

The Ontario Securities Commission

OSC Bulletin

August 19, 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

August 19, 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

August 22, 23
and 24, 2011

10:00 a.m.

September 21,
2011

1:00 p.m.

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

s. 127

H. Craig/C. Watson in attendance for Staff

Panel: VK/EPK

August 22,
2011

10:00 a.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

August 29,
2011

10:00 a.m.

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

s. 127

H. Craig in attendance for Staff

Panel: JEAT

September 1, 2011 **MBS Group (Canada) Ltd., Balbir Ahluwalia and Mohinder Ahluwalia**

11:00 a.m.

s. 37, 127 and 127.1

C. Rossi in attendance for staff

Panel: JEAT

September 2, 2011

10:00 a.m.

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

s. 127 and 127.1

D. Ferris in attendance for Staff

Panel: TBA

September 6-12,

September 14-26 and

September 28, 2011

10:00 a.m.

Anthony Ianno and Saverio Manzo

s. 127 and 127.1

A. Clark in attendance for Staff

Panel: EPK/PLK

September 8, 2011

10:00 a.m.

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

s. 127

J. Feasby in attendance for Staff

Panel: TBA

September 8, 2011

11:00 a.m.

Energy Syndications Inc., Green Syndications Inc., Syndications Canada Inc., Land Syndications Inc. and Douglas Chaddock

s. 127

C. Johnson in attendance for Staff

Panel: TBA

September 12, 2011

10:00 a.m.

September 13, 2011

2:00 p.m.

Carlton Ivanhoe Lewis, Mark Anthony Scott, Sedwick Hill, Leverage Pro Inc., Prosporex Investment Club Inc., Prosporex Investments Inc., Prosporex Ltd., Prosporex Inc., Prosporex Forex SPV Trust, Networth Financial Group Inc., and Networth Marketing Solutions

s. 127 and 127.1

H. Daley in attendance for Staff

Panel: JDC/MCH

September 14-23, September 28 – October 4, 2011

10:00 a.m.

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

s. 127 and 127.1

D. Ferris in attendance for Staff

Panel: VK/MCH

September 20-21, 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

September 22-23, 2011

10:00 a.m.

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

s. 127

T. Center in attendance for Staff

Panel: TBA

September 26, 2011
10:00 a.m.
Global Energy Group, Ltd., New Gold Limited Partnerships, Christina Harper, Howard Rash, Michael Schaumer, Elliot Feder, Vadim Tsatskin, Oded Pasternak, Alan Silverstein, Herbert Groberman, Allan Walker, Peter Robinson, Vyacheslav Brikman, Nikola Bajovski, Bruce Cohen and Andrew Shiff

s. 127

H. Craig in attendance for Staff

Panel: CP

September 26, 2011
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: CP

September 28, 2011
10:00 a.m.
TBS New Media Ltd., TBS New Media PLC, CNF Food Corp., CNF Candy Corp., Ari Jonathan Firestone and Mark Green

s. 127

H. Craig in attendance for Staff

Panel: CP

September 29, 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

s. 127

M. Vaillancourt in attendance for Staff

Panel: JEAT

September 30, 2011
10:00 a.m.
North American Financial Group Inc., North American Capital Inc., Alexander Flavio Arconti, and Luigino Arconti

s. 127

M. Vaillancourt in attendance for Staff

Panel: JEAT

October 3-7 and October 12-21, 2011
10:00 a.m.
FactorCorp Inc., FactorCorp Financial Inc. and Mark Twerdun

s. 127

C. Price in attendance for Staff

Panel: CP

October 3-6 and October 12, 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

October 5, 2011
10:00 a.m.
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, Compshare Transfer Corporation, Federated Purchaser, Inc., TCC Industries, Inc., First National Entertainment Corporation, WGI Holdings, Inc. and Enerbrite Technologies Group

s. 127 and 127.1

H. Craig in attendance for Staff

Panel: MGC

October 11, 2011
2:30 p.m.
Global Consulting and Financial Services, Crown Capital Management Corporation, Canadian Private Audit Service, Executive Asset Management, Michael Chomica, Peter Siklos (Also Known As Peter Kuti), Jan Chomica, and Lorne Banks

s. 127

H. Craig/C. Rossi in attendance for Staff

Panel: TBA

October 12-24 and October 26-27, 2011
Helen Kuszper and Paul Kuszper

s. 127 and 127.1

10:00 a.m. U. Sheikh in attendance for Staff

Panel: JDC/CWMS

October 13, 2011
10:00 a.m.
Portus Alternative Asset Management Inc., Portus Asset Management Inc., Boaz Manor, Michael Mendelson, Michael Labanowich and John Ogg

s. 127

H Craig in attendance for Staff

Panel: JEAT

October 17-24 and October 26-31, 2011
10:00 a.m.
Richvale Resource Corp., Marvin Winick, Howard Blumenfeld, John Colonna, Pasquale Schiavone, and Shafi Khan

s. 127(7) and 127(8)

C. Johnson in attendance for Staff

Panel: EPK/MCH

October 31, 2011
10:00 a.m.
Oversea Chinese Fund Limited Partnership, Weizhen Tang and Associates Inc., Weizhen Tang Corp., and Weizhen Tang

s. 127 and 127.1

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
10:00 a.m.
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)

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

January 26-27,
2012

10:00 a.m.

Empire Consulting Inc. and Desmond Chambers

s. 127

D. Ferris in attendance for Staff

Panel: TBA

February 1-13,
February 15-17
and February
21-23, 2012

10:00 a.m.

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

s. 127 and 127.1

H. Craig in attendance for Staff

Panel: TBA

March 12,
March 14-26,
and March 28,
2012

10:00 a.m.

David M. O'Brien

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

s. 127 and 127.1

M. Vaillancourt/U. Sheikh in attendance for Staff

Panel: TBA

May 1-7, 9-18 and 23-25, 2012	Rezwealth Financial Services Inc., Pamela Ramoutar, Justin Ramoutar, Tiffin Financial Corporation, Daniel Tiffin, 2150129 Ontario Inc., Sylvan Blackett, 1778445 Ontario Inc. and Willoughby Smith	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(1) and (5)		s. 127
	A. Heydon in attendance for Staff		H. Craig in attendance for Staff
	Panel: TBA		Panel: TBA
TBA	Yama Abdullah Yaqeen	TBA	Lyndz Pharmaceuticals Inc., James Marketing Ltd., Michael Eatch and Rickey McKenzie
	s. 8(2)		s. 127(1) and (5)
	J. Superina in attendance for Staff		J. Feasby/C. Rossi in attendance for Staff
	Panel: TBA		Panel: TBA
TBA	Microsourceonline Inc., Michael Peter Anzelmo, Vito Curalli, Jaime S. Lobo, Sumit Majumdar and Jeffrey David Mandell	TBA	M P Global Financial Ltd., and Joe Feng Deng
	s. 127		s. 127 (1)
	J. Waechter in attendance for Staff		M. Britton in attendance for Staff
	Panel: TBA		Panel: TBA
TBA	Frank Dunn, Douglas Beatty, Michael Gollogly	TBA	Shane Suman and Monie Rahman
	s. 127		s. 127 and 127(1)
	K. Daniels in attendance for Staff		C. Price in attendance for Staff
	Panel: TBA		Panel: TBA
TBA	MRS Sciences Inc. (formerly Morningside Capital Corp.), Americo DeRosa, Ronald Sherman, Edward Emmons and Ivan Cavric	TBA	Gold-Quest International, Health and Harmony, Iain Buchanan and Lisa Buchanan
	s. 127 and 127(1)		s. 127
	D. Ferris in attendance for Staff		H. Craig in attendance for Staff
	Panel: TBA		Panel: TBA

TBA	<p>Brillante 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>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>Abel Da Silva</p> <p>s. 127</p> <p>C. Watson 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>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>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>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>Paul Donald</p> <p>s. 127</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>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>Peter Sbaraglia</p> <p>s. 127</p> <p>S. Horgan/P. Foy in attendance for Staff</p> <p>Panel: TBA</p>
		TBA	<p>Crown Hill Capital Corporation and Wayne Lawrence Pushka</p> <p>s. 127</p> <p>A. Perschy 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>Ground Wealth Inc., Armadillo Energy Inc., Paul Schuett, Doug DeBoer, James Linde, Susan Lawson, Michelle Dunk, Adrion Smith, Bianca Soto and Terry Reichert</p> <p>s. 127</p> <p>S. Schumacher 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>Shallow Oil & Gas Inc., Eric O'Brien, Abel Da Silva, Gurdip Singh Gahunia aka Michael Gahunia and Abraham Herbert Grossman aka Allen Grossman</p> <p>s. 127(7) and 127(8)</p> <p>H. Craig 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>Normand Gauthier, Gentree Asset Management Inc., R.E.A.L. Group Fund III (Canada) LP, and CanPro Income Fund I, LP</p> <p>s. 127</p> <p>B. Shulman in attendance for Staff</p> <p>Panel: TBA</p>

ADJOURNED SINE DIE

Global Privacy Management Trust and Robert Cranston

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

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

1.2 Notices of Hearing

1.2.1 Normand Gauthier et al.

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

AND

**IN THE MATTER OF
NORMAND GAUTHIER,
GENTREE ASSET MANAGEMENT INC.,
R.E.A.L. GROUP FUND III (CANADA) LP, and
CANPRO INCOME FUND I, LP**

**NOTICE OF HEARING
(Request for a Temporary Order)**

TAKE NOTICE THAT the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to sections 127 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 Wednesday, August 17, 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 subsections 127(1), (4), (5), (6), (7) and (8) of the Act, for the Commission to issue a temporary order that:

- (a) Under s. 127(1)1 of the Act, the registration of Normand Gauthier ("Gauthier") and Gentree Asset Management Inc. ("Gentree") be suspended until the conclusion of the hearing on the merits or until such period as the Commission may order;
- (b) Under s. 127(1)2 of the Act, all trading in any securities by the Respondents cease until the conclusion of the hearing on the merits or until such period as the Commission may order;
- (c) Under s. 127(1)2 of the Act, all trading in securities of Gentree, R.E.A.L. Group Fund III (Canada) LP and CanPro Income Fund I, LP cease until the conclusion of the hearing on the merits or until such period as the Commission may order;
- (d) Under s. 127(1)3 of the Act, all exemptions contained in Ontario securities law do not apply to the Respondents until the conclusion of the hearing on the merits or until such period as the Commission may order; and
- (e) such other orders as the Commission deems appropriate.

BY REASON OF such 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 15th day of August, 2011.

“C. Grivas”

Per: John Stevenson
Secretary to the Commission

1.3 News Releases

1.3.1 Canadian Securities Regulators Proceed With Stage 2 of Point of Sale Disclosure for Mutual Funds

FOR IMMEDIATE RELEASE
August 12, 2011

CANADIAN SECURITIES REGULATORS PROCEED WITH STAGE 2 OF POINT OF SALE DISCLOSURE FOR MUTUAL FUNDS

Toronto – The Canadian Securities Administrators (CSA) today published for comment proposed amendments to NI 81-101 *Mutual Fund Prospectus Disclosure*, which will allow delivery of the Fund Facts document to satisfy the current prospectus delivery requirements. Under current securities legislation, a prospectus must be delivered to an investor within two days of buying a mutual fund.

The amendments represent Stage 2 of the CSA's implementation of the point of sale disclosure initiative for mutual funds, which is intended to provide investors with more meaningful and effective disclosure.

Central to this initiative is the Fund Facts document. It is in plain language, no more than two pages double-sided and highlights key information about a mutual fund that is important to investors. As of July 8, 2011, a Fund Facts document for each class or series of a mutual fund must be filed with the CSA and made available upon request and on the mutual fund's or mutual fund manager's website.

"The Fund Facts is a short, easy-to-read document that sets out the key features of a mutual fund," said Bill Rice, Chair of the CSA and Chair and CEO of the Alberta Securities Commission. "The CSA's proposals will make sure that the Fund Facts gets into the hands of investors in a timely fashion to allow them to better understand what they have purchased."

No changes have been made to a mutual fund's obligation to file its prospectus with the CSA, to make it available to investors on a website, or to deliver the prospectus free of charge to investors upon request.

The proposed amendments are expected to be adopted in each Canadian jurisdiction. Some jurisdictions require legislative amendments in order to implement the proposals. The comment period is open until November 10, 2011.

