared in accordance with U.S. GAAP, which accords treatment of

“activities subject to rate regulation” similar to that under Canadian GAAP – Part V.

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) for its financial years commencing on or after 1 January 2012 but before 1 January 2015 and interim periods therein, the Filer files its financial statements (including the financial statements of Gaz Métro included in the financial statements of the Filer) accordance with U.S. GAAP; and
- (b) information for comparative periods presented in the financial statements referred to in paragraph (a) is prepared in accordance with U.S. GAAP.

The Exemption Sought will terminate in respect of the Filer’s financial statements for annual periods (and interim periods therein) commencing on or after the earlier of:

- (c) 1 January 2015; and
- (d) the date on which the Filer ceases to have “activities subject to rate regulation” as defined in the Handbook as at the date of this decision.

“Louis Morisset”
Superintendent Securities Markets
Autorité des marchés financiers

2.1.7 Fiera Sceptre Inc. and Fiera Sceptre Tactical Bond Yield Fund

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted to a commodity pool from paragraph 2.5(2)(a) and (c) of National Instrument 81-102 Mutual Funds to permit a commodity pool to gain exposure to another commodity pool implementing a two tiered structure, subject to certain conditions. The underlying commodity pool has not filed a prospectus under National Instrument 81-101 Mutual Fund Prospectus Disclosure, but has filed a non-offering long form prospectus and will be a reporting issuer subject to National Instrument 81-106 – Investment Fund Continuous Disclosure and National Instrument 81-102 – Mutual Funds, as modified by National Instrument 81-104 – Commodity Pools.

Applicable Legislative Provisions

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

June 17, 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
FIERA SCEPTRE INC.
(the Manager)

AND

IN THE MATTER OF
FIERA SCEPTRE TACTICAL BOND YIELD FUND
(the Fund)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (Decision Maker) has received an application from the Manager on behalf of the Fund for a decision under the securities legislation of the Jurisdictions (the Legislation) for an exemption under section 19.1 of the *Regulation 81-102 respecting Mutual Funds* (Regulation 81-102) from the requirements in subsection 2.1(1), paragraph 2.5(2)(a) and paragraph 2.5(2)(c) of Regulation 81-102 to permit the Fund to make direct or indirect investment in securities of Fiera Sceptre Tactical Bond Fund (the Reference Fund) (the Requested Relief).

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 the application herein;
- (b) the Manager 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, Newfoundland and Labrador, Northwest Territories, Nunavut and Yukon; 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*, Regulation 11-102 and Regulation 81-102 have the same meaning if used in this decision, unless otherwise defined.

Representations

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

1. The Fund is an investment trust established under the laws of the Province of Ontario pursuant to an amended and restated trust agreement (the Trust Agreement) with RBC Dexia Investor Services Trust as trustee.
2. The Manager is the investment fund manager, portfolio manager and promoter of the Fund. Pursuant to the Trust Agreement, the Manager is responsible for providing or arranging for the provision of administrative services required by the Fund. The principal office of the Manager is located in Montreal, Québec.
3. The Fund has filed a preliminary prospectus dated March 30, 2011 with respect to the proposed continuous offering of Class A Units and Class F Units (together, the Units) of the Fund in each province and territory of Canada. The Fund does not intend to list its Units on any stock exchange.
4. The Fund will be a commodity pool as such term is defined in section 1.1 of *Regulation 81-104 respecting Commodity Pools* (Regulation 81-104) in that the Fund has adopted fundamental investment objective that permit the Fund to use specified derivatives in a manner that is not permitted under Regulation 81-102.
5. According to the Trust Agreement, the net asset value of the Fund will be calculated on each day on which the Toronto Stock Exchange is open for trading and such other day or days as determined from time to time by the Manager.
6. Upon the issuance of a receipt for its final prospectus and the distribution of Units thereunder, the Fund will become subject to the requirements of Regulation 81-102 and Regulation 81-104.
7. Neither the Manager nor the Fund is in default of any securities legislation in any province or territory of Canada.
8. The Fund's investment objective is to generate a moderate level of current income and capital appreciation in all market environments with minimal correlation to traditional forms of fixed income and equity investments primarily through exposure to fixed income securities. The Fund is intended to provide its unitholders with enhanced diversification and an improved risk/reward profile compared to conventional fixed income portfolios. The Fund may make its investments directly or indirectly, including by using derivatives in a manner not usually permitted by Regulation 81-102.
9. To pursue its investment objective, the Fund will obtain exposure to the returns of the Reference Fund by entering into one or more forward purchase and sale agreements (collectively, the Forward Agreement) with a Canadian chartered bank (the Counterparty) whose long-term debt will have an approved credit rating. Generally, the fund will seek to obtain exposure to the Reference Fund corresponding approximately to 100% of its net asset value. Accordingly, the return to the Fund will be referable to the return of the Reference Fund by virtue of the Forward Agreement. The Reference Fund will calculate its net asset value on a daily basis.
10. The Fund may also purchase units of the Reference Fund where the Manager is of the opinion that it would be more efficient to do so.
11. The Reference Fund is an investment trust established under the laws of the Province of Ontario pursuant to the Trust Agreement with RBC Dexia Investor Services Trust also acting as trustee for the Reference Fund.
12. The Manager is the investment fund manager, portfolio manager and promoter of the Reference Fund. Pursuant to the Trust Agreement, the Manager is responsible for providing or arranging for the provision of administrative services required by the Reference Fund.
13. The Reference Fund has filed with the AMF a non-offering preliminary prospectus. Upon the issuance of a receipt for its final non-offering prospectus, the Reference Fund will become a reporting issuer in Québec under the *Securities Act*, R.S.Q., c.V-1.1. The Reference Fund does not intend to list its units on any stock exchange.
14. The Reference Fund will be a mutual fund because holders of its Units will be entitled to receive, on demand, an amount computed by reference to the net asset value of the Reference Fund. However, the Reference Fund will not distribute any units under its final non-offering prospectus. Accordingly, the Reference Fund will be a mutual fund to

which *Regulation 81-106 respecting Investment Fund Continuous Disclosure* (Regulation 81-106) applies, but will not be subject to the requirements of either Regulation 81-102 or Regulation 81-104.

15. Though not subject to Regulation 81-104, the Reference Fund will be a commodity pool as such term is defined in section 1.1 of Regulation 81-104 in that the Reference Fund has adopted fundamental investment objectives that permit it to use specified derivatives in a manner that is not permitted under Regulation 81-102.
16. The Reference Fund is not in default of any securities legislation in any province or territory of Canada.
17. The Reference Fund's investment objective is to generate a moderate level of current income and capital appreciation with minimal correlation to traditional forms of fixed income and equity investments primarily through investment in fixed income securities.
18. The Reference Fund has adopted investment restrictions as if it was subject to Regulation 81-102, to the same extent as a commodity pool that is regulated by Regulation 81-104 except that the Reference Fund may engage in short selling as more fully described below.
19. The Manager will monitor the Reference Fund's compliance with its investment restrictions. If the Manager becomes aware of any breach of these restrictions, appropriate action will be taken to bring the Reference Fund back within these limits as soon as practicable.
20. The deemed holding, pursuant to subsection 2.1(3) of Regulation 81-102, of the Units the Reference Fund by the Fund by reason of the Forward Agreement will constitute more than 10% of the net asset value of the Fund.
21. The deemed holding, pursuant to paragraph 2.5(1)(b) of Regulation 81-102, of the Units of the Reference Fund by the Fund by reason of the Forward Agreement will comply with the requirements of section 2.5 of Regulation 81-102, except as follows:
 - a) the Reference Fund will not be subject to *Regulation 81-101 respecting Mutual Fund Prospectus Disclosure* and to Regulation 81-102, as required by paragraph 2.5(2)(a) of Regulation 81-102; and
 - b) securities of the Reference Fund will not be qualified for distribution in the local jurisdiction, as required by paragraph 2.5(2)(c) of Regulation 81-102.
22. The Reference Fund may engage in a limited, prudent and disciplined amount of short selling. Short sales will be made by the Reference Fund consistent with the Reference Fund's investment objective. In order to effect a short sale, the Reference 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.
23. The Manager will monitor the short positions of the Reference Fund on a daily basis.

Decision

Each of the Decision Maker 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 Maker under the Legislation is that the Requested Relief is granted, provided that:

- (a) the Fund is a commodity pool subject to Regulation 81-104;
- (b) the exposure of the Fund to securities of the Reference Fund is in accordance with the fundamental investment objective of the Fund;
- (c) the prospectus of the Fund discloses that the Fund will obtain exposure to securities of the Reference Fund and to the extent applicable, the risks associated with such an investment;
- (d) the Fund will disclose in its prospectus or in its annual information form if applicable, the manner in which short selling will be used by the Reference Fund;
- (e) units of the Reference Fund will be made available only to accredited investors;

- (f) the indirect investment by the Fund in securities of the Reference Fund is made in compliance with each provision of section 2.5 of Regulation 81-102, except for paragraph 2.5(2)(a) and paragraph 2.5(2)(c) of Regulation 81-102;
- (g) the Reference Fund will disclose in its non-offering prospectus and annual information form:
 - 1. a description of short selling, how the Reference Fund engages in short selling, the risks associated with short selling, and the Reference Fund's strategy with respect to short selling;
 - 2. that there are written policies and procedures in place that set out the objectives and goals for short selling and the risk management procedures applicable to short selling;
 - 3. 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 Manager or other applicable parties in the risk management process;
 - 4. the trading limits and other controls on short selling and who is responsible for authorizing the trading and placing limits or other controls on the trading;
 - 5. whether there are individuals or groups that monitor the risks independent of those who trade; and
 - 6. whether risk measurement procedures or simulations are used to test the portfolio under stress conditions;
- (h) the Reference Fund and the Manager follow the following steps and requirements when conducting a short sale:
 - 1. securities will be sold short for cash, with the Reference Fund assuming the obligation to return to the Borrowing Agent the securities borrowed to effect the short sale;
 - 2. the short sale will be effected through market facilities through which the securities sold short are normally bought and sold;
 - 3. the Reference Fund will receive cash for the securities sold short within normal trading settlement periods for the market in which the short sale is effected;
 - 4. the securities sold short will be liquid securities that satisfy either (a) or (b) below:
 - (a) the securities are listed and posted for trading on a stock exchange; and
 - (i) the issuer of the security has a market capitalization of not less than CDN\$300 million, or the equivalent thereof, at the time the short sale is effected; or
 - (ii) the Reference Fund's portfolio advisor has pre-arranged to borrow the securities for the purpose of such sale; or
 - (b) the securities are fixed-income securities, bonds, debentures or other evidences of indebtedness of, or guaranteed by, any issuer;
 - 5. the aggregate market value of all securities of an issuer sold short, whether direct short positions or indirect short positions through specified derivatives, will not exceed 10% of the net asset value of the Reference Fund, on a daily marked-to-market basis;
 - 6. the aggregate market value of all securities sold short will not exceed 40% of the net asset value of the Reference Fund on a daily marked-to-market basis;
 - 7. the Reference Fund will deposit assets with the Borrowing Agent as security in connection with the short sale transaction;
 - 8. except where the Borrowing Agent is the Reference Fund's custodian, when the Reference Fund deposits Reference Fund assets with a Borrowing Agent as security in connection with a short sale transaction, the amount of the Reference Fund assets deposited with the Borrowing Agent does not, when aggregated with the amount of Reference Fund assets already held by the Borrowing Agent as

security for outstanding short sale transactions of the Reference Fund, exceed 10% of the Reference Fund's net asset, taken at market value at the time of the deposit;

9. the Reference Fund will hold cash cover in an amount, including the Reference Fund's assets deposited with the Borrowing Agent, that is at least 150% of the aggregate market value of all securities it sold short by the Reference Fund, on a daily marked-to-market basis. No proceeds from short sales will be used by the Reference Fund to purchase long positions other than cash cover;
10. for short sale transactions in Canada, every dealer that holds Reference Fund assets as security in connection with short sale transactions by the Reference 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;
11. for short sale transactions outside Canada, every dealer that holds Reference Fund assets as security in connection with the short sale must be a member of a stock exchange and, as a result, be subject to a regulatory audit, and have a net worth in excess of the equivalent of CDN\$50 million determined from its most recent audited financial statements that have been made public;
12. the security interest provided by the Reference Fund over any of its assets that is 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 short sale transactions;
13. the Reference Fund and the Manager will maintain appropriate internal controls regarding short sales prior to conducting any short sales, including written policies and procedures and risk management controls;
14. the Reference Fund and the Manager will keep proper books and records of all short sales and Reference Fund assets deposited with Borrowing Agents as security; and
 - (i) Upon the coming into force of any legislation or rule of the Decision Maker dealing with matters referred to in subsections 2.6(a), 2.6(c) and 6.1(1) of Regulation 81-102, the Reference Fund will modify the manner in which it conducts short sales to comply with such legislation or rule.

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

2.1.8 Fiera Sceptre Inc. and Fiera Sceptre Tactical Bond Yield Fund

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Relief granted from seed capital requirements for commodity pools in NI 81-104 – Manager permitted to redeem \$50,000 seed capital investment in each Pool provided the Pool has received subscriptions from investors other than the Manager totalling at least \$5.0 million and provided the Manager maintain \$100,000 in excess working capital – Paragraph 3.2(2)(a) of NI 81-104.

Applicable Legislative Provisions

National Instrument 81-104 Commodity Pools, ss. 3.2(2)(a), 10.1.

July 4, 2011

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

AND

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

AND

IN THE MATTER OF
FIERA SCEPTRE INC.
(the Manager)

AND

IN THE MATTER OF
FIERA SCEPTRE TACTICAL BOND YIELD FUND
(the Fund)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (Decision Maker) has received an application from the manager on behalf of the Fund for a decision under the securities legislation of the Jurisdictions (the Legislation) for an exemption under section 10.1 of the *Regulation 81-104 respecting Commodity Pools* (Regulation 81-104) from the requirements of paragraph 3.2(2)(a) of the Regulation 81-104, which requires a commodity pool to have invested in it, at all times, securities that were issued pursuant to paragraph 3.2(1)(a) and have an aggregate issue price of \$50 000 (the Requested Relief).

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 the application herein;
- (b) the Manager 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, Newfoundland and Labrador, Northwest Territories, Nunavut and Yukon; 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 11-102, *Regulation 14-101 respecting Definitions*, *Regulation 81-102 respecting Mutual Funds* (Regulation 81-102) and Regulation 81-104 have the same meaning if used in this decision, unless otherwise defined.

Representations

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

1. The Fund is an investment trust established under the laws of the Province of Ontario pursuant to an amended and restated trust agreement (the Trust Agreement) with RBC Dexia Investor Services Trust as trustee.
2. The Manager is the investment fund manager, portfolio manager and promoter of the Fund. Pursuant to the Trust Agreement, the Manager is responsible for providing or arranging for the provision of administrative services required by the Fund. The principal office of the Manager is located in Montreal, Quebec. Securities of the Manager are listed on the Toronto Stock Exchange under the Symbol "FSZ".
3. The Fund has filed a preliminary prospectus dated March 30, 2011 with respect to the proposed continuous offering of Class A Units and Class F Units (together, the Units) of the Fund in each province and territory of Canada. The Fund does not intend to list its Units on any stock exchange.
4. The Fund will be a commodity pool as such term is defined in section 1.1 of Regulation 81-104 in that the Fund has adopted fundamental investment objective that permit the Fund to use specified derivatives in a manner that is not permitted under Regulation 81-102.
5. Concurrently with the application herein, the Manager filed an application on behalf of the Fund for a decision under the Legislation granting an exemption from the requirements in subsection 2.1(1), paragraph 2.5(2)(a) and paragraph 2.5(2)(c) of Regulation 81-102.
6. According to the Trust Agreement, the net asset value of the Fund will be calculated on each day on which the Toronto Stock Exchange is open for trading and such other day or days as determined from time to time by the Manager.
7. Upon the issuance of a receipt for its final prospectus and the distribution of Units thereunder, the Fund will become subject to the requirements of Regulation 81-102 and Regulation 81-104.
8. Neither the Manager nor the Fund is in default of any securities legislation in any province or territory in Canada.
9. The Fund's investment objective is to generate a moderate level of current income and capital appreciation in all market environments with minimal correlation to traditional forms of fixed income and equity investments primarily through exposure to fixed income securities. The Fund is intended to provide to its unitholders with enhanced diversification and an improved risk/reward profile compared to conventional fixed income portfolios. The Fund may make its investments directly or indirectly, including by using derivatives in a manner not usually permitted by Regulation 81-102.
10. To pursue its investment objective, the Fund will obtain exposure to the returns of Fiera Sceptre Tactical Bond Fund (the Reference Fund) by entering into one or more forward purchase and sale agreements (collectively, the Forward Agreement) with a Canadian chartered bank whose long-term debt will have an approved credit rating. Generally, the fund will seek to obtain exposure to the Reference Fund corresponding approximately to 100% of its net asset value. Accordingly, the return to the Fund will be referable to the return of the Reference Fund by virtue of the Forward Agreement. The Reference Fund will calculate its net asset value on a daily basis.
11. Though not subject to the Regulation 81-104, the Reference Fund will be a commodity pool as such term is defined in section 1.1 of Regulation 81-104 in that the Reference Fund has adopted fundamental investment objectives that permit it to use specified derivatives in a manner that is not permitted under Regulation 81-102.
12. The Reference Fund's investment objective is to generate a moderate level of current income and capital appreciation with minimal correlation to traditional forms of fixed income and equity investments primarily through investment in fixed income securities. The Reference Fund is intended to provide to its unitholders with enhanced diversification and an improved risk/reward profile compared to conventional fixed income portfolios.
13. The units of the Reference Fund will be made available only to accredited investors.
14. The Manager will monitor the Reference Fund's compliance with its investment restrictions. If the Manager becomes aware of any breach of these restrictions, appropriate action will be taken to bring the Reference Fund back within these limits as soon as practicable.
15. Paragraph 3.2(2)(a) of Regulation 81-104 states that a commodity pool may redeem, repurchase or return any amount invested in, securities issued upon the investment in the commodity pool referred to in paragraph 3.2(1)(a) of

Regulation 81-104 only if securities issued under paragraph 3.2(1)(a) of Regulation 81-104 that had an aggregate issue price of \$50,000 remain outstanding and at least \$50,000 invested under paragraph 3.2(1)(a) remains invested in the commodity pool.

16. If the Fund was governed by the provisions of Regulation 81-102, the Fund would be allowed to redeem securities issued upon the seed capital investment in the Fund made by the Manager upon the Fund having received subscriptions totaling not less than \$500,000 from persons other than the persons referred to in paragraph 3.1(1)(a) of Regulation 81-102.
17. The Manager wishes the Fund to redeem the seed capital invested in the Fund subject to the conditions set out in this decision.
18. The Manager understands that the policy rationale behind the permanent seed capital requirement for commodity pools under Regulation 81-104 is to encourage promoters to ensure that the commodity pool is being properly run for the benefit of the investors by requiring that the promoter of a commodity pool, or a related party, will itself be an investor in the commodity pool at all times.
19. The Manager is obliged in accordance with the Legislation, to at all times act honestly and in good faith, and in the best interests of the Fund, and exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.
20. Not having \$50,000 invested in the Fund at all times will not change how the Manager manages the Fund. The Manager will manage the Fund and the Reference Fund in accordance with the Legislation and contractual requirements.
21. The Manager, as investment fund manager, will at all times maintain excess working capital with of a minimum capital of \$100,000 or any higher amount that maybe required in compliance with *Regulation 31-103 respecting Registration Requirements and Exemptions*.

Decision

Each of the Decision Maker 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 Maker under the Legislation is that the Requested Relief is granted provided that:

- (a) the Manager may not ask the Fund to redeem securities issued upon the seed capital investment of at least \$50 000 in the Fund made by the Manager upon the Fund having received subscriptions totaling not less than \$5 000 000 from persons other than the persons referred to in paragraph 3.2(l)(a) of the Regulation 81-104;
- (b) the Fund will disclose in its prospectus or in its annual information form if applicable, the basis on which the Fund may redeem securities issued upon the seed capital investment of at least \$50,000 in the Fund made by the Manager;
- (c) if, after the Fund has redeemed securities issued upon the seed capital investment of at least \$50 000 in the Fund made by the Manager, the value of the Units subscribed for by investors other than the persons referred to in paragraph 3.2(l)(a) of the Regulation 81-104 drops below \$5 000 000 for more than 30 consecutive days, the Manager shall, unless the Fund is in the process of being dissolved or terminated, reinvest \$50,000 in the securities of the Fund and maintain that investment until condition (a) is again satisfied.

"Josée Deslauriers"

Director, Investment Funds and Continuous Disclosure
Autorité des marchés financiers

2.1.9 Union Agriculture Group Corp

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.

National Policy 47-201 Trading Securities Using the Internet and Other Electronic Means, s. 2.7.

July 12, 2011

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
THE PROVINCE OF ONTARIO
(the “Jurisdiction”)

AND

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

AND

IN THE MATTER OF
UNION AGRICULTURE GROUP CORP (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**”) exemption from the prospectus requirement the unrestricted posting of “electronic roadshow” materials on the internet websites of one or more commercial services such as www.retailroadshow.com or www.netroadshow.com, during the period (the “**Waiting Period**”) between the issuance of a receipt for a preliminary prospectus and the issuance of a receipt for a (final) prospectus (the “**Exemption Sought**”).

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

- (a) the Ontario Securities Commission (the “**Commission**”) in 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 on in British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador (the “**Passport Jurisdictions**”).

Interpretation

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

Representations

1. The Filer was incorporated under the British Virgin Islands *Business Companies Act* on January 2, 2008.
2. The Filer’s principal office is located at Plaza Independencia 737, 11,000, Montevideo, Uruguay.