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

For more information:

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

Mark Dickey
Alberta Securities Commission
403-297-4481

Donn MacDougall
Northwest Territories
Securities Office
867-920-8984

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

Richard Gilhooley
British Columbia Securities Commission
604-899-6713

Ainsley Cunningham
Manitoba Securities Commission
204-945-4733

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

Natalie MacLellan
Nova Scotia Securities Commission
902-424-8586

Jennifer Anderson
Saskatchewan Financial Services Commission
306-798-4160

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

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

Graham Lang
Yukon Securities Registry
867-667-5466

Louis Arki
Nunavut Securities Office
867-975-6587

1.3.2 OSC Announces Investment Funds Product Advisory Committee Members for 2011-2013

FOR IMMEDIATE RELEASE
August 11, 2011

OSC ANNOUNCES INVESTMENT FUNDS PRODUCT ADVISORY COMMITTEE MEMBERS FOR 2011-2013

TORONTO – The Ontario Securities Commission (OSC) announced today the membership of the Investment Funds Product Advisory Committee (IFPAC), a new advisory panel to the Commission.

In an environment of rapid product growth and increasingly complex investment fund products, OSC staff recognize the unique perspective market participants may have in identifying and anticipating market and product trends. The IFPAC will advise OSC staff specifically on emerging product developments and innovations occurring in the investment fund industry. The committee will discuss the impact of these developments, as well as emerging issues.

The IFPAC will meet at least four times a year, with members serving two-year terms. Effective immediately, the committee members are:

Ghassan (Jason) Agaby	Dynamic Funds
Tom Bradley	Steadyhand Investment Funds
Darren Farkas	Fidelity Investments Canada ULC
Adam Felesky	Horizons Exchange Traded Funds (ETFs)
Goshka Folda	Investor Economics
Kevin Gopaul	BMO Asset Management
Ed Jackson	RBC Capital Markets
Oliver McMahon	Blackrock Asset Management Canada
Jeff Ray	Manulife Investments
Mary Taylor	Mackenzie Investment
Mark Yamada	PUR Investing Inc.

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 Notices from the Office of the Secretary

1.4.1 Ciccone Group et al.

**FOR IMMEDIATE RELEASE
August 11, 2011**

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

AND

**IN THE MATTER OF
CICCONE GROUP, MEDRA CORPORATION,
990509 ONTARIO INC., TADD FINANCIAL INC.,
CACHET WEALTH MANAGEMENT INC.,
VINCE CICCONE, DARRYL BRUBACHER,
ANDREW J. MARTIN, STEVE HANEY,
KLAUDIUSZ MALINOWSKI AND BEN GIANGROSSO**

TORONTO – The Commission issued an Order in the above named matter which provides that, pursuant to subsections 127(7) and (8) of the Act, (i) the Temporary Order is extended as against Ciccone Group, Medra, 990509 now named Ciccone Group Inc., Ciccone, Tadd, Brubacher and Martin to September 30, 2011; and (ii) the Hearing is adjourned to September 29, 2011 at 10:00 a.m. or such other date or time as may be set by the Secretary's office.

A copy of the Order dated August 10, 2011 is available at www.osc.gov.on.ca.

**OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY**

For media inquiries:

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

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

Dylan Rae
Media Relations Specialist
416-595-8934

For investor inquiries:

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

1.4.2 Ground Wealth Inc. et al.

**FOR IMMEDIATE RELEASE
August 12, 2011**

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

AND

**IN THE MATTER OF
GROUND WEALTH INC., ARMADILLO ENERGY
INC., PAUL SCHUETT, DOUG DEBOER, JAMES
LINDE, SUSAN LAWSON, MICHELLE DUNK,
ADRION SMITH, BIANCA SOTO AND
TERRY REICHERT**

TORONTO – Following the hearing held on August 11, 2011, the Commission issued an Endorsement and a Temporary Order in the above named matter.

A copy of the Endorsement and Temporary Order dated August 11, 2011 are available at www.osc.gov.on.ca.

**OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY**

For media inquiries:

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

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

Dylan Rae
Media Relations Specialist
416-595-8934

For investor inquiries:

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

1.4.3 Normand Gauthier et al.

FOR IMMEDIATE RELEASE
August 16, 2011

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

AND

**IN THE MATTER OF
NORMAND GAUTHIER,
GENTREE ASSET MANAGEMENT INC.,
R.E.A.L. GROUP FUND III (CANADA) LP, and
CANPRO INCOME FUND I, LP**

TORONTO – The Office of the Secretary issued a Notice of Hearing setting the matter down to be heard on August 17, 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 August 15, 2011 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

For media inquiries:

Wendy Dey
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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)

1.4.4 Magna Partners Ltd.

FOR IMMEDIATE RELEASE
August 17, 2011

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

AND

**IN THE MATTER OF
MAGNA PARTNERS LTD.**

AND

**IN THE MATTER OF
A DECISION OF THE INVESTMENT INDUSTRY
REGULATORY ORGANIZATION OF CANADA**

TORONTO – Following the hearing on May 12, 2011 in the above noted matter, the Panel released its Reasons and Decision.

A copy of the Reasons and Decision dated August 16, 2011 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

For media inquiries:

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

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

Dylan Rae
Media Relations Specialist
416-595-8934

For investor inquiries:

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

Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 MacKenzie Financial Corporation et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted to allow three global balanced funds to invest more than 10 percent of net assets in debt securities issued by a foreign government or supranational agency, subject to certain conditions – National Instrument 81-102 Mutual Funds.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 2.1(1), 19.1.

August 5, 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
MACKENZIE FINANCIAL CORPORATION
(“MACKENZIE” OR THE “FILER”)

AND

MACKENZIE IVY EUROPEAN FUND,
MACKENZIE SENTINEL REGISTERED STRATEGIC
INCOME FUND, AND MACKENZIE SENTINEL
STRATEGIC INCOME CLASS

DECISION

Background

1. 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**”) granting an exemption from subsection 2.1(1) of NI 81-102, which prohibits a mutual fund from investing more than 10% of its net assets, taken at market value at the time of the transaction, in the securities of any issuer (the “**Concentration Restriction**”), on behalf of Mackenzie Ivy European Fund (prior to November 27, 2010, *Mackenzie Universal European Opportunities Fund*), Mackenzie Sentinel Registered Strategic Income Fund, and Mackenzie Sentinel Strategic Income Class (each individually, a “**Fund**”, and collectively, the “**Funds**”).
2. Specifically, the Filer seeks:
 - (a) to permit Mackenzie Ivy European Fund to invest up to:
 - (i) 20% of its net assets, taken at market value at the time of purchase, in evidences of indebtedness of any one issuer if those evidences of indebtedness are issued, or guaranteed fully as to principal and

- interest, by supranational agencies or governments other than the government of Canada, the government of a jurisdiction, or the government of the United States of America and are rated "AA" or the equivalent credit rating assigned for short-term issues, by Standard & Poor's, or have an equivalent rating by one or more other approved credit rating organizations; and
- (ii) 35% of its net assets, taken at market value at the time of purchase, in evidences of indebtedness of any one issuer if those evidences of indebtedness are issued, or guaranteed fully as to principal and interest, by supranational agencies or governments other than the government of Canada, the government of a jurisdiction, or the government of the United States of America and are rated "AAA" or the equivalent credit rating assigned for short-term issues, by Standard & Poor's, or have an equivalent rating by one or more other approved credit rating organizations; and
- (b) to permit Mackenzie Sentinel Registered Strategic Income Fund and Mackenzie Sentinel Strategic Income Class to invest up to:
- (i) 20% of the proportion of its net assets then invested in evidences of indebtedness, taken at market value at the time of purchase, in evidences of indebtedness of any one issuer if those evidences of indebtedness are issued, or guaranteed fully as to principal and interest, by supranational agencies (as defined in NI 81-102) or governments other than the government of Canada, the government of a jurisdiction, or the government of the United States of America and are rated "AA" by Standard & Poor's, or have an equivalent rating by one or more other approved credit rating organizations.
 - (ii) 35% of the proportion of its net assets then invested in evidences of indebtedness, taken at market value at the time of purchase, in evidences of indebtedness of any one issuer if those evidences of indebtedness are issued, or guaranteed fully as to principal and interest, by supranational agencies (as defined in NI 81-102) or governments other than the government of Canada, the government of a jurisdiction, or the government of the United States of America and are rated "AAA" by Standard & Poor's, or have an equivalent rating by one or more other approved credit rating organizations; and

Sub-paragraphs 2(a) and (b) shall together be referred to as the "**Foreign Government Securities Allowance**".

Paragraphs 1 and 2 shall be referred to collectively as the "**Requested Relief**".

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

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

Interpretation

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

Representations

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

Background Facts

3. Mackenzie is a corporation governed by the laws of Ontario and is registered as a portfolio manager and exempt market dealer in all jurisdictions across Canada. Mackenzie is also registered under the *Commodity Futures Act* (Ontario) in the category of Commodity Trading Manager. Mackenzie has also applied for (but has not yet received) registration as an investment fund manager. Mackenzie's head office is in Toronto, Ontario.
4. Each of the Funds is, or will be, as applicable, a mutual fund whose securities are offered by simplified prospectus and annual information form filed in accordance with NI 81-102. Each Fund is, or will be, as applicable, a reporting issuer and is not in default of securities legislation in any of the jurisdictions of Canada.
5. Mackenzie Financial Corporation is not in default of any securities legislation in any of the jurisdictions of Canada.

About Mackenzie Ivy European Fund (prior to November 27, 2010, *Mackenzie Universal European Opportunities Fund*)

6. The Fund's investment objective is to seek long-term capital growth by investing primarily in European securities. Such securities include European equity securities and foreign income securities issued by companies and governments in Europe.

About Mackenzie Sentinel Registered Strategic Income Fund

7. The Fund's investment objective is to seek income with the potential for long-term capital growth by investing primarily in fixed income and/or income-oriented equity securities. The Fund's investments are not limited geographically.
8. The Fund's investments in fixed-income securities may include government bonds.
9. The Fund has a flexible approach to investing in fixed income and/or equity asset class, and will generally invest 30% to 70% of its assets in any one asset class but may invest 0% to 100% of its assets in any one asset class, depending on economic conditions and/or the Fund's assessment of relative evaluations.

About Mackenzie Sentinel Strategic Income Class

10. The Fund's investment objective and strategies is to provide tax-efficient returns similar to those of a diversified fund managed by Mackenzie, Mackenzie Sentinel Registered Strategic Income Fund. The Fund may also, however, invest directly in fixed income securities, including in securities held by Mackenzie Sentinel Registered Strategic Income Fund.

Reasons for the Requested Relief

11. The Funds desire the Requested Relief so that they could enhance their ability to pursue and achieve their fundamental investment objectives.
12. Mackenzie was granted relief from the Concentration Restriction on several mutual funds it manages on September 10, 2007. Relief from the Concentration Restriction has been routinely granted to mutual funds. See, for example: *In the matter of Sprott Asset Management L.P.* (May 3, 2011).
13. The Companion Policy to NI 81-102 ("**Companion Policy**") states, in section 3.1, that the Canadian securities regulatory authorities will consider applications for relief from the Concentration Restriction, with relief generally being limited to the Foreign Government Securities Allowance, if:
 - (a) the mutual fund making the application demonstrates that the relief will better enable the mutual fund to meet its fundamental investment objectives; and
 - (b) the securities that may be purchased under the relief are traded on a mature and liquid market.
14. The Requested Relief will better enable each Fund to meet its investment objectives as follows:
 - (a) **Mackenzie Ivy European Fund:** The Fund has a foreign investment mandate, primarily in Europe. The Requested Relief will enable the Fund to expose the cash equivalents portion of its portfolio to foreign markets, consistent with the Fund's foreign investment mandate. Allowing the Fund to hold highly rated short term fixed income securities issued by foreign governments would enable the Fund to preserve capital in foreign markets during adverse market conditions. The increased flexibility to hold as cash equivalents short term foreign government fixed income securities may also yield higher returns than Canadian or U.S. shorter term government fixed income alternatives.
 - (b) **Mackenzie Sentinel Registered Strategic Income Fund and Mackenzie Sentinel Strategic Income Class:** The Requested Relief will enable each Fund to increase its exposure to highly rated fixed income securities issued by foreign governments and/or supranational agencies that offer higher yields and/or are undervalued and may be expected to generate capital growth over the long term.
15. If the Requested Relief is granted, the Funds would invest in securities that trade on mature and liquid markets with high credit ratings (with Standard & Poor or equivalent, ratings of AA or AAA (or equivalents for short-term issues), as applicable, pursuant to Requested Relief).

Decision

The principal regulator is satisfied that the test contained in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Requested Relief is granted provided that:

- (1) for Mackenzie Ivy European Fund:
 - a. paragraphs 2(a)(i) and 2(a)(ii) of the Requested Relief shall not be combined for one issuer;
 - b. the Fund's purchases of evidences of indebtedness for the purposes of this Requested Relief shall be restricted to purchases of evidences of indebtedness of the government of a sovereign state that qualify as cash equivalents under NI 81-102;
- (2) for Mackenzie Sentinel Registered Strategic Income Fund and Mackenzie Sentinel Strategic Income Class, paragraphs 2(b)(i) and 2(b)(ii) of the Requested Relief shall not be combined for one issuer;
- (3) the securities that are purchased pursuant to this Decision are traded on a mature and liquid market;
- (4) the acquisition of the securities purchased pursuant to this Decision is consistent with the fundamental investment objectives of the Fund;
- (5) the simplified prospectus of the Fund discloses the additional risks associated with the concentration of the net assets of the Fund in securities of fewer issuers, such as the potential additional exposure to the risk of default of the issuer in which the Fund has so invested and the risks, including foreign exchange risks, of investing in the country in which that issuer is located; and
- (6) the simplified prospectus of the Fund discloses, in the investment strategy section, the details of the Requested Relief along with the conditions imposed and the type of securities covered by this Decision.

"Raymond Chan"
Manager, Investment Funds Branch

2.1.2 Cinch Energy Corp. – s. 1(10)

Headnote

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

Ontario Statutes

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

August 10, 2011

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

Attention: Jessica M. Brown

Dear Madam:

Re: Cinch Energy Corp. (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
Alberta Securities Commission

2.1.3 Equinox Minerals Limited – 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).

August 12, 2011

Mr. Matthew Bernardo
Norton Rose OR LLP
Royal Bank Plaza, South Tower, Suite 3800
200 Bay Street, P.O. Box 84

Toronto, ON M5J 2Z4

Dear Mr. Bernardo :

Re: Equinox Minerals Limited (the Applicant) – application for a decision under the securities legislation of Ontario, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador, Nunavut, Yukon and Northwest Territories (the Jurisdictions) that the Applicant is not a reporting Issuer

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

As the Applicant has represented to the Decision Makers that:

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

each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision

Maker with the jurisdiction to make the decision has been met and orders that the Applicant is not a reporting issuer.

“Lisa Enright”
Manager, Corporate Finance
Ontario Securities Commission

2.1.4 Big Lots Canada, Inc. (formerly Liquidation World Inc.) – s. 1(10)

Maker with the jurisdiction to make the decision has been met and orders that the Applicant is not a reporting issuer.

Headnote

“Lisa Enright”
Manager, Corporate Finance
Ontario Securities Commission

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

Applicable Legislative Provisions

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

August 12, 2011

Big Lots Canada, Inc.
(formerly Liquidation World Inc.)
c/o McMillan LLP
Brookfield Place
181 Bay Street
Toronto, Ontario
M5J 2T3

Dear Sirs/Mesdames:

Re: Big Lots Canada, Inc. (formerly Liquidation World Inc.) (the Applicant) – application for a decision under the securities legislation of Ontario, Alberta and Quebec (the Jurisdictions) that the Applicant is not a reporting issuer

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

As the Applicant has represented to the Decision Makers that:

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

each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision

2.1.5 MP Western Properties Inc. – s. 1(10)

Headnote

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

Applicable Legislative Provisions

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

Citation: MP Western Properties Inc., Re, 2011 ABASC 427

August 10, 2011

Farris, Vaughan, Wills & Murphy LLP
25th Floor, 700 W. Georgia Street
Vancouver, BC V7Y 1B3

Attention: Aaron D. Lightman

Dear Sir:

Re: MP Western Properties Inc. (the Applicant) – Application for a decision under the securities legislation of Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador, Yukon, Northwest Territories and Nunavut (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

2.1.6 Investus Real Estate Inc. – s. 1(10)

Headnote

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

Applicable Legislative Provisions

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

Translation

August 3, 2011

Investus Real Estate Inc.
455, rue du Marais
Bureau 214
Québec (Québec)
G1M 3A2

Attention to: Michel Paquet

Dear Sir:

Re: Investus Real Estate Inc. (the Applicant) – application for a decision under the securities legislation of Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nouveau-Brunswick and Nova Scotia (the Jurisdictions) that the Applicant is not a reporting issuer

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

As the Applicant has represented to the Decision Makers that:

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

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

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

2.1.7 Norsemont Mining Inc. – s. 1(10)

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

Headnote

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

Ontario Statutes

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

August 12, 2011

Norsemont Mining Inc.
40 University Avenue
Suite 1002,
Toronto, Ontario M5J 1T1

Dear Sirs/Mesdames:

Re: Norsemont Mining Inc. (the “Applicant”) – application for a decision under the securities legislation of Ontario, Alberta, Saskatchewan, Manitoba, 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 that the Applicant is not a reporting issuer.

As the Applicant has represented to the Decision Makers that:

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

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

2.1.8 Canadian Apartment Properties Real Estate Investment Trust

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted to a real estate investment trust (REIT) from the requirement to file a business acquisition report (BAR) under Part 8 of National Instrument 51-102 Continuous Disclosure Obligations (NI 51-102) in connection with the REIT's acquisition of two properties – Acquisitions are not significant under the asset and investment test in section 8.3(2) of NI 51-102, but are significant under the income test – REIT submitted that the calculation of consolidated income from continuing operations of the REIT for purposes of the income test under section 8.3(2) of NI 51-102 produces anomalous results because the significance of the acquisitions are exaggerated out of proportion to their significance on an objective basis in comparison to the results of the other significance tests and all other business, commercial, financial and practical factors – REIT provided the principal regulator with additional measures that show that, as a business, commercial, financial and practical matter, the acquisitions should not be considered as significant acquisitions for the REIT – The results from these measures are generally consistent with the results of the asset and investment tests under section 8.3(2) of NI 51-102 – Relief granted based on the REIT's representations that as a business, commercial, financial and practical matter, the acquisitions should not be considered as significant acquisitions for the REIT.

Applicable Legislative Provisions

National Instrument 51-102 Continuous Disclosure Obligations, Part 8 and s. 13.1.

August 12, 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
CANADIAN APARTMENT PROPERTIES
REAL ESTATE INVESTMENT TRUST
(THE "FILER" OR THE "REIT")**

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the "**Legislation**") for relief from the requirement in Part 8 of National Instrument 51-102 *Continuous Disclosure Obligations* ("**NI 51-102**") to file a business acquisition report ("**BAR**") in connection with the Filer's acquisition of a 625 suite portfolio in Mississauga and Toronto, Ontario (the "**Ont Portfolio**") which was completed on May 31, 2011 and acquisition of a 224 suite property in Toronto, Ontario ("**Leith Hill**") which was completed on June 30, 2011 (collectively, the "**Exemption Sought**").

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

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

Interpretation

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

Representations

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

The REIT

1. The REIT is an internally managed unincorporated open-ended real estate investment trust established under the laws of the Province of Ontario by a declaration of trust and its head office is located in Toronto, Ontario.
2. The REIT is a reporting issuer under the securities legislation of each of the provinces and territories of Canada and is not in default of securities legislation in any jurisdiction.
3. The units of the REIT are listed and posted for trading on the Toronto Stock Exchange under the trading symbol CAR.UN.
4. The REIT completed its initial public offering (the “IPO”) on May 21, 1997 pursuant to its final long form prospectus dated May 12, 1997.
5. The proceeds of the IPO were used by the REIT to satisfy a cash payable on the acquisition of certain properties under contract, to pay a term loan commitment fee, to repay mortgage financing and a loan provided to acquire certain properties, for future property acquisitions, working capital, mortgage principal repayments and capital improvements.

The Ont Portfolio and Leith Hill Acquisitions

6. On May 31, 2011, the REIT acquired the Ont Portfolio for an aggregate purchase price of approximately \$81.2 million. On June 30, 2011, the REIT acquired Leith Hill for an aggregate purchase price of approximately \$32.1 million.
7. The acquisition of each of the Ont Portfolio and Leith Hill constitutes a “significant acquisition” of the REIT for the purposes of Part 8 of NI 51-102, requiring the REIT to file a BAR within 75 days of the acquisition pursuant to section 8.2(1) of NI 51-102.

Significance Test for the BAR

8. Under Part 8 of NI 51-102, the REIT is required to file a BAR for any completed acquisition that is determined to be significant based on the acquisition satisfying any of the three significance tests set out in section 8.3(2) of NI 51-102.
9. The acquisition of each of the Ont Portfolio and Leith Hill is not a significant acquisition under the asset test in section 8.3(2) of NI 51-102 as the value of the Ont Portfolio and Leith Hill represented only approximately 3.45% and 1.36%, respectively, of the consolidated assets of the REIT as of December 31, 2010.
10. The acquisition of each of the Ont Portfolio and Leith Hill is not a significant acquisition under the investment test in section 8.3(2) of NI 51-102 as the REIT’s acquisition costs represented only approximately 3.45% and 1.36%, respectively, of the consolidated assets of the REIT as of December 31, 2010.
11. However, the acquisition of each of the Ont Portfolio and Leith Hill would be a significant acquisition under the income test in section 8.3(2) of NI 51-102. In particular, the Ont Portfolio and Leith Hill represent approximately 1,354.39% and 431.58%, respectively, of the REIT’s income from continuing operations as of December 31, 2010.
12. For the purposes of completing its quantitative analysis of the income test, the REIT is required to compare its income from continuing operations against the proportionate share of income from continuing operations of each of the Ont Portfolio and Leith Hill. The application of the income test produces an anomalous result for the REIT in comparison to the results of the asset test and the investment test. Excluding depreciation of income producing properties when applying the income test would not result in the Ont Portfolio or Leith Hill acquisition being considered significant, more accurately reflects the significance of the Ont Portfolio and Leith Hill acquisition from a business and commercial perspective, and its results are generally consistent with the results of the asset test and the investment test. The application of the income test with depreciation of income producing properties excluded results in the Ont Portfolio and Leith Hill representing only approximately 0.93% and 0.30%, respectively, of the REIT’s income from continuing operations for the fiscal year ended December 31, 2010.

De Minimis Acquisition

13. The REIT does not believe (nor did it believe at the time it made the acquisition) that the acquisition of either the Ont Portfolio or Leith Hill is significant to it from a practical, commercial, business or financial perspective.
14. The Filer has provided the principal regulator with additional measures which further demonstrate the insignificance of the Ont Portfolio and Leith Hill acquisition to the Filer and which are generally consistent with the results of the asset test and the investment test. These additional measures include measures based on:
 - (a) the total number of suites in each of the Ont Portfolio and Leith Hill when compared to the total number of residential suites in which the REIT has ownership interests, and
 - (b) the percentage of the gross rental income from the REIT's portfolio during the period from January 1, 2010 to December 31, 2010 represented by the gross rental income from each of the Ont Portfolio and Leith Hill during that same period.

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.

DATED this 12th day of August, 2011.

"Jo-Anne Matear"
Assistant Manager
Ontario Securities Commission

2.1.9 Brookfield Infrastructure Partners L.P.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Filer wants to put in place a credit support issuer structure, but is unable to rely on the exemption for credit support issuers in applicable securities legislation – Relief granted from continuous disclosure requirements, certification requirements, insider reporting requirement, audit committee requirements and corporate governance requirements – Relief also granted from short form prospectus requirements including notice of intention requirement, incorporation by reference requirement, earnings coverage requirements and subsidiary credit supporter requirements – Filer unable to rely on exemption for credit support issuers in applicable securities legislation since Filer only owns 71% of an intermediate holding entity (a limited partnership) that indirectly owns 100% of the voting securities of the credit support issuers – When the characteristics of the limited partnership units of the holding limited partnership (including that the majority are held by the Filer) are viewed together with a voting agreement, control and direction of the holding limited partnership is held by the Filer as if the Filer beneficially owned all the outstanding voting securities of holding limited partnership – Relief subject to conditions, including conditions relating to minority interest in holding limited partnership.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, ss. 107, 121(2)(a)(ii).
National Instrument 44-101 Short Form Prospectus Distributions, ss. 2.5, 2.8, 8.1(2).
Form 44-101F1 Short Form Prospectus, ss. 6.1, 11.1(1), 12.1, 13.3.
National Instrument 51-102 Continuous Disclosure Obligations, ss. 13.1(2), 13.4.
National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, ss. 8.5, 8.6(2).
National Instrument 52-110 Audit Committees, ss. 1.2(g), 8.1(2).
National Instrument 55-102 System for Electronic Disclosure by Insiders (SEDI), s. 6.1(2).
National Instrument 55-104 Insider Reporting Requirements and Exemptions, s. 10.1(2).
National Instrument 58-101 Disclosure of Corporate Governance Practices, ss. 1.3(c), 3.1(2).