3. On March 31, 2011 the Filer confidentially submitted a registration statement (the “**Registration Statement**”) with the SEC in respect of a treasury offering of common shares by the Filer (the “**Offering**”), and submitted amendments thereto on May 23, and July 11, 2011, in order to register the offer and sale of the common shares under the U.S. Securities Act of 1933, as amended (the “**1933 Act**”).
4. On May 24, 2011, the Filer filed a preliminary base prep prospectus (the “**Preliminary Prospectus**”) with the Commission and the Passport Jurisdictions in respect of the Offering on a confidential pre-filing basis.
5. On July 5, 2011, the Filer filed with the Commission and the Passport Jurisdictions the Preliminary Prospectus dated July 5, 2011 in order to qualify the distribution of common shares (the “**Offered Shares**”) under the Legislation and the securities legislation of the Passport Jurisdictions.
6. On July 11, 2011, the Filer filed with the Commission and the Passport Jurisdictions an amended and restated preliminary base prep prospectus under the Legislation and the securities legislation of the Passport Jurisdictions.
7. The Filer and the underwriters of the Offering wish to use electronic roadshow materials (the “**Website Materials**”) to market the Offering in Canada, as is now typical for initial public offerings in the United States.
8. Compliance with U.S. securities laws respecting initial public offerings requires that the Filer either make the Website Materials used in connection with the Offering in the United States available in a manner that affords unrestricted access to the public, or file the Website Materials with the SEC on its Electronic Data Gathering Analysis and Retrieval System (known by its acronym, EDGAR), which has the same effect of affording unrestricted access.
9. The Filer understands that the SEC is of the view that making documents “available without restriction” means that no restrictions on access or viewing, such as password requirements, may be imposed, including with respect to persons outside the United States.
10. Affording unrestricted access to Website Materials during the Waiting Period is, however, contrary to the prospectus requirement and the restrictions on permissible marketing activities during the Waiting Period, such that the Legislation would require that access to Website Materials be controlled by the Filer or the underwriters by such means as password protection and other measures, as suggested by National Policy 47-201 – *Trading Securities Using the Internet and Other Electronic Means* (“**NP 47-201**”).
11. The Filer and the underwriters of the Offering wish to carry out the Offering in a manner that is typical for initial public offerings in the United States (and consistent with U.S. federal securities law) by posting Website Materials on the internet websites of one or more commercial services, such as www.retailroadshow.com or www.netroadshow.com, without password or other access restrictions.
12. As the Legislation does not permit Website Materials to be made generally available to prospective purchasers in Canada without restriction during the Waiting Period, the Filer and the underwriters of the Offering cannot carry out the Offering in Canada in a manner that is typical for initial public offerings in the United States unless the Exemption Sought is granted.
13. The Website Materials will contain a statement that information conveyed through the Website Materials does not contain all of the information in the Preliminary Prospectus, including any amendments, or the final prospectus for the IPO, as supplemented and including any amendments (the “**Final Prospectus**”), and that prospective purchasers of the offered shares should review all of those documents, in addition to the Website Materials, for complete information regarding the Offered Shares.
14. Website Materials will be fair and balanced.
15. The Website Materials will also contain a hyperlink to the documents referred to in paragraph 12, at and after such time as a particular document is filed.
16. Any amendment to the preliminary prospectus for the Offering that is filed after the date of the decision granting the Exemption Sought, and the Final Prospectus, will state that purchasers of Offered Shares in each Canadian jurisdiction in which the Final Prospectus is filed and a receipt therefore is issued (or is deemed to have been issued) will have a contractual right of action for any misrepresentation in Website Materials against the Filer and the Canadian underwriters who sign the Final Prospectus.
17. At least one underwriter that signs the Preliminary Prospectus, any amendment to the preliminary prospectus and the Final Prospectus will be registered in each of the Jurisdictions.

18. A Canadian purchaser of Offered Shares will only be able to purchase the Offered Shares through an underwriter that is registered in the purchaser's Canadian jurisdiction of residence, unless an exemption from the dealer registration requirement is available.
19. The Filer acknowledges that the Exemption Sought relates only to the unrestricted posting of the Website Materials on the internet websites of one or more commercial services such as www.retailroadshow.com or www.netroadshow.com, and not in respect of the Preliminary Prospectus for the Offering, including any amendments, or the Final Prospectus.
20. The Filer is not in default of the Legislation or the securities legislation of any of the Passport Jurisdictions.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation of 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:

1. Any amendment to the preliminary prospectus for the Offering after the date of this decision, and the Final Prospectus, will state that purchasers of the Offered Shares in each Canadian jurisdiction in which the Final Prospectus is filed and a receipt is issued (or is deemed to have been issued) will have a contractual right of action for any misrepresentation in the Website Materials against the Filer and the Canadian underwriters who sign the Final Prospectus, 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 or www.netroadshow.com under the heading "Union Agriculture Group Corp." during the period prior to obtaining a final receipt for the final prospectus relating to this offering (the "**Final Prospectus**") from the securities regulatory authorities in the Canadian offering jurisdictions. In order to give purchasers in each of the Canadian offering jurisdictions the same unrestricted access to the Website Materials as provided to United States purchasers, we have applied for and obtained, in a decision dated July 9, 2011, exemptive relief from the securities regulatory authority in each of the Canadian offering jurisdictions. Pursuant to the terms of that exemptive relief, we and each of the Canadian underwriters signing the certificate contained in the Final Prospectus have agreed that, in the event that 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 the light of the circumstances in which it was made (a "**misrepresentation**"), a purchaser resident in a Canadian offering jurisdiction who purchases the shares offered hereby pursuant to the Final Prospectus during the period of distribution shall have, without regard to whether the purchaser relied on the misrepresentation, rights against us and each Canadian underwriter with respect to such misrepresentation as are equivalent to the rights under section 130 of the *Securities Act* (Ontario) or the comparable provision of the securities legislation of the Canadian offering jurisdiction where the purchaser is resident, as the case may be, as if such misrepresentation were contained in the Final Prospectus.

2. The Website Materials will not include information that compares the Filer to one or more other issuers ("Comparables") unless the Comparables are also included in the preliminary prospectus for the Offering, including any amendments, and the Final Prospectus.

"James Turner"
Ontario Securities Commission

"Wes M. Scott"
Ontario Securities Commission

2.2 Orders

2.2.1 Maitland Capital Ltd. 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
MAITLAND CAPITAL LTD., ALLEN GROSSMAN,
HANOCH ULFAN, LEONARD WADDINGHAM,
RON GARNER, GORD VALDE,
MARIANNE HYACINTHE, DIANA CASSIDY,
RON CATONE, STEVEN LANYS,
ROGER MCKENZIE, TOM MEZINSKI, WILLIAM ROUSE
and JASON SNOW**

**ORDER
Section 127**

WHEREAS on January 24, 2006, the Ontario Securities Commission (the "Commission") ordered pursuant to subsection 127(5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") that forthwith for a period of 15 days from the date thereof: (a) all trading by Maitland Capital Ltd. ("Maitland") and its officers, directors, employees and/or agents in securities of Maitland shall cease; (b) the Respondents cease trading in all securities; and (c) any exemptions in Ontario securities law do not apply to the Respondents (the "Temporary Order");

AND WHEREAS pursuant to subsections 127(1) and 127(5) of the Act, a hearing was scheduled for February 8, 2006 at 2:00 p.m. (the "Hearing");

AND WHEREAS on February 8, 2006, Staff filed the affidavit of Sabine Dobell sworn February 2, 2006 and the affidavit of Bryan Gourlie sworn November 7, 2005 in support of Staff's request to extend the Temporary Order;

AND WHEREAS on February 28, 2006, the Commission ordered pursuant to subsection 127(7) of the Act that: (a) the Hearing is adjourned to April 19, 2006 at 9:30 a.m.; and (b) the Temporary Order is extended until April 19, 2006;

AND WHEREAS on April 19, 2006, the Commission ordered pursuant to subsection 127(7) of the Act that: (a) the Hearing is adjourned to May 29, 2006; (b) the Temporary Order is extended until May 29, 2006; and (c) Staff provide disclosure to the Respondents by April 28, 2006;

AND WHEREAS on May 29, 2006, the Commission ordered pursuant to subsection 127(7) of the Act that: (a) the Hearing is adjourned to June 28, 2006; and (b) the Temporary Order is extended until June 28, 2006;

AND WHEREAS counsel for Maitland and Allen Grossman ("Grossman"), counsel for Hanoch Ulfan

("Ulfan") and counsel for Steven Lany did not oppose an extension of the Temporary Order;

AND WHEREAS Tom Mezinski and William Rouse have not appeared although duly served with the Temporary Order, the Notice of Hearing and Statement of Allegations as evidenced by the affidavits of service filed as exhibits in this proceeding;

AND WHEREAS Marianne Hyacinthe appeared before the Commission on February 8, 2006 and received a copy of the Order dated February 8, 2006 but did not appear before the Commission on February 28, 2006, April 19, 2006, May 29, 2006, June 28, 2006 or September 12, 2006 although served with notice of this proceeding;

AND WHEREAS Staff has advised that two Respondents, namely Ron Catone and Jason Snow, have never been located and have never been served in this matter notwithstanding attempts at service as evidenced by the affidavits of attempted service filed as exhibits in this proceeding;

AND WHEREAS on May 19, 2006, the Commission authorized the commencement of a section 122 proceeding in the Ontario Court of Justice against Grossman, Ulfan and Maitland;

AND WHEREAS Maitland, Grossman and Ulfan brought applications returnable September 12, 2006 to adjourn the section 127 proceeding against Grossman, Ulfan and Maitland pending completion of the section 122 proceeding;

AND WHEREAS on September 12, 2006, Ulfan and Grossman undertook not to act as an officer or director of either a reporting issuer or a registrant until the conclusion of the section 127 proceedings and the Commission ordered: (i) the hearing is adjourned until judgment is rendered in the section 122 proceeding; (ii) the Temporary Order is extended until the conclusion of the hearing; and (iii) a hearing shall be scheduled within four to eight weeks of judgment being rendered in the section 122 proceeding;

AND WHEREAS on March 23, 2011, Justice Sparrow of the Ontario Court of Justice found Grossman, Ulfan and Maitland guilty on 10 counts of breaching Ontario securities laws;

AND WHEREAS on May 4, 2011, Justice Sparrow of the Ontario Court of Justice sentenced Grossman and Ulfan each to 21 months in jail and two years of probation for breaches of Ontario securities laws and fined Maitland \$1 million;

AND WHEREAS on May 27, 2011, Staff amended the Notice of Hearing and Statement of Allegations to rely upon previous decisions of the Alberta Securities Commission, the Saskatchewan Financial Services Commission and the Ontario Court of Justice involving Maitland and some of the Respondents;

AND WHEREAS all the Respondents except Ulfan, Jason Snow, Ron Catone, William Rouse, Tom Mezinski and Marianne Hyacinthe have been duly served with the Amended Notice of Hearing and Amended Statement of Allegations dated May 27, 2011 as evidenced by the affidavits of service filed in this proceeding;

AND WHEREAS Staff have advised that these proceedings will be discontinued against Jason Snow, Ron Catone, Roger McKenzie and Marianne Hyacinthe;

AND WHEREAS on June 28, 2011, Diana Cassidy, Ron Garner, counsel for Leonard Waddingham, counsel for Steven Lanys and Staff all appeared before the Commission and Staff provided each of these Respondents with further disclosure (the "Disclosure");

AND WHEREAS Staff advised that Staff is conducting ongoing settlement discussions with Gord Valde and that Staff is engaging in ongoing discussions regarding agreed statements of facts with Leonard Waddingham, Ron Garner and Diana Cassidy;

AND WHEREAS Staff intend to serve and file written submissions on Grossman and Maitland by July 29, 2011 setting out the final Order under subsection 127(10) sought against Grossman, Ulfan and Maitland and to conduct this portion of the hearing in writing;

AND WHEREAS by Commission order made February 15, 2011 pursuant to section 3.5(3) of the Act, any one of Howard I. Wetston, James E. A. Turner, Kevin J. Kelly, James D. Carnwath, Mary G. Condon, Vern Krishna, Christopher Portner and Edward P. Kerwin, acting alone, is authorized to make orders under section 127 of the Act;

AND WHEREAS the Commission considers it to be in the public interest to make this Order;

IT IS ORDERED that the title of proceeding be amended to change "Hanouch Ulfan" to "Hanoeh Ulfan";

IT IS FURTHER ORDERED that:

- (a) the Disclosure provided by Staff shall not be used or disseminated except for the purpose of making full answer and defence to Staff's Statement of Allegations and any appeal therefrom and shall not be used for any collateral or ulterior purpose;
- (b) the Disclosure will not be copied except for the purpose of enabling the Respondents to make full answer and defence in this proceeding; and
- (c) on completion of this proceeding and any appeal, the unrepresented Respondents will return to Staff the Disclosure and any and all hard copies of documents from the Disclosure made by them; and

IT IS FURTHER ORDERED that:

- (a) the Hearing in respect of Grossman, Ulfan and Maitland to consider whether an order should be made against them under subsection 127(10) of the Act shall proceed in writing;
- (b) Staff of the Commission will serve and file its written submissions on this portion of the hearing or before July 29, 2011; and
- (c) Grossman, Maitland and Ulfan will serve and file any responding submissions by September 1, 2011;

IT IS FURTHER ORDERED that the Hearing in respect Leonard Waddingham, Diana Cassidy and Ron Garner is adjourned to September 2, 2011 at 10:00 a.m. to consider a possible agreed statement of facts and appropriate sanctions; and

IT IS FURTHER ORDERED that the Hearing in respect of Steven Lanys, William Rouse and Tom Mezinski is adjourned to September 2, 2011 at 10:00 a.m. to set a hearing date.