May 10, 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
BROOKFIELD INFRASTRUCTURE PARTNERS L.P.
(THE FILER)

DECISION

Background

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

- (a) the Issuers (as defined below) from the requirements of National Instrument 51-102 *Continuous Disclosure Obligations* (**NI 51-102**) (the **Continuous Disclosure Requirements**);
- (b) the Issuers from the requirements of National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (**NI 52-109**) (the **Certification Requirements**);
- (c) insiders of the Issuers from the insider reporting requirement (as defined in National Instrument 14-101 *Definitions*) (the **Insider Reporting Requirements**);

- (d) the Issuers from the requirements of National Instrument 52-110 *Audit Committees (NI 52-110)* (the **Audit Committee Requirements**);
- (e) the Issuers from the requirements of National Instrument 58-101 *Disclosure of Corporate Governance Practices (NI 58-101)* (the **Corporate Governance Requirements**);
- (f) the Issuers from the requirement in section 2.8 of National Instrument 44-101 *Short Form Prospectus Distributions (NI 44-101)* to file a notice of intention to file a short form prospectus no fewer than 10 business days prior to a filing of a preliminary short form prospectus (the **Notice of Intention Requirement**);
- (g) the Issuers from the requirement to incorporate by reference into a short form prospectus the documents under paragraphs 1 to 4 and 6 to 8 of subsection 11.1(1) of Form 44-101F1 *Short Form Prospectus (Form 44-101F1)* (the **Incorporation by Reference Requirements**);
- (h) the Issuers from the requirement to include in a short form prospectus the earnings coverage ratios under section 6.1 of Form 44-101F1 (the **Earnings Coverage Requirements**); and
- (i) the Issuers from the requirement to include in a short form prospectus the disclosure of one or more subsidiary credit supporters required by section 12.1 of Form 44-101F1 (the **Subsidiary Credit Supporter Requirements**),

in each case to accommodate the issuance of debentures (the **Convertible Debentures**) by multiple issuers that will be exchangeable, in certain circumstances, for limited partnership units of the Filer (collectively, the **Exemption Sought**).

Furthermore, the principal regulator in the Jurisdiction has received a request from the Filer for a decision that the application and this decision be kept confidential and not be made public until the earlier of: (i) the date on which any Issuer and/or the Filer issues a news release announcing that an Issuer has entered into a bought deal relating to an offering of Convertible Debentures; (ii) the date on which any Issuer and/or the Filer otherwise publicly announces an offering of Convertible Debentures; (iii) the date on which any Issuer files a preliminary short form prospectus relating to an offering of Convertible Debentures; (iv) the date on which the Filer advises the principal regulator that there is no longer any need for the application and this decision to remain confidential; and (v) the date that is 90 days after the date of this decision (the **Confidentiality Sought**).

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

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

Interpretation

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

Representations

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

The Filer

1. The Filer is a Bermuda exempted limited partnership that was established on May 21, 2007.
2. The limited partnership units of the Filer are listed on the New York Stock Exchange and the Toronto Stock Exchange under the symbols "BIP" and "BIP.UN", respectively.
3. The Filer is a reporting issuer in all provinces and territories of Canada and is an SEC foreign issuer within the meaning of section 1.1 of National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers (NI 71-102)*.
4. The Filer's sole asset is an approximate 71% limited partnership interest in Brookfield Infrastructure L.P. (the **Holding LP**), a Bermuda exempted limited partnership that was established on August 17, 2007.

5. Brookfield Infrastructure Partners Limited (the **Managing General Partner**) holds the general partner interest in the Filer.
6. The Filer, the Holding LP and the Holdings Entities (as defined below) all retained Brookfield Asset Management, Inc. (together with its subsidiaries other than the Filer and its subsidiaries, **Brookfield**) and its related entities to provide management, administrative and advisory services under a master services agreement.
7. The Filer is not in default of any requirement in securities legislation in any jurisdiction.

The Issuers and the Holding LP

8. The Convertible Debentures will be: (a) issued by indirect subsidiaries of the Filer, including an Alberta unlimited liability company (the **CDN Issuer**), a Delaware limited liability company (the **US Issuer**) and a Bermuda corporation (the **BRM Issuer**, together with the **CDN Issuer**, the **US Issuer** and any other similar issuer, the **Issuers**); and (b) guaranteed by the Filer, as well as the Holding LP and each of the Holding Entities (as defined below).
9. The Issuers will all be formed under the laws their respective jurisdictions prior to the filing of a preliminary short form prospectus for any offering of Convertible Debentures.
10. The **CDN Issuer** will be a wholly-owned subsidiary of Brookfield Infrastructure Holdings (Canada) Inc., a company incorporated under the laws of the Province of Ontario (**Can Holdco**), the **US Issuer** will be a wholly-owned subsidiary of Brookfield Infrastructure Corporation, a company incorporated under the laws of the State of Delaware (**US Holdco**) and the **BRM Issuer** will be a wholly-owned subsidiary of BIP Bermuda Holdings I Limited, a company incorporated under the laws of Bermuda (**BRM Holdco**, and together with **Can Holdco** and **US Holdco**, the **Holding Entities**). Any other Issuer will be a wholly-owned subsidiary of one of the Holding Entities.
11. Prior to the issuance of a receipt for a final short form prospectus of the Issuers qualifying the distribution of the Convertible Debentures, none of the Issuers will be a reporting issuer in any of the jurisdictions of Canada.
12. The Holding LP owns all of the common shares of the Holding Entities. Brookfield owns all the preferred shares of the Holding Entities (the **Preferred Shares**). The Preferred Shares are redeemable for cash at the option of the Holding Entities, subject to certain limitations and are not entitled to vote, except as required by law. The Preferred Shares are not equity securities as such term is defined in the Act.
13. Each of the Issuers will operate as a financing company and will have no significant assets or liabilities unrelated to the Convertible Debentures and will not have any ongoing business operations of its own. Each of the Issuers will be wholly-owned by the Holding Entities which are subsidiaries of the Holding LP. The Holding LP owns all the equity and voting securities of the Holding Entities. The Filer owns approximately 71% of the outstanding limited partnership interest in the Holding LP with the remaining limited partnership interest held by Brookfield. The limited partnership units held by Brookfield are subject to a redemption-exchange mechanism pursuant to which Brookfield has the right to require the Holding LP to redeem all or a portion of its Holding LP limited partnership units for a cash amount equal to the fair market value of one BIP limited partnership unit multiplied by the number of Holding LP limited partnership units to be redeemed. In connection with the redemption, BIP has the right to purchase all the Holding LP limited partnership units to be redeemed in exchange for BIP limited partnership units, on a one for one basis.
14. The Managing General Partner has a 0.01% general partnership interest in the Filer and acts as the general partner of the Filer and Brookfield Infrastructure GP L.P. (the **Infrastructure General Partner**) has a 1% general partnership interest in the Holding LP and acts as the general partner of the Holding LP.
15. The Managing General Partner and the Infrastructure General Partner are wholly-owned by Brookfield.
16. In December 2010, the Filer and Brookfield executed a voting rights agreement (the **Voting Agreement**) pursuant to which Brookfield agreed that any voting rights with respect to the Holding LP and the Infrastructure General Partner (including its general partner) will be voted in accordance with the direction of the Filer with respect to (a) the election of directors of the general partner of the Infrastructure General Partner (provided such directors meet the eligibility requirements stipulated in the by-laws of the general partner) and (b) the approval or rejection of the following matters: (i) any sale of all or substantially all of its assets, (ii) any merger, amalgamation, consolidation, business combination or other material corporate transaction, except in connection with any internal reorganization that does not result in a change of control, (iii) any plan or proposal for a complete or partial liquidation or dissolution, or any reorganization or any case, proceeding or action seeking relief under any existing laws or future laws relating to bankruptcy or insolvency, (iv) any amendment to the limited partnership agreement of the Filer or the Holding LP or (v) any commitment or agreement to do any of the foregoing.

17. All of the outstanding interests in or shares of each Issuer, when issued, will be held directly by the respective Holding Entity.
18. The Holding LP will be a "credit supporter" (as defined in NI 51-102).
19. Each Holding Entity will be a "credit supporter" (as defined in NI 51-102).
20. Each Issuer will be a "credit support issuer" (as defined in NI 51-102).
21. The Convertible Debentures will be exchangeable, in certain circumstances, for limited partnership units of the Filer.
22. The Filer does not directly satisfy the definition of "parent credit supporter" (as defined in NI 51-102) as a result of the indirect ownership of the Issuers through the Holding LP. Therefore, the Convertible Debentures will not be "designated credit support securities" (as defined in NI 51-102). If the Exemption Sought is granted, the Filer and each Issuer will: (a) treat the Filer as a parent credit supporter and comply with the conditions in section 13.4(2.1) of NI 51-102 that apply to parent credit supporters; and (b) treat the Convertible Debentures as designated credit support securities and comply with the conditions in section 13.4(2.1) of NI 51-102 that apply to designated credit support securities, in accordance with the terms and conditions of this decision.
23. The Filer does not meet the test set forth in section 13.4(2)(a) of NI 51-102 and, by virtue of section 13.4(4), is unable to meet the test set forth in section 13.4(2)(b)(ii) of NI 51-102.
24. It is proposed that the Issuers distribute the Convertible Debentures to the public pursuant to a short form prospectus in respect of the distribution of the Convertible Debentures, filed in each of the jurisdictions of Canada, in reliance upon section 2.5 of NI 44-101. The short form prospectus will be prepared pursuant to the short form procedures contained in NI 44-101 and will comply with the requirements set out in Form 44-101F1, other than the Incorporation by Reference Requirements, the Earnings Coverage Requirements and the Subsidiary Credit Supporter Requirements.
25. The Convertible Debentures will be governed by a trust indenture (the **Indenture**), to be entered into among the Issuers and a trustee. Under the terms of the Indenture, the Issuers will be co-obligors and will be jointly and severally liable for the Convertible Debentures.
26. The Filer, the Holding LP and each of the Holding Entities (and any direct subsidiaries of the Holding LP acquired or formed after the date of the Indenture) will provide full and unconditional guarantees (the **Guarantees**) of the payments to be made by the Issuers in respect of the Convertible Debentures, as stipulated in agreements governing the rights of holders of the securities, that result in the holders of such securities being entitled to receive payment from the Filer, the Holding LP and each of the Holding Entities within 15 days of any failure by the Issuers to make a payment, as contemplated by paragraph (d) of the definition of "designated credit support security" in NI 51-102.
27. An application will be made to list the Convertible Debentures on the Toronto Stock Exchange (the **TSX**).

Offering of Convertible Debentures

28. At the time of the filing of any short form prospectus in connection with offerings of Convertible Debentures:
 - (a) each Issuer will comply with all of the filing requirements and procedures set out in NI 44-101 other than the Notice of Intention Requirement, except as permitted by the Legislation;
 - (b) the prospectus will be prepared in accordance with the short form prospectus requirements of NI 44-101 other than the Incorporation by Reference Requirements, the Earnings Coverage Requirements and the Subsidiary Credit Supporter Requirements, except as permitted by the Legislation;
 - (c) the Filer will continue to exercise its voting rights in accordance with the Voting Agreement;
 - (d) the Filer will continue to be a reporting issuer under the Legislation;
 - (e) the Filer will continue to provide the Guarantees;
 - (f) the Issuers will continue to be co-obligors under the Indenture and will be jointly and severally liable for the Convertible Debentures;
 - (g) the prospectus will incorporate by reference the documents of the Filer set forth under Item 11.1 of Form 44-101F1;

- (h) the prospectus disclosure required by Item 11 of Form 44-101F1 will be addressed by incorporating by reference the Filer's public disclosure documents referred to in paragraph 28(g) above; and
- (i) the Filer will continue to satisfy all of the criteria in section 2.2 of NI 44-101, as applicable pursuant to Part 4 of NI 71-102.

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 Exemption Sought is granted provided that:

1. in respect of the Continuous Disclosure Requirements, each Issuer and the Filer continues to satisfy the conditions set out in subsection 13.4(2.1) of NI 51-102, except as modified as follows:
 - (a) any reference to parent credit supporter in section 13.4 shall be deemed to include the Filer notwithstanding its indirect ownership of the Issuers through Holding LP,
 - (b) the Filer does not have to comply with the condition in section 13.4(2)(a) of NI 51-102 if
 - (i) the Voting Agreement remains in force with the terms described in paragraph 16 above and the Voting Agreement is disclosed in the Filer's AIF (as defined in NI 51-102),
 - (ii) the aggregate ownership interest of Brookfield and the Infrastructure General Partner in the Holding LP does not exceed 49%,
 - (iii) no party other than the Filer, Brookfield and the Infrastructure General Partner will have any direct or indirect ownership of, or control or direction over, voting securities of Holding LP,
 - (iv) no party other than the Filer, Brookfield, the Infrastructure General Partner and Holding LP will have any direct or indirect ownership of, or control or direction over, voting securities of the Holding Entities,
 - (v) no party other than the Filer, Brookfield, the Infrastructure General Partner and the Holding Entities will have any direct or indirect ownership of, or control or direction over, voting securities of the Issuers,
 - (vi) the Filer consolidates in its financial statements the Holding LP, the Holding Entities and the Issuers as well as any entities consolidated by any of the foregoing, and
 - (vii) the issued and outstanding voting securities of the Holding Entities and the Issuers are 100% owned by their respective parent companies or entities,
 - (c) the Filer does not have to comply with the restriction in section 13.4(4) of NI 51-102 if
 - (i) the Filer continues to be a reporting issuer,
 - (ii) the Filer continues to be a SEC foreign issuer (as defined in NI 71-102) and only relies on the exemptions in Part 4 of NI 71-102, and
 - (iii) to the extent that the Filer complies with the foreign private issuer disclosure regime under U.S. securities law, it does not rely on any exemption from that regime,
 - (d) each Issuer does not issue any securities, and does not have any securities outstanding, other than
 - (i) designated credit support securities,
 - (ii) securities issued to and held by the Filer or an affiliate of the Filer, and
 - (iii) debt securities issued to and held by banks, loan corporations, loan and investment corporations, savings companies, trust corporations, treasury branches, saving or credit unions, financial services cooperatives, insurance companies or other financial institutions, and

- (e) the summary financial information referred to in section 13.4(2.1)(c) of NI 51-102 will be reconciled to the consolidated financial statements of the Filer, including any minority interest adjustments;
- 2. in respect of the Certification Requirements, the Audit Committee Requirements and the Corporate Governance Requirements, the Filer and each Issuer continue to satisfy the conditions for relief from the Continuous Disclosure Requirements set forth above;
- 3. in respect of the Insider Reporting Requirements, an insider of an Issuer can only rely on the Exemption Sought so long as:
 - (a) the insider complies with the conditions in sections 13.4(3)(b) and (c) of NI 51-102, and
 - (b) the Filer and each Issuer continue to satisfy the conditions for relief from the Continuous Disclosure Requirements set forth above;
- 4. in respect of the Notice of Intention Requirement, the Incorporation by Reference Requirement, the Earnings Coverage Requirements and the Subsidiary Credit Supporter Requirements,
 - (a) the preliminary short form prospectus of the Issuers is in respect of an offering of Convertible Debentures,
 - (b) the Issuers are qualified to file the preliminary short form prospectus under section 2.5 of NI 44-101,
 - (c) the Issuers become, on or before the filing of the preliminary short form prospectus, and thereafter remain so long as any of the Convertible Debentures issued to the public remain outstanding, electronic filers under National Instrument 13-101 *System for Electronic Document Analysis and Retrieval (SEDAR)*,
 - (d) the Issuers create profiles on SEDAR and file the notices required by section 2.8 of NI 44-101 prior to filing the preliminary short form prospectus,
 - (e) the Issuers and the Filer satisfy the conditions set out in section 13.3 of Form 44-101F1, except as modified as follows
 - (i) any reference to parent credit supporter in section 13.3 of Form 44-101F1 shall be deemed to include the Filer notwithstanding its indirect ownership of the Issuers through Holding LP,
 - (ii) the Filer does not have to comply with the condition in section 13.3(1)(e) of Form 44-101F1 if it meets the conditions in paragraph 1(b) of this decision above, and
 - (iii) the summary financial information referred to in section 13.3(1)(g) of Form 44-101F1 will be reconciled to the consolidated financial statements of the Filer, including any minority interest adjustments,
 - (f) the preliminary short form prospectus and final short form prospectus of the Issuers contain (or incorporate by reference a document containing) a corporate organization chart showing the ownership and control relationships among Brookfield, the Filer, the Managing General Partner, the Infrastructure General Partner, the Holding LP, the Holding Entities and the Issuers,
 - (g) the Filer and each Issuer continue to satisfy the conditions for relief from the Continuous Disclosure Requirements set forth above,
 - (h) the Issuers and the Filer, as applicable, comply with paragraph 28 above,
 - (i) the Holding LP (or a wholly-owned subsidiary thereof) is or remains the direct owner of all of the outstanding common shares of the Holding Entities,
 - (j) all of the outstanding interests in or shares of each Issuer, when issued, will be held directly by a Holding Entity,
 - (k) the Issuers will operate as a financing company and will have no significant assets or liabilities unrelated to the Convertible Debentures and will not have any ongoing business operations of their own, and

- (l) the Issuers will issue a news release and file a material change report in accordance with Part 7 of NI 51-102 in respect of any material change in the affairs of the Issuer that is not also a material change in the affairs of the Filer.

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

As to the Exemption Sought (other than from the Insider Reporting Requirements in the Securities Act (Ontario)) and the Confidentiality Sought in this regard:

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

As to the Exemption Sought from the Insider Reporting Requirements in the Securities Act (Ontario) and the Confidentiality Sought in this regard:

“Christopher Portner”
Commissioner
Ontario Securities Commission

“Kevin J. Kelly”
Commissioner
Ontario Securities Commission

2.2 Orders

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

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

AND

**IN THE MATTER OF
CICCONE GROUP, MEDRA CORPORATION,
990509 ONTARIO INC., TADD FINANCIAL INC.,
CACHET WEALTH MANAGEMENT INC.,
VINCE CICCONE, DARRYL BRUBACHER,
ANDREW J. MARTIN, STEVE HANEY,
KLAUDIUSZ MALINOWSKI AND BEN GIANGROSSO**

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

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

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

AND WHEREAS on April 22, 2010, the Commission issued a Notice of Hearing giving notice that it will hold a Hearing (the “Hearing”) on May 3, 2010 at 10 a.m., to consider, among other things, whether it is in the public interest to extend the Temporary Order pursuant to subsections 127 (7) and (8) of the Act until the conclusion of the Hearing, or until such further time as considered necessary by the Commission;

AND WHEREAS on May 3, 2010, the Commission extended the Temporary Order against all of the named respondents to October 22, 2010 and adjourned the Hearing to October 21, 2010;

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

AND WHEREAS on January 25, 2011, the Commission extended the Temporary Order as against Ciccone Group, Medra, 990509, Cachet, Tadd, Ciccone,

Malinowski, Brubacher and Martin to May 11, 2011 and adjourned the Hearing to May 10, 2011;

AND WHEREAS on May 10, 2011, the Commission extended the Temporary Order as against Ciccone Group, Medra, 990509, Cachet, Tadd, Ciccone, Malinowski, Brubacher and Martin to August 11, 2011 and adjourned the Hearing to August 10, 2011;

AND WHEREAS Staff advised the Commission that 990509, which was incorporated in Ontario on August 18, 1992, changed its name to Ciccone Group Inc. on March 8, 2010;

AND WHEREAS Staff advised the Commission that 990509 (now named Ciccone Group Inc.) made an assignment into bankruptcy on November 30, 2010;

AND WHEREAS Staff advised the Commission that it was not seeking an extension of the Temporary Order against Cachet and Malinowski but that it was seeking an extension of the Temporary Order until the end of September, 2011 as against Ciccone Group, Medra, 990509 now named Ciccone Group Inc., Ciccone, Tadd, Brubacher and Martin;

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

AND WHEREAS Staff advised the Commission that Brubacher, Martin and Tadd consent to an extension of the Temporary Order until September 30, 2011;

AND WHEREAS Staff advised the Commission that Vincent Ciccone and the Ciccone Group Inc. do not oppose an extension of the Temporary Order until September 30, 2011;

AND WHEREAS Staff represents that Medra was served notice of this Hearing;

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

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

- (i) the Temporary Order is extended as against Ciccone Group, Medra, 990509 now named Ciccone Group Inc., Ciccone, Tadd, Brubacher and Martin to September 30, 2011;
- (ii) the Hearing is adjourned to September 29, 2011 at 10:00 a.m. or such other date or time as may be set by the Secretary’s office.

DATED at Toronto this 10th day of August, 2011.

“James E. A. Turner”

2.2.2 Ground Wealth Inc. et al.

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

AND

**IN THE MATTER OF
GROUND WEALTH INC., ARMADILLO ENERGY
INC., PAUL SCHUETT, DOUG DEBOER, JAMES
LINDE, SUSAN LAWSON, MICHELLE DUNK,
ADRION SMITH, BIANCA SOTO AND
TERRY REICHERT**

ENDORSEMENT

I have issued an order (the "Order") extending the temporary cease trade order in this matter on the terms and conditions attached to this endorsement. The terms used in this endorsement that are defined in the Order are used as so defined.

The issue before me is not whether the TCTO should have been issued. The issue is whether, on the evidence before me, it should be extended. In that respect, I must satisfy myself there is sufficient evidence of conduct which may be harmful to the public interest. I am satisfied that there is such evidence.

Without deciding the issue, the Armadillo Securities appear to me to be securities within the meaning of the Act (based on my review only of the materials attached to Staff's affidavit filed in this matter). While the circumstances in this matter, including the cooperation of the Respondents with Staff's investigation, are different from the circumstances in which a temporary cease trade order is often issued, it nonetheless appears to me to be in the public interest to ensure that the Armadillo Securities, or any similar securities, are not illegally distributed in Ontario pending the outcome of the hearing on the merits in this matter.

There is no doubt that Staff requires additional time to complete its investigation. Further, unless the TCTO is extended, there is a reasonable possibility that the alleged objectionable conduct of the Respondents may continue. Such conduct presents a significant risk to investors and the public interest.

At the end of the day, the Respondents have not submitted to me satisfactory information to justify revoking the TCTO.

However, it also appears to me that, in these particular circumstances, the TCTO is broader than is necessary to protect investors in Ontario and the public interest. I have, accordingly, provided in the Order a carve-out from the TCTO permitting the Respondents to trade in listed securities and mutual fund securities (on the terms set forth in the Order). If any of the Respondents wishes to apply to the Commission for a broader carve-out or to trade specific securities identified to the Commission, they are free to do so.

This Order shall not prevent Staff from bringing before the Commission any application to vary, revoke or extend the TCTO or this Order.