Dated at Toronto this 28th day of June, 2011

"Mary G. Condon"

2.2.2 Bernard Boily – s. 127

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

AND

IN THE MATTER OF
BERNARD BOILY

ORDER
(Section 127)

WHEREAS the Ontario Securities Commission (the “Commission”) issued a Notice of Hearing and Staff of the Commission (“Staff”) filed a Statement of Allegations in this matter on March 29, 2011 against Bernard Boily (the “Respondent”);

AND WHEREAS on April 28, 2011, the Commission ordered that the hearing with respect to the matter be adjourned to June 29, 2011;

AND WHEREAS on June 29, 2011, the Commission heard submissions from counsel for Staff and counsel for the Respondent;

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

IT IS ORDERED that this matter is adjourned to a confidential pre-hearing conference which shall take place on September 13, 2011 at 3:00 p.m.; and

IT IS FURTHER ORDERED that the following dates shall be reserved for the hearing on the merits in this matter: April 2, 3, 4, 5, 9, 11, 12, 13, 16, 17, 18, 19, 20, 23, 25, 26, and 27, 2012.

DATED at Toronto this 5th day of July, 2011.

“Vern Krishna” Q.C.

2.2.3 OMERS Administration Corporation and OPE
AGH Holdings Inc. – s. 74(1)

Headnote

Subsection 74(1) – Application for exemption from prospectus requirement in connection with first trade of shares of issuer through exchange or market outside of Canada or to person or company outside of Canada – issuer not a reporting issuer in any jurisdiction in Canada – conditions of the exemption in section 2.14 of National Instrument 45-102 Resale of Securities not satisfied as residents of Canada (including Applicant) own more than 10% of the total number of shares – relief restricted to securities acquired prior to date of decision – relief granted subject to conditions, including condition that residents of Canada, excluding the Applicant, do not hold more than 10 percent of the outstanding securities or represent more than 10 percent of the number of securityholders and condition that the first trade be made through an exchange or market outside of Canada or to a person or company outside of Canada

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c.S.5, as am., ss. 53, 74(1).
National Instrument 45-102 Resale of Securities, s. 2.14.

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

AND

IN THE MATTER OF
OMERS ADMINISTRATION CORPORATION

AND

OPE AGH HOLDINGS INC.

ORDER
(Subsection 74(1) of the Act)

WHEREAS OMERS Administration Corporation (the Applicant) and OPE AGH Holdings Inc. (the **Applicant’s Subsidiary**) have applied (the **Application**) to the Ontario Securities Commission (the **Commission**) for an order (the **Order**) pursuant to subsection 74(1) of the Act that section 53 of the Act will not apply to first trades, as such term is used in National Instrument 45-102 – Resale of Securities (**NI 45-102**), of:

- (i) common shares (**Common Shares**) of Affinia Group Holdings, Inc. (**Affinia**) acquired by the Applicant or the Applicant’s Subsidiary prior to the date of this Order; and
- (ii) Common Shares acquired by the Applicant or the Applicant’s Subsidiary pursuant to a conversion or exchange

from convertible or exchangeable securities acquired by the Applicant or the Applicant's Subsidiary prior to the date of this Order;

(the **Exemption Sought**).

AND WHEREAS the Applicant and the Applicant's Subsidiary have requested that the Application, the supporting materials and this Order (collectively, the **Confidential Material**) be kept confidential until the earliest of: (a) the date on which the Affinia consummates the IPO (as defined herein); (b) the date the Applicant advises the principal regulator in writing that there is no longer any need for the application and this Order to remain confidential; and (c) the date that is 90 days after the date of this Order (the **Request for Confidentiality**);

AND WHEREAS the Applicant and the Applicant's Subsidiary having represented to the Commission that:

1. The Applicant is a corporation without share capital created pursuant to Section 32 of the *Ontario Municipal Employees Retirement System Act, 2006* (the **OMERS Act**). The Applicant is the administrator of the OMERS pension plans as defined in the OMERS Act and is responsible for managing the funds of the pension plans. The head office of the Applicant is located at One University Avenue, Toronto, Ontario, Canada.
2. Affinia, incorporated under the laws of the State of Delaware and formed on July 6, 2004, has operations in North and South America, Europe, Asia and India. Affinia designs, manufactures, distributes and markets vehicle replacement products and services, including extensive offerings of aftermarket parts for heavy and medium duty trucks, light vehicles, equipment in the off-highway market (i.e. construction, mining, forestry and agricultural) and equipment for industrial and marine applications. The head office of Affinia is located at 1101 Technology Drive, Ann Arbor, Michigan, USA.
3. Through its Canadian subsidiary, Affinia Canada ULC, Affinia has three operations in Ontario, Canada. Affinia Canada ULC (i) owns the Brake & Chassis manufacturing facility in Guelph, Ontario; (ii) leases a warehouse in Ayr, Ontario; and (iii) has its main office and distribution facility in Mississauga, Ontario.
4. As at December 31, 2010, Affinia's total current assets for its U.S. operations were US\$1,043,063,788 and total current assets for its worldwide operations equalled US\$1,593,536,594. Total current assets from Affinia's Canadian operations were US\$36,083,150, representing approximately 3% of its U.S. operations and about 2% of its worldwide operations.
5. In terms of revenue, Affinia's U.S. operations for year ended 2010 yielded US\$1,254,455,086 in net sales. Its worldwide operations yielded US\$1,991,679,373 in net sales. Net sales from Affinia's Canadian subsidiary were \$182,622,280, which represents approximately 14.5% of total U.S. sales and about 9% of total net sales worldwide.
6. Investment funds controlled by affiliates of The Cypress Group LLC (**Cypress**) hold approximately 61% of the Common Shares. Other principal shareholders of Affinia include The California State Teachers Retirement System, The Northwestern Mutual Life Insurance Company, Stockwell Fund, L.P. and the Applicant.
7. Affinia is not, and will not be, a reporting issuer under the securities legislation of any jurisdiction in Canada, and its shares are not and will not be listed and posted for trading on any stock exchange in Canada.
8. On May 13, 2005, 700,000 Common Shares were sold to the Applicant (previously known as the Ontario Municipal Employees Retirement Board) pursuant to the "accredited investor" exemption within the meaning of National Instrument 45-106 Prospectus and Registration Exemptions (**NI 45-106**). On December 14, 2007, a new share certificate was issued to change the name of the owner of the 700,000 Common Shares from the Ontario Municipal Employees Retirement Board to the Applicant (the **Initial Investment**).
9. On October 31, 2008, 10,000 shares of 9.5% Class A Convertible Participating Preferred Stock (the **Preferred Shares**) were sold to the Applicant pursuant to the "accredited investor" exemption in NI 45-106.
10. The Applicant has the option of converting, in whole or in part, its Preferred Shares into a number of shares of common stock equal to the quotient of the original purchase price plus all accrued and unpaid dividends thereon and the conversion price in effect. The conversion ratio is subject to adjustment for stock splits, combinations and similar events.
11. The Applicant was previously granted 1,000 stock options in Affinia. Pursuant to an Information Memorandum dated August 25, 2010 from Affinia, the Applicant had the opportunity to exchange its options for restricted stock unit awards (**RSUs**). Each RSU represents the contingent right to receive one share of common stock.
12. On September 23, 2010, the Applicant voluntarily elected to have all of its eligible options cancelled and forfeited in exchange for 3,000 RSUs. The Applicant was granted the RSUs on October 18, 2010. For tax reasons, subsequent to the

- exchange, the RSUs were transferred to the Applicant's Subsidiary, a wholly-owned subsidiary of the Applicant.
13. The RSUs qualify as a convertible or exchangeable security as such term is defined in NI 45-102.
 14. While the exact number of Common Shares to be issued has not yet been determined, Affinia now proposes to conduct an initial public offering (**IPO**) of Common Shares, par value \$0.01 per share.
 15. As a result of the Applicant's Initial Investment, the Applicant will own 700,000 Common Shares subsequent to the completion of the IPO.
 16. Assuming completion of the IPO, Cypress expects to exit its investment in Affinia in the future through one or more public or private offerings of its common equity interests in Affinia. In the event that (i) Cypress and its affiliates realize a 2x return with respect to their disposition of more than 50% of their common equity interests in Affinia or (ii) the Common Shares trade at an average closing price of US \$225 for 60 consecutive days, the RSUs will vest and become Common Shares.
 17. Affinia has filed a Registration Statement on Form S-1 with the United States Securities and Exchange Commission (**SEC**), which includes a prospectus. The Form S-1 is publicly available on the SEC's website.
 18. Immediately following the IPO, Affinia intends to list the Common Shares on the New York Stock Exchange (the **NYSE**).
 19. The Applicant intends to convert, in whole or in part, its Preferred Shares into Common Shares following the IPO. Assuming completion of the IPO, the Applicant, together with the Applicant's Subsidiary and any affiliates, expect to hold approximately 12-15% of the Common Shares outstanding.
 20. Pursuant to the terms of a lock-up agreement between the Applicant and the underwriters for the IPO (the **Lock-Up Agreement**), the Applicant will be subject to a 180-day contractual holding period during which it may not offer, pledge, announce the intention to sell, sell, contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any Common Shares or any securities convertible into or exercisable or exchangeable for Common Shares.
 21. The Applicant is the sole Canadian shareholder of Affinia. As such, there is no broader market interest in Affinia in Canada.
 22. Affinia is not a reporting issuer or its equivalent in the Province of Ontario or any other province or territory of Canada, nor are any of its securities listed or posted for trading on any exchange, or market, located in Canada. Affinia has no present intention of becoming listed in Canada or of becoming a reporting issuer under the Act or under any other Canadian securities laws, and no market for the Common Shares exists in Canada and none is expected to develop.
 23. The first trade of Common Shares of Affinia will be made through the facilities of the NYSE, a market located outside of Canada, and/or will be made to a person or company outside of Canada and, in either case, will not have any connection to the investing Canadian public.
 24. Requiring that a prospectus be filed in Canada to permit the sale of the Common Shares outside of Canada would not provide any additional protection or material information to Canadian investors. Following the IPO, Affinia will be subject to the Securities Exchange Act of 1934 and the obligations under the rules of the NYSE. Canadian holders of the Common Shares will receive copies of all shareholder materials provided by Affinia to non-Canadian holders of the Common Shares.
 25. In the absence of the exemption requested hereby, the first trade of Common Shares held by the Applicant and the Applicant's Subsidiary will be deemed to be a distribution and subject to the prospectus requirement under section 53 of the Act.
 26. The prospectus exemptions in sections 2.5 and 2.6 of NI 45-102 will not be applicable in this situation because Affinia is not a reporting issuer or its equivalent in the Province of Ontario or any other province or territory of Canada.
 27. The prospectus exemption in section 2.14 of NI 45-102 would be applicable in this situation, but will not be available to the Applicant and the Applicant's Subsidiary with respect to their first trade of Common Shares, whether they were acquired from the Initial Investment, the conversion of the Preferred Shares, or the vesting of the RSUs, because residents of Canada, including the Applicant and the Applicant's Subsidiary will own more than 10% of the outstanding Common Shares.
- AND UPON** considering the Application and the recommendation of the staff of the Commission;
- AND UPON** the Commission being satisfied that to do so would not be prejudicial to the public interest;