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

"James E. A. Turner"

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

AND

**IN THE MATTER OF
GROUND WEALTH INC., ARMADILLO ENERGY
INC., PAUL SCHUETT, DOUG DEBOER, JAMES
LINDE, SUSAN LAWSON, MICHELLE DUNK,
ADRION SMITH, BIANCA SOTO AND
TERRY REICHERT**

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

WHEREAS it appears to the Ontario Securities Commission (the "Commission") that:

1. Ground Wealth Inc. ("GWI") is an Ontario corporation that operates out of 766 Hespeler Road, Suite 301, Cambridge, Ontario;
2. Armadillo Energy Inc. ("Armadillo") is a State of Nevada corporation;
3. Neither Armadillo nor GWI is a reporting issuer in Ontario;
4. Michelle Dunk ("Dunk") is the Vice-President, Director and Secretary of GWI, and resides in Ontario;
5. Adrion Smith ("Smith") is President and Director of GWI, and resides in Ontario;
6. Bianca Soto ("Soto") is a salesperson for GWI;
7. Terry Reichert ("Reichert") is a salesperson for GWI;
8. Paul Schuett ("Schuett") is the President and Chief Executive Officer of Armadillo;
9. Doug DeBoer ("DeBoer") is the Chief Financial Officer and Financial Director of Armadillo;
10. James Linde ("Linde") is the Chief Operating Officer and Operations Manager of Armadillo;
11. Susan Lawson ("Lawson") is the Corporate Secretary of Armadillo;
12. Neither Armadillo nor GWI has filed a preliminary prospectus or a prospectus and the Director has not issued a receipt in respect of these companies;
13. GWI, Armadillo, Schuett, DeBoer, Linde, Lawson, Dunk, Smith, Soto and Reichert (collectively, the "Respondents") have distributed, offered for sale, and sold to members of the public in Ontario, certificates evidencing an interest in oil (the

"Armadillo Securities") that Staff of the Commission ("Staff") alleges are "securities" as defined in the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act");

14. On July 27, 2011, the Commission issued a temporary cease trade order (the "TCTO") (i) pursuant to clause 2 of subsection 127(1) of the Act, that all trading in the Armadillo Securities shall cease; and (ii) pursuant to clause 2 of subsection 127(1) of the Act, that Armadillo, GWI, Schuett, DeBoer, Linde, Lawson, Dunk, Smith, Soto and Reichert cease trading in all securities;
15. None of the Respondents is registered with the Commission in any capacity;
16. Staff is conducting an investigation into the trading of the Armadillo Securities and whether the Respondents have contravened Ontario securities law;

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

IT IS ORDERED that the TCTO be extended to February 13, 2012 on the same terms and conditions as provided for in the TCTO; provided the TCTO shall not prevent a Respondent from trading for the Respondent's own account, solely through a registered dealer or a registered dealer in a foreign jurisdiction (which dealer must be given a copy of this order), in (a) any "exchange traded security" or "foreign exchange traded security" within the meaning of National Instrument 21-101, provided the Respondent does not own beneficially or exercise control or direction over more than 5 per cent of the voting or equity securities of the issuer of any such securities, or (b) any security issued by a mutual fund that is a reporting issuer; and provided the Respondent provides Staff with the particulars of the accounts in which such trading is to occur before any trading in such accounts occurs.

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

"James E. A. Turner"

2.2.3 Macarthur Minerals Limited – s. 1(11)(b)

Headnote

Subsection 1(11)(b) – Order that the issuer is a reporting issuer for the purposes of Ontario securities law – Issuer already a reporting issuer in Alberta and British Columbia – Issuer's securities listed for trading on the TSX Venture Exchange – Continuous disclosure requirements in Alberta and British Columbia substantially the same as those in Ontario – Issuer has a significant connection to Ontario.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(11)(b).

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

AND

**IN THE MATTER OF
MACARTHUR MINERALS LIMITED**

**ORDER
(Clause 1(11)(b))**

UPON the application (the "Application") of Macarthur Minerals Limited (the "Applicant") to the Ontario Securities Commission (the "Commission") for an order pursuant to clause 1(11)(b) of the Act deeming the Applicant to be a reporting issuer for the purposes of Ontario securities law;

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

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

1. The Applicant was incorporated in Alberta on February 21, 1991 under the name "U-Pack Shipping Systems Inc.", and was continued under the *Company Act* (British Columbia) on October 25, 1996 under the name "Citation Resources Inc." The Applicant changed its name to "Macarthur Minerals Limited" effective February 17, 2005.
2. The Applicant's head office is located at Level 20 AMP Place, 10 Eagle Street, Brisbane, Queensland 4000.
3. The Applicant's authorized share capital is an unlimited number of common shares (the "Common Shares") without par value and without special rights or restrictions attached. As at July 6, 2011, the Applicant had 44,670,630 common shares issued and outstanding.
4. The Applicant became a reporting issuer under the *Securities Act* (British Columbia) (the "BC Act") on December 16, 1996. The Applicant became a reporting issuer under the *Securities Act* (Alberta) (the "Alberta Act") on December 16, 1996.
5. The Applicant is not currently a reporting issuer or the equivalent in any jurisdiction in Canada other than British Columbia and Alberta.
6. The Applicant is not in default of any of its obligations under the BC Act or the Alberta Act.
7. The Applicant is not on the list of defaulting issuers maintained pursuant to the BC Act or pursuant to the Alberta Act.
8. The continuous disclosure materials filed by the Applicant under the BC Act and the Alberta Act are available on the System for Electronic Document Analysis and Retrieval (SEDAR).
9. The continuous disclosure requirements of the BC Act and the Alberta Act are substantially the same as the requirements under the Act.
10. The Applicant's common shares have been listed and posted for trading on the TSX Venture Exchange (the "TSX-V") under the symbol "MMS."
11. The Applicant is not in default of any of the rules, regulations or policies of the TSX-V.

12. The TSX-V requires all of its listed issuers, which are not otherwise reporting issuers in Ontario, to assess whether they have a significant connection with Ontario, as defined in Policy 1.1 of the TSX-V Corporate Finance Manual, and, upon first becoming aware that it has a significant connection to Ontario, to promptly make a *bona fide* application to the Commission to be deemed a reporting issuer in Ontario.
13. The Applicant has a significant connection to Ontario since over 20% of the Applicant's Common Shares are held by persons resident in Ontario.
14. The Applicant does not have a shareholder which holds sufficient securities of the Applicant to affect materially the control of the Applicant.
15. There have been no penalties or sanctions imposed against the Applicant by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority and the Applicant has not entered into a settlement agreement with a Canadian securities regulatory authority.
16. Neither the Applicant nor any of its officers, directors or, to the knowledge of the Applicant or its directors and officers, any shareholder of the Applicant holding sufficient securities of the Applicant to materially affect the control of the Applicant has:
 - (a) been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority;
 - (b) entered into a settlement agreement with a Canadian securities regulatory authority; or
 - (c) been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.
17. Neither the Applicant nor any of its officers, directors or, to the knowledge of the Applicant or its directors and officers, any shareholder of the Applicant holding sufficient securities of the Applicant to materially affect the control of the Applicant is or has been the subject of:
 - (a) any known ongoing or concluded investigation by:
 - (i) a Canadian securities regulatory authority; or
 - (ii) a court or regulatory body, other than a Canadian securities regulatory authority, that would be likely to be considered important to a reasonable investor making an investment decision; or
 - (b) any bankruptcy or insolvency proceedings, or other proceedings, arrangements or compromises with creditors, or the appointment of a receiver, receiver-manager or trustee, within the preceding 10 years.
18. Neither any of the officers or directors of the Applicant nor, to the knowledge of the Applicant and its directors and officers, any shareholder of the Applicant holding sufficient securities of the Applicant to materially affect the control of the Applicant, is or has been at the time of such event, a director or officer of any other issuer which is or has been subject to:
 - (a) any cease trade order or similar order, or order that denied access to any exemptions under Ontario securities laws, for a period of more than 30 consecutive days, within the preceding 10 years; or
 - (b) any bankruptcy or insolvency proceedings, or other proceedings, arrangements or compromises with creditors, or the appointment of a receiver, receiver-manager or trustee, within the preceding 10 years.

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

IT IS HEREBY ORDERED pursuant to subsection 1(11)(b) of the Act that the Applicant be deemed to be a reporting issuer for the purposes of Ontario securities law.

DATED this 9th day of August, 2011.

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

2.2.4 Chi-X Canada ATS – s. 15.1 of NI 21-101 Marketplace Operation (NI 21-101) and s. 6.1 of OSC Rule 13-502 Fees)

Headnote

Section 15.1 of National Instrument 21-101 Marketplace Operation (21-101) – exemption granted from the requirement in subsection 6.4(2) of 21-101 to file an amendment to Form 21-101F2 45 days prior to the implementation of changes made to Form 21-101F2 regarding Exhibit G (Fees).

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am.
National Instrument 21-101 Marketplace Operation, s. 15.1.
Rule 13-502 Fees, s. 6.1.

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

AND

**IN THE MATTER OF
CHI-X CANADA ATS**

ORDER

**(Section 15.1 of National Instrument 21-101 *Marketplace Operation*
(NI 21-101) and section 6.1 of OSC Rule 13-502 Fees)**

UPON the application (the "Application") of Chi-X Canada ATS Limited (the "Applicant") to the Director for an order pursuant to section 15.1 of NI 21-101 exempting the Applicant from the requirement in paragraph 6.4(2) to file an amendment to the information previously provided in Form 21-101F2 (the "Form") regarding Exhibit G (Fees) 45 days before implementation of the fee changes (the "45 day filing requirement");

AND UPON the Applicant filing an updated Form F2 on July 20, 2011, describing a fee change to be implemented September 1, 2011 (the "Fee Change");

AND UPON the Application by the Applicant (the "Fee Exemption Application") to the Director for an order pursuant to section 6.1 of Rule 13-502 exempting the Applicant from the requirement to pay an activity fee of (a) \$3,250 in connection with the Application in accordance with section 4.1 and item E(1) of Appendix C of OSC Rule 13-502, and (b) \$1,500 in connection with the Fee Exemption Application (Appendix C, item E(2)(a));

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

AND UPON the Applicant having represented to the Director as follows.

1. The Applicant is carrying on business as an alternative trading system in Ontario with its head office in Toronto.
2. The Applicant has consulted with industry participants prior to arriving at the new fee model and plans to provide notice to the industry prior to the implementation of the resulting fee schedule changes.
3. The Applicant would like to implement changes to its fee schedule on September 1, 2011.
4. The current multi-market trading environment requires frequent changes to the fees and fee model to remain competitive and it has become unduly burdensome to delay 45 days before responding to participants' needs and/or competitors' initiatives.
5. The policy rationale behind the 45 day filing requirement, which the Applicant understands is to provide Commission staff with an opportunity to analyze the changes and determine if any objections should be raised prior to implementation, can be met in a shorter period.
6. Given that the notice period was created prior to multi-marketplaces becoming a reality, and in light of the current competitive environment and the limited and highly technical nature of the exemption being sought, it would be unduly onerous to pay fees in these circumstances;

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

IT IS ORDERED by the Director:

- (a) pursuant to section 15.1 of NI 21-101 that the Applicant is exempted from the 45 day filing period for the Fee Change, and
- (b) pursuant to section 6.1 of OSC Rule 13-502 that the Applicant is exempted from:
 - (i) paying an activity fee of \$3,250 in connection with the Application, and
 - (ii) paying an activity fee of \$1,500 in connection with the Fee Exemption Application.

DATED this 8th day of August, 2011.

"Susan Greenglass"
Director, Market Regulation
Ontario Securities Commission

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Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions, Orders and Rulings

3.1.1 Magna Partners Ltd.

IN THE MATTER OF
AN APPLICATION FOR A HEARING AND REVIEW OF A DECISION OF A HEARING PANEL OF
THE INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA,
PURSUANT TO SECTIONS 8 AND 21.7 OF THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
DISCIPLINE PROCEEDINGS PURSUANT TO
UNIVERSAL MARKET INTEGRITY RULES 5.2 AND 7.1
RESPECTING THE BEST PRICE OBLIGATION

BETWEEN

STAFF OF THE INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA

AND

MAGNA PARTNERS LTD.

REASONS AND DECISION

Hearing: May 12, 2011

Decision: August 16, 2011

Panel: James E. A. Turner – Vice-Chair and Chair of the Panel
Christopher Portner – Commissioner

Counsel: Brent Bittner – For Magna Partners Ltd.
Charles Corlett – For Staff of the Investment Industry Regulatory Organization of Canada
Michelle Vaillancourt – For Staff of the Ontario Securities Commission

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REASONS AND DECISION

I. BACKGROUND

1. Introduction

[1] On May 12, 2011, the Ontario Securities Commission (the “**Commission**”) held a hearing to consider an application dated December 2, 2010 (the “**Application**”) brought by Magna Partners Ltd. (the “**Applicant**”) under section 21.7 of the *Securities Act*, R.S.O. 1990, c. S.5 as amended (the “**Act**”), for a hearing and review of a decision and reasons (the “**Decision**”) of a hearing panel (the “**IIROC Hearing Panel**”) of the Investment Industry Regulatory Organization of Canada (“**IIROC**”) dated October 28, 2010. These are our reasons and decision relating to the Application.

[2] The Decision arose from a sanctions hearing that was based on an agreed statement of facts (the “**Agreed Statement of Facts**”) in which the Applicant admitted breaches of Universal Market Integrity Rule (“**UMIR**”) 5.2 (Best Price Obligation) and UMIR 7.1 (Trading Supervision Obligation). In the Decision, the IIROC Hearing Panel ordered the Applicant to pay a fine of \$100,000 and costs of \$10,000.

[3] The Applicant requests that the Commission set aside the Decision and substitute its own decision on sanctions for that of the IIROC Hearing Panel, or alternatively, make an order remitting the matter to a hearing panel of the Ontario District Council of IIROC, on the grounds that the IIROC Hearing Panel made serious and pervasive errors in its Decision.

2. The Application

[4] The Applicant applied for a hearing and review of the Decision by the Commission on the following grounds:

- (a) the IIROC Hearing Panel failed to deliver reasons that adequately explain how it arrived at the Decision, specifically that there was no indication as to how the IIROC Hearing Panel arrived at a fine of \$100,000;
- (b) the IIROC Hearing Panel erred by relying on the decision in *BMO Nesbitt Burns*, [2010] IIROC No. 39 (the “**BMO Decision**”);
- (c) the IIROC Hearing Panel erred in law by not admitting as evidence certain e-mails (the “**E-mail Messages**”) tendered by the Applicant, thereby preventing the IIROC Hearing Panel from becoming aware of facts as to how and when the Applicant complied with UMIR 5.2 and UMIR 7.1;
- (d) the IIROC Hearing Panel was not apprised of specific and relevant evidence that was necessary in order for the Applicant to receive a fair hearing; and
- (e) the Decision was unreasonable.

[5] Staff of IIROC (“**IIROC Staff**”) submits that the Decision is fair and reasonable and that this Application amounts to an attempt to have this matter retried on a new basis.

[6] IIROC Staff submits that the IIROC Hearing Panel carefully considered the submissions on sanctions made by both parties, the principles applicable to a sanctions hearing, the relevant aggravating and mitigating factors, and gave appropriate consideration to all of those factors.

[7] IIROC Staff submits that the Applicant, with the benefit of advice from its counsel, made the decision to proceed to a sanctions hearing on admitted contraventions of UMIR and the Agreed Statement of Facts, and it is inappropriate to now ask a panel of the Commission to “second-guess” that decision.

3. The Decision of the IIROC Hearing Panel

[8] IIROC made allegations in a Notice of Hearing and Statement of Allegations, both dated August 4, 2010, that between October 2008 and May 2010, the Applicant failed to make reasonable efforts to ensure that orders were executed at the best price, contrary to UMIR 5.2, and failed to have adequate policies and procedures in place in order to ensure reasonable efforts were made to execute orders at the best price, contrary to UMIR 7.1.

[9] The Applicant admitted to the contraventions of UMIR in the Agreed Statement of Facts, and an IIROC hearing was scheduled to determine the sanctions and costs that should be imposed on the Applicant.

[10] The matter was heard on August 16, 2010 by the IIROC Hearing Panel. The Applicant was represented by counsel at that hearing.

[11] At the beginning of the sanctions hearing, the Applicant sought to introduce as evidence the E-mail Messages. IIROC Staff objected. After hearing submissions from both parties, the IIROC Hearing Panel decided that it would not admit the E-mail Messages as evidence.

[12] Following the sanctions hearing, the IIROC Hearing Panel ordered the Applicant to pay a fine of \$100,000 and costs of \$10,000.

II. THE ISSUES

[13] In considering the Application, we will address the following issues:

- (a) the Commission's jurisdiction to intervene in this matter;
- (b) the appropriate standard of review under section 21.7 of the Act;
- (c) whether the Applicant has established any of the grounds upon which the Commission may intervene in the Decision; and
- (d) if there are grounds to intervene in the Decision, what the appropriate disposition is in the circumstances.

III. SUBMISSIONS OF THE PARTIES

1. Applicant's Submissions

[14] The Applicant submits that the Decision contains serious and pervasive errors which justify the intervention of the Commission.

Adequacy of Reasons

[15] The Applicant submits that the IIROC Hearing Panel failed to compare the Applicant's misdeeds with similar misdeeds of others and placed the Applicant on an inappropriate scale of culpability. In addition, the Applicant submits that the Decision does not disclose what other disciplinary decisions or settlements were considered or relied on by the IIROC Hearing Panel in reaching the Decision. The Applicant also submits that the Decision lacks appropriate analysis and reasoning.

Admission of E-mails

[16] The Applicant submits that the IIROC Hearing Panel, by refusing to admit the E-mail Messages at the hearing, was not aware of all of the relevant facts, including the dates on which the Applicant came into compliance with UMIR 5.2 and UMIR 7.1. The Applicant submits that, by not allowing the E-mail Messages to be introduced into evidence, the IIROC Hearing Panel denied the Applicant procedural fairness.

Reasonableness of Decision

[17] The Applicant submits that the IIROC Hearing Panel in imposing sanctions relied unduly on the *BMO* Decision. The Applicant submits that any comparison of the Applicant, which made no profit in 2010, to the Bank of Montreal, which had a net income of \$2.8 billion in 2010, is completely unreasonable.

[18] The Applicant submits that it was unreasonable for the IIROC Hearing Panel to identify only cooperation with IIROC enforcement staff as a mitigating factor. The Applicant submits that the IIROC Hearing Panel ignored the following mitigating factors:

- (a) evidence to determine the cost of connecting to the alternative trading systems (“**ATs**”) as required under UMIR;
- (b) telephone inquiries made by the Applicant regarding connectivity to the ATs;
- (c) the Applicant’s inability to afford to connect to the ATs;
- (d) the prohibitive cost to the Applicant of connecting to the ATs;
- (e) the Applicant’s decision to connect to the Toronto Stock Exchange (“**TSX**”) Smart Order Router;
- (f) the sale of the Applicant and its new management’s attitude toward complying with UMIR;
- (g) follow-up conducted on the status of the TSX Smart Order Router;
- (h) the fact that trade-through alerts were small relative to the Applicant’s trading volume;
- (i) the Applicant’s actions to become compliant with UMIR 5.2 and 7.1; and
- (j) the Applicant’s financial ability to pay a fine and costs.

[19] The Applicant submits that the Decision is unreasonable in concluding that the Applicant chose not to comply with UMIR and in concluding that the Applicant should be fined on a basis consistent with the settlement reached in the *BMO* Decision. The Applicant submits that it did not *choose* not to comply. Rather, the Applicant could not afford to join all four ATs and communicated that inability to IIROC.

[20] The Applicant submits that the decision to levy a \$100,000 fine in all of the circumstances is unreasonable. The Applicant submits that the appropriate fine and costs should not exceed \$40,000.

2. IIROC Staff Submissions

[21] IIROC Staff submits that the Application is without merit and that the Commission should defer to the IIROC Hearing Panel’s Decision and to the factual determinations central to its specialized expertise. IIROC Staff submits that disagreeing with the outcome of a decision rendered on an agreed statement of facts is an insufficient basis to intervene in an IIROC decision. IIROC Staff submits that while the Applicant would have preferred a different outcome, it does not follow that the Applicant should be permitted to “re-litigate” a matter before the Commission when the Applicant has already had a full opportunity to present its case at first instance before the IIROC Hearing Panel.

Adequacy of Reasons

[22] IIROC Staff submits that the IIROC Hearing Panel provided reasons that were sufficiently detailed to demonstrate that the applicable legal principles and the relevant evidence were properly considered.

[23] IIROC Staff submits that the IIROC Hearing Panel set out fully its conclusions, referred in detail to the guiding principles relating to imposing sanctions and set out the key facts it considered in applying the sanctioning principles.

[24] I IROC Staff submits that the IIROC Hearing Panel looked to the closest available precedent, which was the *BMO* Decision, which had somewhat similar facts, and drew a distinction between the facts in that case and the facts in the current matter.

Admission of E-mail Messages

[25] IIROC Staff submits that the IIROC Hearing Panel’s decision not to admit the E-mail Messages did not lead to procedural unfairness. IIROC Staff submits that it was well within the IIROC Hearing Panel’s discretion to make a determination as to the admissibility and relevance of the E-mail Messages. After hearing submissions from both parties, the IIROC Hearing Panel determined that the evidence should be restricted to the Agreed Statement of Facts.

Reasonableness of Decision

[26] IIROC Staff submits that there is no error on the part of the IIROC Hearing Panel in making the Decision.

[27] IIROC Staff submits that the Applicant is attempting to resile from the facts that it admitted in the Agreed Statement of Facts, which the IIROC Hearing Panel relied on in its Decision, as proof of the unreasonableness of the Decision.

[28] Further, both IIROC Staff and the Applicant understood that by proceeding by way of an Agreed Statement of Facts, they would not be able to provide additional evidence that might explain, elaborate on or qualify what was agreed to in the Agreed Statement of Facts. Both parties had the opportunity to make submissions as to the weight to be given to the agreed facts and the IIROC Hearing Panel used its discretion and considered the facts agreed upon by the parties. Merely because the IIROC Hearing Panel considered factors other than those the Applicant would have chosen, does not render the Decision unreasonable.

[29] IIROC Staff submits that the Applicant has not discharged the heavy burden of demonstrating any ground that justifies intervention by the Commission and that, accordingly, the Application should be dismissed.

3. OSC Staff Submissions

[30] Staff of the Commission ("**OSC Staff**") filed a factum to assist us regarding the appropriate scope of review of a decision of an IIROC hearing panel.

[31] OSC Staff took no position on whether the Applicant has satisfied any valid ground for us to intervene in the Decision.

IV. COMMISSION RULING ON MOTION REGARDING E-MAIL MESSAGES

[32] At the outset of the hearing before us, the Applicant sought to introduce the E-mail Messages as evidence for our consideration.

[33] IIROC Staff submitted that the Applicant should not be permitted to introduce new documents in its hearing and review before the Commission for the purpose of arguing its case on a factual basis that differs from the factual basis set out in the Agreed Statement of Facts.

[34] OSC Staff agreed with IIROC Staff's position in this respect.

Analysis

[35] We have the discretion to admit new evidence on the Application. In order to do so, we should generally find that the evidence is "new and compelling" (*Canada Malting Co.* (1986), 9 OSCB 3565 ("**Canada Malting**") at 21).

[36] At the time that the Agreed Statement of Facts was entered into, the E-mail Messages existed and they were not referred to in the Agreed Statement of Facts. The Applicant submits that, while the E-mail Messages existed, they were not compelling at that time and therefore were not included in the Agreed Statement of Facts. The Applicant submits that the E-mail Messages are now compelling evidence.

[37] We held that it was within the discretion of the IIROC Hearing Panel not to admit additional evidence, given that an Agreed Statement of Facts had been voluntarily entered into by the Applicant. We also found that there was no valid basis in these circumstances upon which to allow the introduction of the E-mail Messages on the Application.

[38] Accordingly, we denied the Applicant's motion to admit the E-mail Messages into evidence. We indicated to the Applicant, however, that it was free to make whatever oral submissions it wished on that subject.

V. ANALYSIS OF SUBSTANTIVE ISSUES RAISED ON THE APPLICATION

1. The Law

(a) Jurisdiction to Intervene

[39] The Commission has the authority and discretion to review and intervene in the Decision. The Commission has authority under section 21.7 of the Act to hold a hearing and review of any direction, decision, order or ruling of a self-regulatory organization (an "**SRO**") such as IIROC. That section provides as follows:

21.7 (1) Review of decisions – The Executive Director or a person or company directly affected by, or by the administration of, a direction, decision, order or ruling made under a by-law, rule, regulation, policy, procedure, interpretation or practice of a recognized stock exchange, recognized self-regulatory organization, recognized quotation and trade reporting system or recognized clearing agency may apply to the Commission for a hearing and review of the direction, decision, order or ruling.

(2) Procedure – Section 8 applies to the hearing and review of the direction, decision, order or ruling in the same manner as it applies to a hearing and review of a decision of the Director.

[40] Subsection 8(3) of the Act provides that, upon a hearing and review, the Commission may confirm the decision or make such other decision as it considers proper. That section provides as follows:

8(3) Power on review – Upon a hearing and review, the Commission may by order confirm the decision under review or make such other decision as the Commission considers proper.

(b) Standard of Review and Grounds for Intervention

[41] In a section 21.7 hearing and review, the Commission exercises original jurisdiction akin to a trial de novo and may admit new evidence. A hearing and review is broader in scope than an appeal, which is usually limited to determining whether there has been an error in law or the contravention of a principle of natural justice (*Investment Industry Regulatory Organization of Canada v. Vitug* (2010), 33 OSCB 3965 at para. 43; aff'd 2010 ONSC 4464 (Div. Ct.) ("**Re Vitug**"); *Boulieris v. Investment Dealers Association of Canada*, (2004) 27 OSCB 1597 at paras. 29-30; aff'd (2005) 198 OAC 81 (Div. Ct.) ("**Re Boulieris**")).

[42] Although the broad scope of our authority on a hearing and review is well established, in practice the Commission takes a more restrained approach to applications under section 21.7 of the Act (*Re Boulieris*, *supra*, at para. 31).