IT IS ORDERED, pursuant to subsection 74(1) of the Act that the Exemption Sought is granted provided that at the date of the first trade of the Common Shares by the Applicant or the Applicant's Subsidiary:

- (a) Affinia is not a reporting issuer in any jurisdiction of Canada where that concept exists;
- (b) the trade is executed through the facilities of the NYSE or any other exchange or market outside Canada or to a person or company outside of Canada; and
- (c) at the distribution date of such shares, after giving effect to the issue of the shares and any other shares of the same class or series that were issued at the same time as or as part of the same distribution as the shares, residents of Canada (excluding, for the purposes of the calculation of both the numerator and denominator in the 10 percent threshold conditions outlined below, Common Shares acquired by the Applicant or the Applicant's Subsidiary prior to the date of this Order and Common Shares acquired by the Applicant or the Applicant's Subsidiary pursuant

to a conversion or exchange from convertible or exchangeable securities acquired by the Applicant or the Applicant's Subsidiary prior to the date of this Order):

- (i) did not own directly or indirectly more than 10 percent of the outstanding shares of the class or series, and
- (ii) did not represent in number more than 10 percent of the total number of owners directly or indirectly of shares of the class or series.

Furthermore, the decision of the Commission is that the Confidential Material be kept confidential and not be made public until the earliest of: (a) the date on which Affinia consummates the IPO; (b) the date the Applicant advises the principal regulator in writing that there is no longer any need for the application and this Order to remain confidential; and (c) the date that is 90 days after the date of this Order.

DATED at Toronto this 11th day of March, 2011.

"Margot C. Howard"
Commissioner
Ontario Securities Commission

"James E.A. Turner"
Vice Chair
Ontario Securities Commission

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Chapter 4

Cease Trading Orders

4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Revoke
OutdoorPartner Media Corporation	08 July 11	20 July 11		
Kasten Energy Inc.	08 July 11	20 July 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
06/29/2011	4	1525104 Alberta Ltd. - Common Shares	125,499.00	41,833.00
03/03/2011	121	7673876 Canada Inc. - Receipts	50,001,250.00	14,603,900.00
06/17/2011	19	Alberta Oilsands Inc. - Common Shares	0.00	15,431,200.00
06/24/2011	40	Ascot Resources Ltd. - Flow-Through Units	3,612,500.00	4,250,000.00
06/20/2011	6	ATP Oil & Gas Corporation - Common Shares	4,851,000.00	55,000.00
06/10/2011	24	Aura Silver Resources Inc. - Units	1,550,000.00	6,200,000.00
01/24/2011	91	Aurora Oil & Gas Limited - Special Warrants	21,343,461.48	13,410,000.00
06/24/2011	5	Bitterroot Resources Ltd. - Units	208,999.80	2,322,220.00
06/24/2011	7	Black Press Group Ltd. - Notes	110,000,000.00	110,000.00
06/24/2011	1	BNP Paribas Arbitrage Issuance B.V. - Certificates	22,120.67	20.00
06/01/2011	6	Capital Direct I Income Trust - Trust Units	107,460.00	10,746.00
06/17/2011	1	Capstone Mining Corp. - Common Shares	174,968,565.54	40,198,632.00
06/24/2011	4	Carp Retirement Properties Limited Partnership - Units	700,000.00	14.00
06/23/2011	213	Charger Energy Corp. - Common Shares	30,000,250.00	17,143,000.00
06/21/2011 to 06/29/2011	20	Crusader Drilling Corp. - Debentures	4,650,000.00	186.00
06/14/2011	2	Danaher Corporation - Common Shares	5,263,130.25	105,000.00
06/21/2011	3	Danaher Corporation - Common Shares	16,208,937.20	332,000.00
06/14/2011	9	Dolomite Energy Inc. - Common Shares	8,301,800.00	N/A
06/08/2011	3	Duncastle Gold Corp. - Flow-Through Units	600,000.00	10,000,000.00
06/24/2011	1	Excel Trust, Inc. - Common Shares	53,600.53	N/A
06/27/2011	100	Femin Inc. - Common Shares	5,793,513.00	46,348,100.00
06/24/2011	1	First Leaside Expansion Limited Partnership - Units	150,000.00	150,000.00
06/21/2011	1	First Leaside Global Limited Partnership - Units	17,679.20	18,181.00
06/24/2011	1	First Leaside Global Limited Partnership - Units	99,735.00	101,265.00
06/24/2011	1	First Leaside Venture Limited Partnership - Units	100,000.00	100,000.00

Notice of Exempt Financings

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price (\$)	No. of Securities Distributed
06/22/2011	2	FLWM Holdings LP - Trust Units	50,000.00	50,000.00
06/01/2011	31	Fogo Energy Corp. - Common Shares	10,810,000.00	5,405,000.00
06/15/2011	2	FoodChek Systems Inc. - Debentures	57,500.00	2.00
06/10/2011	2	Foundation Mortgage "3" Corporation - Bonds	71,900.00	719.00
06/08/2011	8	Frontline Gold Corporation - Units	662,990.25	4,419,935.00
06/22/2011	28	Fuse Powered Inc. - Preferred Shares	1,000,000.00	1,000,000.00
06/23/2011	2	Goodman networks Incorporated - Notes	6,741,527.80	2.00
06/30/2011	3	HRG Healthcare Resource Group Inc. - Common Shares	12,499.00	9,999.00
06/14/2011 to 06/16/2011	5	IGW Real Estate Investment Trust - Units	180,767.55	180,767.55
06/20/2011 to 06/24/2011	20	IGW Real Estate Investment Trust - Units	816,162.69	N/A
06/23/2011	1	Invesco Mortgage Capital Inc. - Common Shares	1,975,000.00	100,000.00
06/23/2011	47	Iron Tank Resources Corp. - Common Shares	500,000.00	10,000,000.00
06/29/2011	6	Jet Gold Corp. - Units	232,930.00	1,225,946.00
06/23/2011	2	JPMorgan Chase & Co. - Certificates	1,000,000.00	1,000.00
06/21/2011	1	JPMorgan Chase & Co. - Certificates	500,000.00	50.00
06/29/2011	1	KiOR, Inc. - Common Shares	2,205,000.00	150,000.00
06/29/2011	296	Laricina Energy Ltd. - Common Shares	378,678,910.00	8,910,092.00
06/20/2011	1	Mall 58 Limited Partnership - Units	100,000.00	4.00
06/20/2011 to 06/24/2011	10	Member-Partners Solar Energy Limited Partnership - Units	243,500.00	243,500.00
05/27/2011	12	MicroPlanet Technology Corp. - Units	900,000.00	9,000,000.00
06/23/2011	71	Netco Energy Inc. - Units	780,000.00	6,240,000.00
06/16/2011	8	Nevada Geothermal Power Inc. - Common Shares	1,518,517.00	6,074,069.00
05/17/2011	17	P3 Athletics Inc. - Common Shares	380,500.00	380,500.00
06/14/2011	3	Pandora Media, Inc. - Common Shares	1,704,736.00	110,000.00
06/24/2011	4	PRADA S.p.A. - Common Shares	45,750,000.00	9,150,000.00
06/28/2011	2	Prologies Inc. - Common Shares	13,324,641.75	30,000,000.00
06/17/2011	47	Quadra FNX Mining Ltd. - Notes	520,486,200.00	N/A
06/22/2011	8	Raven Hill Partners TGL Holding Inc. - Preferred Shares	270,000.00	600,000.00
06/22/2011	9	Real Time Radiology Inc. - Common Shares	1,265,005.40	N/A

Notice of Exempt Financings

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price (\$)	No. of Securities Distributed
06/23/2011	5	Realstar Apartment Partnership - Limited Partnership Units	180,000,000.00	1,800,000.00
06/13/2011 to 06/15/2011	7	Redux Duncan City Centre Limited Partnership - Notes	265,000.00	N/A
06/20/2011 to 06/24/2011	8	Redux Duncan City Centre Limited Partnership - Notes	499,000.00	499,000.00
05/31/2011	27	Rencore Resources Ltd. - Units	1,850,000.15	7,551,021.00
06/13/2011 to 06/17/2011	3	Residences At Quadra Village Limited Partnership - Units	80,000.00	80,000.00
06/21/2011 to 06/24/2011	6	Residences At Quadra Village Limited Partnership - Units	327,500.00	327,500.00
06/16/2011	130	Rogue Resources Inc. - Flow-Through Units	4,599,999.62	N/A
06/16/2011	14	Samsonite International S.A. - Common Shares	576,267.00	314,900.00
06/20/2011	37	Sierra Iron Ore Corporation - Units	2,830,864.80	3,538,581.00
06/23/2011	5	Sirios Resources Inc. - Units	321,600.00	3,573,333.00
06/23/2011	70	Sirios Resources Inc. - Units	1,512,000.00	15,120,000.00
06/02/2011	25	Skyline Apartment Real Estate Investment Trust - Trust Units	3,788,026.00	344,366.00
06/13/2011	68	Stakeholder Gold Corp. - Receipts	824,999.85	54,999,999.00
06/21/2011	17	Sydney Airport Finance Company Pty Limited - Notes	224,991,000.00	2,249,910.00
06/07/2010	4	TerraX Minerals Inc. - Common Shares	8,750.00	70,000.00
06/23/2011	22	TriWest Capital Partners IV, L.P. - Limited Partnership Interest	246,300,000.00	N/A
06/07/2011	5	UBS AG, Jersey Branch - Notes	900,000.00	900.00
06/24/2011	1	UBS AG, Jersey Branch - Notes	128,397.35	100.00
06/22/2011	1	Unique Solutions Design Ltd. - Note	10,000,000.00	1.00
06/22/2011	1	Vanguard Health Systems, Inc. - Common Shares	1,313,010.00	75,000.00
06/09/2011	20	VentriPoint Diagnostics Ltd. - Units	1,131,511.12	6,655,947.00
06/17/2011	30	Walton MD Gardner Heights LP - Limited Partnership Units	1,078,850.69	110,143.00
06/24/2011	15	Walton MD Gardner Heights LP - Units	469,922.88	48,217.00
06/17/2011	21	Walton MD Potomac Crossing Investment Corporation - Common Shares	713,040.00	41,304.00
06/24/2011	14	Walton MD Potomac Crossing Investment Corporation - Common Shares	216,250.00	21,625.00
06/17/2011	3	Walton MD Potomac Crossing LP - Units	471,805.56	41,304.00

Notice of Exempt Financings

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price (\$)	No. of Securities Distributed
06/17/2011	18	Walton Silver Crossing Investment Corporation - Units	469,800.00	46,980.00
06/17/2011	3	Walton Silver Crossing LP - Units	543,260.09	55,463.00
06/15/2011	88	Zaio Corporation - Debentures	5,036,000.00	5,036.00

Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:

Aston Hill Financial Inc.
Principal Regulator - Alberta

Type and Date:

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

Offering Price and Description:

\$35,000,000.00 - 6.00% Extendible Convertible Unsecured
Subordinated Debentures Price: \$1,000.00 per Debenture

Underwriter(s) or Distributor(s):

CIBC WORLD MARKETS INC.
RBC DOMINION SECURITIES INC.
SCOTIA CAPITAL INC.
BMO NESBITT BURNS INC.
CANACCORD GENUITY CORP.
GMP SECURITIES L.P.
TD SECURITIES INC.
CORMARK SECURITIES INC.
FIRSTENERGY CAPITAL CORP.
STONECAP SECURITIES INC.

Promoter(s):

-

Project #1772127

Issuer Name:

CT Developers Ltd.
Principal Regulator - Ontario

Type and Date:

Preliminary CPC Prospectus dated July 8, 2011
NP 11-202 Receipt dated July 11, 2011

Offering Price and Description:

Maximum of \$600,000.00 or 3,000,000 Common Shares;
Minimum of \$300,000.00 or 1,500,000 Common Shares
PRICE: \$0.20 per Common Share

Underwriter(s) or Distributor(s):

MACQUARIE PRIVATE WEALTH INC.

Promoter(s):

Norm Eyolfson

Project #1771720

Issuer Name:

EcoSynthetix Inc.
Principal Regulator - Ontario

Type and Date:

Amended and Restated Preliminary Long Form Prospectus
dated July 5, 2011

NP 11-202 Receipt dated July 6, 2011

Offering Price and Description:

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

Underwriter(s) or Distributor(s):

UBS Securities Canada Inc.
Canaccord Genuity Corp.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
GMP Securities L.P.

Promoter(s):

-

Project #1767131

Issuer Name:

GE Capital Canada Funding Company
Principal Regulator - Ontario

Type and Date:

Preliminary Base Shelf Prospectus dated July 8, 2011
NP 11-202 Receipt dated July 8, 2011

Offering Price and Description:

Cdn. \$4,000,000,000.00 - Medium Term Notes (unsecured)
Unconditionally guaranteed as to principal, premium (if
any), interest and certain other amounts by GENERAL
ELECTRIC CAPITAL CORPORATION

Underwriter(s) or Distributor(s):

RBC DOMINION SECURITIES INC.
TD SECURITIES INC.
BMO NESBITT BURNS INC.
CIBC WORLD MARKETS INC.
SCOTIA CAPITAL INC.

Promoter(s):

-

Project #1771624

Issuer Name:

Gran Colombia Gold Corp.
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated July 7, 2011
NP 11-202 Receipt dated July 8, 2011

Offering Price and Description:

Up to US\$75,000,000.00 - Silver-Linked Notes due August
* 2018 Price: US\$1,000 per Note

Underwriter(s) or Distributor(s):

GMP SECURITIES L.P.
RBC DOMINION SECURITIES INC.
FRASER MACKENZIE LIMITED
RAYMOND JAMES LTD.
TD SECURITIES INC.

Promoter(s):

-

Project #1771501

Issuer Name:

Madison Capital Corporation
Principal Regulator - Alberta

Type and Date:

Preliminary CPC Prospectus dated June 30, 2011
NP 11-202 Receipt dated July 6, 2011

Offering Price and Description:

Minimum Offering: \$500,000.00 (5,000,000 Common
Shares) ; Maximum Offering: \$600,000.00 (6,000,000
Common shares) Price: \$0.10 per common share

Underwriter(s) or Distributor(s):

Mackie Research Capital Corporation

Promoter(s):

Theodore (Ted) J.A. Rousseau

Project #1770817

Issuer Name:

Manulife Asia Equity Class
Manulife Asia Total Return Bond Fund
Manulife Diversified Strategies Fund
Manulife Global Focused Balanced Fund
Manulife Global Small Cap Balanced Fund
Manulife High Yield Bond Fund
Manulife International Value Equity Class
Manulife International Value Equity Fund
Manulife Leveraged Company Class
Manulife U.S. All Cap Equity Class
Manulife U.S. All Cap Equity Fund
Manulife U.S. Large Cap Equity Class
Manulife U.S. Large Cap Equity Fund
Manulife Value Balanced Class
Manulife Value Balanced Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectuses dated July 8, 2011
NP 11-202 Receipt dated July 11, 2011

Offering Price and Description:

Advisor Series, Series F, I, IT, and T6 Securities

Underwriter(s) or Distributor(s):

Manulife Asset Management Limited
Elliott & Page Limited

Promoter(s):

Manulife Asset Management Limited

Project #1771558

Issuer Name:

O'Leary Bond Portfolio Trust
O'Leary Advantaged Tactical Global Corporate Bond Fund
Principal Regulator - Quebec

Type and Date:

Preliminary Simplified Prospectuses dated July 8, 2011
NP 11-202 Receipt dated July 11, 2011

Offering Price and Description:

Series A, F, H, I, M and X Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

O'Leary Funds Management LP

Project #1771809

Issuer Name:

Rae-Wallace Mining Company
Principal Regulator - Ontario

Type and Date:

Preliminary Long Form Prospectus dated July 8, 2011
NP 11-202 Receipt dated July 11, 2011

Offering Price and Description:

\$2,500,000.00 to \$4,000,000.00 - 8,333,333 to 13,333,333
Units Price: \$0.30 per Unit

Underwriter(s) or Distributor(s):

Raymond James Ltd.

Promoter(s):

-

Project #1771778

Issuer Name:

RBC Target 2013 Corporate Bond ETF
RBC Target 2014 Corporate Bond ETF
RBC Target 2015 Corporate Bond ETF
RBC Target 2016 Corporate Bond ETF
RBC Target 2017 Corporate Bond ETF
RBC Target 2018 Corporate Bond ETF
RBC Target 2019 Corporate Bond ETF
RBC Target 2020 Corporate Bond ETF
Principal Regulator - Ontario

Type and Date:

Preliminary Long Form Prospectus dated July 4, 2011
NP 11-202 Receipt dated July 6, 2011

Offering Price and Description:

Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

RBC Global Asset Management Inc.

Project #1770446

Issuer Name:

Red Ore Gold Inc.
Principal Regulator - British Columbia

Type and Date:

Preliminary Long Form Prospectus dated July 8, 2011
NP 11-202 Receipt dated July 11, 2011

Offering Price and Description:

UP TO: 10,000,000 UNITS PRICE: \$0.30 PER UNIT EACH
UNIT CONSISTING OF ONE COMMON SHARE AND
ONE COMMON SHARE PURCHASE WARRANT

Underwriter(s) or Distributor(s):

PI FINANCIAL CORP.

Promoter(s):

Robin Dow
G. Michael Newman

Project #1771580

Issuer Name:

Rokmaster Resources Corp.
Principal Regulator - British Columbia

Type and Date:

Preliminary Long Form Prospectus dated July 8, 2011
NP 11-202 Receipt dated July 12, 2011

Offering Price and Description:

\$2,000,000.00 - 10,000,000 Common Shares Price: \$0.20
per Common Share

Underwriter(s) or Distributor(s):

Jordan Capital Markets Inc.

Promoter(s):

John Mirko

Project #1772232

Issuer Name:

SQI Diagnostics Inc.

Type and Date:

Preliminary Short Form Prospectus dated July 5, 2011
Received on July 6, 2011

Offering Price and Description:

US\$30,000,000.00 - * common shares PRICE: US\$ * per
Common Share

Underwriter(s) or Distributor(s):

Kingsdale Capital Management Markets Inc.

Promoter(s):

-

Project #1770738

Issuer Name:

Sunshine Silver Mines Corporation
Principal Regulator - Ontario

Type and Date:

Preliminary Long Form Prospectus dated July 8, 2011
NP 11-202 Receipt dated July 11, 2011

Offering Price and Description:

US\$* - * Common Stock Price: US\$ * per Share of
Common Stock

Underwriter(s) or Distributor(s):

UBS SECURITIES CANADA INC.
MORGAN STANLEY CANADA LIMITED
RBC DOMINION SECURITIES INC.

Promoter(s):

THE ELECTRUM GROUP LLC

Project #1771826

Issuer Name:

Union Agriculture Group Corp
Principal Regulator - Ontario

Type and Date:

Preliminary Long Form PREP Prospectus dated July 5,
2011

NP 11-202 Receipt dated July 6, 2011

Offering Price and Description:

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

Underwriter(s) or Distributor(s):

CREDIT SUISSE SECURITIES (CANADA), INC.
J.P. MORGAN SECURITIES CANADA INC.
WELLINGTON WEST CAPITAL MARKETS INC.

Promoter(s):

-

Project #1770541

Issuer Name:

Union Agriculture Group Corp
Principal Regulator - Ontario

Type and Date:

Amended and Restated Preliminary Long Form PREP
Prospectus dated July 11, 2011
NP 11-202 Receipt dated July 11, 2011

Offering Price and Description:

US\$ - 14,285,715 Common Shares PRICE US\$ □ PER
COMMON SHARE

Underwriter(s) or Distributor(s):

CREDIT SUISSE SECURITIES (CANADA), INC.
J.P. MORGAN SECURITIES CANADA INC.
WELLINGTON WEST CAPITAL MARKETS INC.

Promoter(s):

-

Project #1770541

Issuer Name:

Unite Capital Corp.
Principal Regulator - Ontario

Type and Date:

Preliminary CPC Prospectus dated July 7, 2011
NP 11-202 Receipt dated July 7, 2011

Offering Price and Description:

Minimum Offering: \$300,000.00 or 3,000,000 Common
Shares Maximum Offering: \$800,000.00 or 8,000,000
Common Shares Price: \$0.10 per Common Share

Underwriter(s) or Distributor(s):

Canaccord Genuity Corp

Promoter(s):

-

Project #1771326

Issuer Name:

YM BioSciences Inc.

Type and Date:

Preliminary Base Shelf Prospectus dated July 6, 2011
Receipted on July 6, 2011

Offering Price and Description:

US\$125,000,000.00:

Common Shares

Warrants

Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #1770819

Issuer Name:

Canadian Equity Fund
(Class D Units, Class E Units, Class F Units, Class I Units,
Class O Units, Class P Units and Class R
Units)

Canadian Small Company Equity Fund
(Class D Units, Class E Units, Class F Units, Class I Units,
Class O Units, Class P Units and Class R
Units)

U.S. Large Company Equity Fund
(Class F Units, Class I Units, Class O Units, Class P Units,
Class R Units, Class D Units, Class D(H)
Units, Class E Units, Class E(H) Units, Class F(H) Units,
Class I(H) Units, Class O(H) Units, Class P(H)
Units and Class R(H))

U.S. Small Company Equity Fund
(Class F Units, Class I Units, Class O Units, Class P Units,
Class R Units, Class D Units, Class D(H)
Units, Class E Units, Class E(H) Units, Class F(H) Units,
Class I(H) Units, Class O(H) Units, Class P(H)
Units and Class R(H))

EAFE Equity Fund
(Class D Units, Class E Units, Class F Units, Class I Units,
Class O Units, Class P Units and Class R
Units)

Emerging Markets Equity Fund
(Class D Units, Class E Units, Class F Units, Class I Units,
Class O Units, Class P Units and Class R
Units)

Canadian Fixed Income Fund
(Class D Units, Class E Units, Class F Units, Class I Units,
Class O Units, Class P Units and Class R
Units)

Long Duration Bond Fund
(Class D Units, Class E Units, Class F Units, Class I Units,
Class O Units, Class P Units and Class R
Units)

Real Return Bond Fund
(Class D Units, Class E Units, Class F Units, Class I Units,
Class O Units, Class P Units and Class R
Units)

Short Term Bond Fund
(Class D Units, Class E Units, Class F Units, Class I Units,
Class O Units, Class P Units and Class R
Units)

Money Market Fund
(Class F Units, Class I Units, Class O Units, Class P Units,
Class R Units)

U.S. Large Cap Synthetic Fund
(Class D Units, Class E Units, Class F Units, Class I Units,
Class O Units, Class P Units and Class R
Units)

U.S. MidCap Synthetic Fund
(Class F Units, Class I Units, Class O Units, Class P Units,
Class R Units)

U.S. High Yield Bond Fund
(Class F Units, Class I Units, Class O Units, Class P Units,
Class R Units, Class D Units, Class D(H)
Units, Class E Units, Class E(H) Units, Class F(H) Units,
Class I(H) Units, Class O(H) Units, Class P(H)
Units and Class R(H))

Income 100 Fund

(Class F Units, Class I Units, Class O Units, Class P Units,
Class R Units and Class S Units)
Income 20/80 Fund

(Class F Units, Class I Units, Class O Units, Class P Units,
Class R Units and Class S Units)
Income 30/70 Fund

(Class F Units, Class I Units, Class O Units, Class P Units,
Class R Units and Class S Units)
Income 40/60 Fund

(Class F Units, Class I Units, Class O Units, Class P Units,
Class R Units and Class S Units)
Balanced 50/50 Fund

(Class F Units, Class I Units, Class O Units, Class P Units,
Class R Units and Class S Units)
Balanced 60/40 Fund

(Class F Units, Class I Units, Class O Units, Class P Units,
Class R Units and Class S Units)
2015 Target Date Fund (Class R Units)

2020 Target Date Fund (Class R Units)

2025 Target Date Fund (Class R Units)

2030 Target Date Fund (Class R Units)

2040 Target Date Fund (Class R Units)

Growth 70/30 Fund

(Class F Units, Class I Units, Class O Units, Class P Units,
Class R Units and Class S Units)
Growth 80/20 Fund

(Class F Units, Class I Units, Class O Units, Class P Units,
Class R Units and Class S Units)
Growth 100 Fund

(Class F Units, Class I Units, Class O Units, Class P Units,
Class R Units and Class S Units)
Global Growth 100 Fund

(Class F Units, Class I Units, Class O Units, Class P Units,
Class R Units and Class S Units)
Conservative Monthly Income Fund

(Class F Units, Class I Units, Class O Units, Class P Units,
Class R Units and Class S Units)
Balanced Monthly Income Fund

(Class F Units, Class I Units, Class O Units, Class P Units,
Class R Units and Class S Units)
Canadian Focused Balanced Fund

(Class F Units, Class I Units, Class O Units, Class P Units,
Class R Units and Class S Units)
Canadian Focused Growth Fund

(Class F Units, Class I Units, Class O Units, Class P Units,
Class R Units and Class S Units)
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectuses dated June 30, 2011

NP 11-202 Receipt dated July 6, 2011

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

SEI Investments Canada Company

Project #1750078

Issuer Name:

Alberta Oilsands Inc.

Principal Regulator - Alberta

Type and Date:

Amendment dated July 7, 2011 to the Short Form

Prospectus dated June 30, 2011

NP 11-202 Receipt dated July 11, 2011

Offering Price and Description:

\$4,999,980.00 - 16,666,600 Common Shares Price: \$0.30
per Common Share

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #1761294

Issuer Name:

Class A, T6, T8, Select, Select-T6, Select-T8, Elite, Elite-
T6, Elite-T8, F, and O units of

Axiom Diversified Monthly Income Portfolio

Class A, T4, T6, T8, Select, Select-T4, Select-T6, Select-
T8, Elite, Elite-T4, Elite-T6, Elite-T8, F, and
O units of:

Axiom Balanced Income Portfolio

Axiom Balanced Growth Portfolio

Axiom Long-Term Growth Portfolio

Axiom Canadian Growth Portfolio

Axiom Global Growth Portfolio

Axiom Foreign Growth Portfolio

Axiom All Equity Portfolio

Principal Regulator - Ontario

Type and Date:

Amendment #1 dated June 29, 2011 to the Simplified
Prospectuses and Annual Information Form dated October
14, 2010

NP 11-202 Receipt dated July 6, 2011

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

CIBC Asset Management Inc.

Promoter(s):

CIBC Asset Management Inc.

Project #1611709

Issuer Name:

Class B Units, Class D Units, Class F Units and Class I Units (unless otherwise noted) of:
 Beutel Goodman Balanced Fund
 Beutel Goodman Canadian Equity Fund
 Beutel Goodman Canadian Equity Plus Fund
 Beutel Goodman Canadian Intrinsic Fund
 Beutel Goodman Small Cap Fund
 Beutel Goodman Canadian Dividend Fund
 Beutel Goodman Global Dividend Fund (Class B Units, Class F Units and Class I Units only)
 Beutel Goodman World Focus Equity Fund
 Beutel Goodman Global Equity Fund
 Beutel Goodman International Equity Fund
 Beutel Goodman American Equity Fund
 Beutel Goodman Income Fund
 Beutel Goodman Long Term Bond Fund
 Beutel Goodman Corporate/Provincial Active Bond Fund
 Beutel Goodman Short Term Bond Fund (Class B Units, Class F Units and Class I Units only)
 Beutel Goodman Money Market Fund (Class D Units, Class F Units and Class I Units only)
 Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectuses dated July 6, 2011
 NP 11-202 Receipt dated July 11, 2011

Offering Price and Description:

Class B Units, Class D Units, Class F Units and Class I Units @ Net Asset Value

Underwriter(s) or Distributor(s):

Beutel Goodman Managed Funds Inc.

Promoter(s):

Beutel Goodman Managed Funds Inc.

Project #1754350

Issuer Name:

Criterion Diversified Commodities Currency Hedged Fund
 Principal Regulator - Ontario

Type and Date:

Final Long Form Prospectus dated July 11, 2011
 NP 11-202 Receipt dated July 12, 2011

Offering Price and Description:

Class A Units, Class B Units, Class D Units and Class F Units @ Net Asset Value

Underwriter(s) or Distributor(s):

-

Promoter(s):

CRITERION INVESTMENTS INC.

Project #1756693

Issuer Name:

CuOro Resources Corp.
 Principal Regulator - British Columbia

Type and Date:

Final Short Form Prospectus dated June 30, 2011
 NP 11-202 Receipt dated July 6, 2011

Offering Price and Description:

\$13,380,000.00 - 6,690,000 Common Shares and 3,345,000 Common Share Purchase Warrants Issuable on Exercise of 6,690,000 Outstanding Special Warrants

Underwriter(s) or Distributor(s):

Canaccord Genuity Corp.

Scotia Capital Inc.

Promoter(s):

ROBERT SEDGEMORE

Project #1757881

Issuer Name:

DiaMedica Inc.
 Principal Regulator - Manitoba

Type and Date:

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

Offering Price and Description:

\$3,375,000.00 - 2,700,000 Units Price: \$1.25 per Unit

Underwriter(s) or Distributor(s):

Sora Group Wealth Advisors Inc.

Promoter(s):

-

Project #1763070

Issuer Name:

Educators Balanced Fund
 Educators Bond Fund
 Educators Diversified Fund
 Educators Dividend Fund
 Educators Growth Fund
 Educators Money Market Fund
 Educators Monthly Income Fund
 Educators Mortgage & Income Fund
 Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectuses dated July 6, 2011
 NP 11-202 Receipt dated July 11, 2011

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

Educators Financial Group Inc.

Promoter(s):

-

Project #1753060

Issuer Name:

Front Street Resource Fund
Front Street Canadian Equity Fund
Front Street Diversified Income Fund
Front Street Small Cap Fund
Front Street Special Opportunities Canadian Fund
Front Street Global Opportunities Fund
Front Street Growth and Income Fund
Front Street Money Market Fund
Front Street Value Fund
(Series A, B, F and X Shares)
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectuses dated June 30, 2011
NP 11-202 Receipt dated July 6, 2011

Offering Price and Description:

Series A, B, F and X Shares

Underwriter(s) or Distributor(s):

-

Promoter(s):

Front Street Capital 2004

Project #1717421, 1750605

Issuer Name:

Front Street Growth Fund
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectus dated June 28, 2011
NP 11-202 Receipt dated July 6, 2011

Offering Price and Description:

Series A, B and F units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #1748564

Issuer Name:

Embedded Series, Series F, Series T, Series V and Wrap Series Securities of:

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

Type and Date:

Final Simplified Prospectuses dated July 6, 2011
NP 11-202 Receipt dated July 8, 2011

Offering Price and Description:

EMBEDDED SERIES, SERIES F, SERIES T, SERIES V AND WRAP SERIES SECURITIES

Underwriter(s) or Distributor(s):

AGF Funds Inc.

Promoter(s):

-

Project #1757771

Issuer Name:

Invesco Intactive Maximum Growth Portfolio Class
Principal Regulator - Ontario

Type and Date:

Amendment #2 dated July 4, 2011 to the Simplified Prospectus and Information Form dated April 19, 2011
NP 11-202 Receipt dated July 7, 2011

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

Invesco Trimark Ltd.

Project #1710650

Issuer Name:

Matrix Canadian Bond Fund
Matrix Monthly Pay Fund
Matrix International Income Balanced Fund
Matrix International Balanced Fund
Matrix Sierra Equity Fund
Matrix Small Companies Fund
Matrix Canadian Resource Fund (formerly Matrix Explorer Fund)
Matrix Asia Pacific Fund
Matrix Strategic Yield Fund
(formerly Matrix Conservative Dividend & Income Fund)
Matrix Tax Deferred Income Fund
(Class A, F, I and O Units)
Matrix Money Market Fund
(Class A)
Matrix U.S. Equity Fund (Corporate Class)
Matrix Canadian Resource Fund (Corporate Class)
(formerly Matrix Explorer Fund – Corporate Class)
(Series A, F, I and O Shares)
Matrix Monthly Pay Fund (Corporate Class)
Matrix Canadian Balanced Fund (Corporate Class)
(formerly Matrix Diversified Income Fund – Corporate Class)
(Series A, T, F, I and O Shares)
Matrix Short Term Income Fund (Corporate Class)
(Series A Shares)
Principal Regulator - British Columbia

Type and Date:

Final Simplified Prospectuses dated June 30, 2011
NP 11-202 Receipt dated July 7, 2011

Offering Price and Description:

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

Underwriter(s) or Distributor(s):

-

Promoter(s):

Matrix Funds Management

Project #1754429

Issuer Name:

New Flyer Industries Inc.
Principal Regulator - Ontario

Type and Date:

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

Offering Price and Description:

49,475,279 RIGHTS TO SUBSCRIBE FOR UP TO 445,277,511 COMMON SHARES OF NEWFLYER INDUSTRIES INC.
SUBSCRIPTION PRICE: C\$5.53 PRINCIPAL AMOUNT OF 14% SUBORDINATED NOTES OF NEWFLYER INDUSTRIES CANADA ULC
THE SUBSCRIPTION PRICE CANNOT BE PAID IN CASH
EACH RIGHT ENTITLES THE HOLDER TO ACQUIRE NINE (9) COMMON SHARES UPON PAYMENT OF THE SUBSCRIPTION PRICE

Underwriter(s) or Distributor(s):

BMO Nesbitt Burns Inc.

Promoter(s):

-

Project #1765049

Issuer Name:

ROI Canadian Retirement Fund (Series A, F, F-5, F-7, O, R, 5 and 7 Units)
ROI Global Retirement Fund (Series A, F, F-5, F-7, F-9, O, R, 5, 7 and 9 Units)
ROI Canadian Top 30 Small Cap Picks Fund (Series A, C-7, F, F-7, F-9, O, R, 7 and 9 Units)
ROI Global Supercycle Fund (Series A, F, F-7, F-9, O, R, 7 and 9 Units)
ROI Canadian Top 20 Picks Fund (Series A, F, O and R Units)
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectuses dated June 30, 2011
NP 11-202 Receipt dated July 7, 2011

Offering Price and Description:

Series A, C-7, F, F-5, F-7, F-9, O, R, 5, 7 and 9 Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #1755404

Issuer Name:

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

Russell Overseas Equity Class (Series B, E and F Shares)
 Russell Global Equity Class (Series B, E and F Shares)
 Russell Emerging Markets Equity Class (Series B, E and F Shares)
 Russell Money Market Class (Series B, E and F Shares)
 Russell Retirement Essentials Class Portfolio (Series B, E, E-5, E-6, E-7, F, F-5, F-6, F-7, I-5, I-6 and I-7 Shares)
 Russell Diversified Monthly Income Class Portfolio (Series B, E, E-5, E-7, F, F-5, F-7, I-5 and I-7 Shares)
 Russell Enhanced Canadian Growth & Income Class Portfolio (Series B, E, E-5, E-6, E-7, F, F-5, F-6, F-7, I-5, I-6 and I-7 Shares)
 Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectuses dated June 29, 2011
 NP 11-202 Receipt dated July 8, 2011

Offering Price and Description:

A, B, E, F, B, E, E-5, E-6, E-7, F, F-5, F-6, F-7, I-5, I-6, I-7, O

Underwriter(s) or Distributor(s):

Russell Investments Canada Limited

Promoter(s):

-

Project #1751755

Issuer Name:

Scotia Income Advantage Fund
 Scotia U.S. \$ Balanced Fund
 Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectuses dated July 8, 2011
 NP 11-202 Receipt dated July 11, 2011

Offering Price and Description:

Series A Units

Underwriter(s) or Distributor(s):

Scotia Securities Inc.

Promoter(s):

Scotia Asset Management L.P.

Project #1757643

Issuer Name:

Social Housing Canadian Bond Fund
 Social Housing Canadian Equity Fund
 Social Housing Canadian Short-Term Bond Fund

Type and Date:

Final Simplified Prospectuses dated July 5, 2011
 Receipted on July 7, 2011

Offering Price and Description:

Series A Units

Underwriter(s) or Distributor(s):

Philips, Hager & North Investment Funds Ltd.

Promoter(s):

-

Project #1747358

Issuer Name:

Transition Metals Corp.
Principal Regulator - Ontario

Type and Date:

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

Offering Price and Description:

\$2,000,000.00 of Units and Flow-Through Shares
(Minimum Offering); \$3,000,000.00 of Units and Flow-Through Shares (Maximum Offering): \$0.35 per Unit and \$0.40 per Flow-Through Share

Underwriter(s) or Distributor(s):

Haywood Securities Inc.

Promoter(s):

Scott McLean
Kevin Stevens
Greg Collins
HTX Minerals Corp.
Project #1725735

Issuer Name:

Yorkville Enhanced Protection Class
Yorkville Global Opportunities Class
Yorkville Optimal Return Bond Class
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectuses dated July 7, 2011
NP 11-202 Receipt dated July 8, 2011

Offering Price and Description:

Series A, F and O Shares

Underwriter(s) or Distributor(s):

-

Promoter(s):

YORKVILLE ASSET MANAGEMENT INC.
Project #1730240

Issuer Name:

XDM Resources Inc.
Principal Jurisdiction - Ontario

Type and Date:

Preliminary Long Form Prospectus dated March 31, 2011
Withdrawn on July 8, 2011

Offering Price and Description:

\$* - Minimum * Common Share; \$* - Maximum *
Common Share - Price: \$* Common Share

Underwriter(s) or Distributor(s):

GMP Securities L.P.
Macquarie Capital Markets Canada Ltd.
Fraser Mackenzie Limited
Raymond James Ltd.
Toll Cross Securities Inc.

Promoter(s):

Mark Haywood
Project #1724365

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Consent to Suspension (Pending Surrender)	Hill Harris Hunt Capital Limited	Exempt Market Dealer	July 6, 2011
Change in Registration Category	Baker Gilmore & Associates Inc.	From: Portfolio Manager Investment Fund Manager To: Portfolio Manager Investment Fund Manager Commodity Trading Manager	July 7, 2011
New Registration	AQR Capital Management, LLC	Exempt Market Dealer	July 7, 2011
Change in Registration Category	Excalibur Capital Management Inc.	From: Portfolio Manager To: Portfolio Manager and Investment Fund Manager	July 7, 2011
New Registration	YTM Capital Asset Management Ltd.	Exempt Market Dealer Portfolio Manager Investment Fund Manager	July 11, 2011
Change in Registration Category	GIC Financial Services Inc.	From: Mutual Fund Dealer and Exempt Market Dealer To: Mutual Fund Dealer	July 11, 2011
Change in Registration Category	Addenda Capital Inc.	From: Investment Fund Manager, Portfolio Manager, Commodity Trading Manager and Exempt Market Dealer To: Investment Fund Manager, Portfolio Manager, Commodity Trading Manager	July 12, 2011

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Chapter 13

SROs, Marketplaces and Clearing Agencies

13.1 SROs

13.1.1 Notice of Commission Approval – Amendments to IIROC By-Law No. 1 Regarding Director Election and Term

INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA (IIROC)

AMENDMENTS TO IIROC BY-LAW NO. 1 REGARDING DIRECTOR ELECTION AND TERM

NOTICE OF COMMISSION APPROVAL

The Ontario Securities Commission approved the amendments to IIROC's By-law No. 1 regarding election and terms for Directors. In addition, the British Columbia Securities Commission did not object to, and the Alberta Securities Commission, the Autorité des marchés financiers, the New Brunswick Securities Commission, the Nova Scotia Securities Commission, the Financial Services Regulation Division of the Department of Government Services for Newfoundland and Labrador, the Ontario Securities Commission, and the Saskatchewan Financial Services Commission have approved the above-noted amendments.

The objective of the amendments are to permit IIROC's Board of Directors (the Board) to appoint a Director for a term less than the current term of two years, and to authorize IIROC's Board to nominate for election by the members a Director with a term that may expire before the second annual meeting of members following this election.

The proposed amendments were published for comment on February 4, 2011, at (2011) 34 OSCB 1434. No comments were received.

13.2 Marketplaces

13.2.1 SIGMA X Canada – Notice of Completion of Staff Review – Sigma X Canada Initial Operations Report

SIGMA X CANADA NOTICE OF COMPLETION OF STAFF REVIEW

SIGMA X CANADA INITIAL OPERATIONS REPORT

On March 18, 2011 Goldman Sachs Canada Inc. (GSCI) announced its plans to begin operating SIGMA X Canada as an Alternative Trading System (ATS). An Initial Operations Report was published for comment in accordance with OSC Staff Notice 21-703 – *Transparency of the Operations of Stock Exchanges and Alternative Trading Systems*. One comment letter was received from CNSX Markets Inc. A summary of that comment letter and a response prepared by GSCI is included at Appendix A to this notice.

OSC staff have completed their review of the Initial Operations Report and have no further comments. GSCI will publish a notice indicating the intended launch date of SIGMA X Canada.

APPENDIX A

SIGMA X CANADA

SUMMARY OF COMMENTS AND RESPONSES

INITIAL OPERATIONS REPORT

Summary of Comments Regarding Proposed ATS

The CNSX letter expresses the general view of CNSX that certain aspects of some marketplaces' operations, both current and proposed, are not consistent with the views espoused by the CSA in Joint CSA/IIROC Position Paper 23-405 – Dark Liquidity in the Canadian Market (the Position Paper), on which the CNSX has previously provided comments. The CNSX believes it is imperative to establish changes to the current regulatory framework prior to accepting or denying proposals for the operation of new marketplaces, unless the proposed marketplace operation is designed to be fully consistent with the views expressed in the Position Paper.

Minimum Price Increments

The CNSX letter states that orders in SIGMA X Canada can match at prices that are not consistent with the minimum price increments required for orders entered into marketplaces. GSCI notes that all subscribers to SIGMA X Canada must submit orders at prices that comply with applicable minimum increment requirements imposed by IIROC or any other regulatory authority, including the requirements of UMIR. In order for the ATS to be able to provide price improvement (e.g., 10% of the NBBO spread for liquidity taking orders and 90% of the NBBO spread for liquidity providing orders), orders can match at sub-penny increments. This complies with Canadian minimum price increment requirements, as well as current price improvement obligations imposed on SIGMA X Canada.

Minimum Order Size

The CNSX letter refers to the recent proposed amendments to National Instrument 21-101 – Marketplace Operation (NI 21-101) and, in particular, the proposed requirement that orders meet a minimum size established by a regulation services provider in order to be exempt from the transparency requirements in NI 21-101. GSCI has not specified a minimum order size since none has been established by the CSA or any regulation services provider. SIGMA X Canada will comply with applicable regulatory requirements, including with respect to minimum order size, if any.

Chapter 25

Other Information

25.1 Approvals

25.1.1 BMO Asset Management Inc./BMO Gestion d'actifs Inc. – s. 213(3)(b) of the LTCA

Headnote

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

Statutes Cited

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

July 8, 2011

Borden Ladner Gervais LLP
Scotia Plaza
40 King Street West
Toronto, Ontario
M5H 3Y4

Attention: Kathryn M. Fuller, Matthew P. Williams

Dear Sirs/Mesdames:

**Re: BMO Asset Management Inc./BMO Gestion d'actifs Inc. (the "Applicant")
Application under clause 213(3)(b) of the Loan and Trust Corporations Act (Ontario) for approval to act as trustee**

Application No. 2011/0412

Further to your application dated May 26, 2011 (the "**Application**") filed on behalf of the Applicant, and based on the facts set out in the Application and the representation by the Applicant that the assets of the mutual fund trusts listed on Schedule "A" (the "**BMO AM Pooled Funds**") and any other future mutual fund trusts that the Applicant may manage from time to time, will be held in the custody of a trust company incorporated and licensed or registered under the laws of Canada or a jurisdiction, or a bank listed in Schedule I, II or III of the *Bank Act* (Canada), or an affiliate of such bank or trust company, the Ontario Securities Commission (the "**Commission**") makes the following order:

Pursuant to the authority conferred on the Commission in clause 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario), the Commission approves the proposal that the Applicant act as trustee of the BMO AM Pooled Funds and of any other future mutual fund trusts which may be

managed by the Applicant from time to time, the securities of which will be offered pursuant to exemptions from the prospectus requirement.

Yours truly,

"Wes M. Scott"
Commissioner

"Vern Krishna"
Commissioner

Schedule "A"
BMO AM Pooled Funds

BMO Asset Management Money Market Fund
BMO Asset Management Bond Fund
BMO Asset Management Canadian Equity Fund
BMO Asset Management Foreign Equity Fund
BMO Asset Management Balanced Fund
BMO Asset Management Small Cap Fund
BMO Asset Management Short Term Fund
BMO Asset Management Canadian Core Alpha Fund
BMO Asset Management Canadian Pure Alpha Fund
BMO Asset Management Canadian Long-bond Alpha Fund
BMO Asset Management Liability Sensitive Equity Fund

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Acuity All Cap 30 Canadian Equity Fund	Acuity Natural Resource Fund
Decision 7777	Decision..... 7777
Acuity Canadian Balanced Fund	Acuity Social Values Balanced Fund
Decision 7777	Decision..... 7777
Acuity Canadian Equity Fund	Acuity Social Values Canadian Equity Fund
Decision 7777	Decision..... 7777
Acuity Canadian Small Cap Fund	Acuity Social Values Global Equity Fund
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