[43] The Commission will generally defer to determinations central to IIROC's specialized expertise, such as interpreting and applying its own by-laws or making factual determinations central to its expertise (*HudBay Minerals Inc.*, (2009), 32 OSCB 3733 at paras. 103-104 ("**HudBay**"); *Investment Dealers Association of Canada v. Kasman* (2009), 32 OSCB 5729 at paras. 40-48 ("**Re Kasman**"); *Re Boulieris*, *supra*, at paras. 27 and 32, *Re Vitug*, *supra*, at paras. 45-47).

[44] Nonetheless, there are circumstances in which the Commission will intervene in a decision of an SRO. Those grounds were established in *Canada Malting*, *supra*. Based on the *Canada Malting* test, the Commission may intervene in the Decision on any of the following grounds:

- (a) the IIROC Hearing Panel has proceeded on an incorrect principle;
- (b) the IIROC Hearing Panel has erred in law;
- (c) the IIROC Hearing Panel has overlooked material evidence;
- (d) new and compelling evidence is presented to the Commission that was not before the IIROC Hearing Panel; or
- (e) the IIROC Hearing Panel's perception of the public interest conflicts with that of the Commission.

(*Canada Malting*, *supra*, at 21)

[45] The *Canada Malting* test has been endorsed in a number of subsequent Commission decisions, including *Boulieris*, *supra*, at para. 31, *HudBay*, *supra*, at para. 105 and *Kasman*, *supra*, at para. 44. In *HudBay*, in discussing when the Commission may intervene in a decision of the TSX, the Panel described the burden on an applicant as follows:

We recognize, however, that if the Commission is too interventionist in reviewing decisions made by an exchange, that would introduce an unacceptable degree of uncertainty in our regulatory regime and in capital markets. In *Canada Malting*, the Commission stated:

The TSE supported the Applicants in their request for standing. However, it went on to note the difficulty that would be created for listed companies if the TSE could be second-guessed by the OSC on the initiative of a company's shareholders every time a notice for filing is accepted under By-law 19.06 [the predecessor of section 604 of the TSX Manual].

If the right of appeal meant that the OSC were to review every decision of the TSE on the merits, then companies issuing securities would be faced with the possibility of subsequently being forced to unwind the transaction or face delisting or trading sanctions on the basis that the Commission had decided to substitute its discretion for that of the TSE under By-law 19.06. In our view, this would introduce an unacceptable degree of uncertainty into the capital markets.

(*HudBay*, *supra*, at para. 114)

[46] It is, therefore, only in rare circumstances that the Commission will intervene in an SRO decision. Before the Commission will do so, it must be satisfied that the applicant has met the “heavy burden” of demonstrating that its case fits within at least one of the five grounds for intervention identified in **Canada Malting**.

2. Analysis

[47] The Applicant submits that three of the grounds for intervention under the Canada Malting test have been met. The Applicant submits that the IIROC Hearing Panel proceeded on incorrect principles, erred in law, and overlooked material evidence by not admitting the E-mail Messages as evidence.

[48] Because we have ruled that the IIROC Panel was entitled to exclude the E-Mail Messages and because we have concluded that they will not be admitted as evidence on the Application, we reject the allegation that the IIROC Hearing Panel overlooked material evidence.

[49] We will therefore address whether the IIROC Hearing Panel proceeded on an incorrect principle or erred in law in making the Decision.

(a) Previous Decisions under UMIR 5.2 and 7.1

[50] Before doing so, we will review the decided cases referred to us on the Application that involved breaches of UMIR.

[51] There are no decided cases dealing with sanctions for breach of the provisions of UMIR 5.2 and 7.1 that were arrived at after a hearing on the merits. The only two relevant precedents that were submitted to us were settlements approved by IIROC, and not decisions on sanctions imposed after a hearing on the merits.

[52] The Applicant submits that the IIROC Hearing Panel placed undue reliance on the *BMO* Decision. In that case, the respondent bank was ordered under a settlement agreement approved by an IIROC panel, to pay a penalty of \$250,000 and costs in the amount of \$15,000. As noted above, the Applicant submits that the fine imposed on it by the IIROC Hearing Panel was not proportionate because of its size and the relative size of the Bank of Montreal.

[53] On March 29, 2011, a hearing panel of IIROC approved a settlement agreement between IIROC Staff and Beacon Securities Limited (the “**Beacon Decision**”). The facts in the *Beacon* Decision are similar to those before us. From December 2008 to November 2010, Beacon Securities Limited (“**Beacon**”) traded on the TSX but was not directly connected to the other four ATSS. Beacon is a small, full service, regionally-based firm with its head office in Halifax, Nova Scotia that employs approximately 40 individuals. The IIROC panel in that case found that Beacon co-operated with IIROC Staff throughout, the damage done to the market was slight, and the contraventions were eventually corrected. Accordingly, Beacon’s violation was found to be more technical than substantive. The IIROC panel in *Beacon* approved the agreed penalty of \$70,000 and costs of \$5,000.

[54] The *Beacon* Decision was rendered subsequent to the Decision and was not before the IIROC Hearing Panel when it made its decision. In our view, the *Beacon* Decision is a more compelling precedent than the *BMO* Decision in these circumstances.

(b) Error in Principle

[55] The first relevant ground for intervention by the Commission is whether the IIROC Hearing Panel proceeded on an incorrect principle. However, it does not appear that, since *Canada Malting*, a clear distinction has been made in the decisions between “proceeding on an incorrect principle” and “erring in law”.

[56] In *Kasman*, the panel had to determine whether an IDA panel had misapplied a principle relating to sanctions. The panel discussed the relevant principles regarding sanctions as follows:

IDA Staff also relies on the following statement from *Re Mills*, [2001] I.D.A.C.D. No. 7 at paragraph 6:

Industry expectations and understandings are particularly relevant to general deterrence. If a penalty is less than industry understandings would lead its members to expect for the conduct under consideration, it may undermine the goals of the Association’s disciplinary process; similarly, excessive penalties may reduce respect for the process and concomitantly diminish its deterrent effect. Thus the responsibility of the District Council in a penalty hearing is to determine a penalty appropriate to the conduct and respondent before it, reflecting that its primary purpose is prevention, rather than punishment.

These principles have been incorporated in the IDA Sanctions Guidelines (the “Guidelines”). The Guidelines set out a list, which is “illustrative, not exhaustive”, of “key considerations when determining sanctions”: (i) harm to clients, employer and/or the securities market; (ii) blameworthiness; (iii) degree of participation; (iv) extent to which the respondent was enriched by the misconduct; (v) prior disciplinary record; (vi) acceptance of responsibilities, acknowledgement of misconduct and remorse; (vii) credit for co-operation; (viii) voluntary rehabilitative efforts; (ix) reliance on the expertise of others; (x) planning and organization; (xi) multiple incidents of misconduct over an extended period of time; (xii) vulnerability of victim; (xiii) failure to co-operate with the investigation; and (xiv) significant economic loss to the client and/or member firm.

(*Kasman*, *supra*, at paras. 51–52)

3. Lack of Proportionality as an Error in Principle

[57] When determining sanctions, an SRO or the Commission must apply the principle of proportionality. In *Kasman*, the Commission concluded that:

We accept that a respondent's personal and financial circumstances are relevant factors to be considered, along with other appropriate sanctioning factors, in determining the amount of a fine. We also accept that considering ability to pay *is consistent with the principle of proportionality* in determining sanctions, and we are not persuaded that it is inconsistent with achieving general deterrence [emphasis added].

(*Kasman*, *supra*, at para. 72)

[58] In this case, we believe that the Decision lacked proportionality in that the IIROC Hearing Panel did not appear to appropriately take into account the small size of the registrant and its limited regulatory capital. During the hearing before the IIROC Hearing Panel, IIROC acknowledged that the Applicant was a small firm, with a risk adjusted capital of \$293,000 as of August 31, 2010. The Applicant had been in early warning since June 8, 2010. In our view, a penalty of \$100,000 is not proportionate to the size of the firm and its regulatory capital. A penalty of that size would be considered a minor deterrence to a large member of the industry, but could cause the failure of a much smaller member firm such as the Applicant. We are not suggesting that the amount of a firm's risk adjusted capital should be a determining factor in imposing sanctions. We are simply saying that, in these circumstances, it should be a very significant factor. Further, in imposing sanctions, the IIROC Hearing Panel did not have the benefit of considering the *Beacon* Decision. The fine imposed in that decision seems to us to be very relevant to the Applicant's circumstances.

[59] We are influenced in reaching our conclusions in this matter by (i) the nature of the breach of UMIR involved and the limited harm arising from it; (ii) the fact that the Applicant was unaware that it could have more cost-effectively complied with UMIR in the circumstances; (iii) the fact that the Applicant is now in compliance with UMIR 5.2 and 7.1; (iv) the fact that UMIR 5.2 is proposed to be repealed; (v) the fact that the Applicant is now carrying on business under new management; and (vi) the fact that there are no decisions of IIROC or the Commission reached after a hearing on the merits applying UMIR 5.2 and 7.1. It seems to us that almost all of the circumstances in this case lead one to mitigate the sanctions that should be imposed.

[60] Because of our conclusion, it is not necessary for us to address any of the Applicant's other submissions.

VI. CONCLUSION

[61] Based on the considerations referred to in Part V, Section 3 of this decision, we find that there is a lack of proportionality in the sanctions imposed by the IIROC Hearing Panel on the Applicant that resulted in an error in principle within the meaning of the *Canada Malting* test.

[62] In the circumstances, we have the option of substituting our decision for that of the IIROC Hearing Panel, or of remitting the matter to IIROC. We have concluded that it would be appropriate and in the public interest to allow the Application and to substitute our decision for that of the IIROC Hearing Panel. Accordingly, we order that as sanctions for its breach of UMIR 5.2 and 7.1:

1. the Applicant shall pay IIROC a fine of \$30,000; and
2. the Applicant shall pay IIROC costs of \$10,000.

[63] In our view, a more significant penalty is not necessary in these circumstances to deter others or to protect our capital markets.

DATED at Toronto this 16th day of August, 2011.

"James E. A. Turner"
James E. A. Turner

"Christopher Portner"
Christopher Portner

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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
Medifocus Inc.	04 Aug 11	16 Aug 11	16 Aug 11	
Acadian Energy Inc.	04 Aug 11	16 Aug 11	16 Aug 11	
Aerocast Inc.	11 Aug 11	23 Aug 11		
Canoro Resources Ltd.	11 Aug 11	23 Aug 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
07/14/2011	1	AB Svensk Exportkredit - Common Shares	1,447,095.38	1,500,000.00
07/15/2011	4	American Vanadium Corp. - Units	3,502,000.50	2,334,667.00
12/22/2010	1	Amundi Funds - Common Shares	49,781,013.73	48,497.28
08/03/2011	21	Angus Mining (Namibia) Inc. - Common Shares	1,378,750.00	5,275,000.00
07/15/2011	10	Annaly Capital Management, Inc. - Common Shares	42,304,500.00	2,550,000.00
07/11/2011	1	Annaly Capital Management, Inc. - Common Shares	85,544.10	5,000.00
07/14/2011	78	Argus Metals Corp. - Units	1,508,500.00	15,085,000.00
01/17/2011	1	Astorg V FCPR - Common Shares	59,008,500.00	4,500,000.00
06/30/2011	3	Atlantis Gold Mines Corp. - Common Shares	355,000.00	1,420,000.00
07/29/2011	36	Auriga Gold Corp. - Flow-Through Units	2,105,000.00	4,210,000.00
06/28/2011 to 07/06/2011	9	Axcess Mortgage Fund Ltd. - Common Shares	283,880.00	28,388.00
07/15/2011	2	Axela Inc. - Debentures	1,000,000.00	1,000,000.00
05/06/2011	1	Bank of America Corporation - Notes	1,000,000.00	100.00
07/21/2011	49	Blackbird Energy Inc. - Units	1,550,000.00	7,750,000.00
07/13/2011	14	BlueLight analytics Inc. - Units	400,000.00	10,000.00
07/14/2011	14	BonTerra Resources Inc. - Flow-Through Units	1,499,750.00	4,347,826.00
07/15/2011	26	Brigadier Gold Limited - Units	350,040.00	2,333,600.00
07/05/2011	2	B.E.S.T. Active Fund 11 L.P. - Units	1,150,000.00	1,150,000.00
06/08/2011	1	Calico Resources Corp. - Common Shares	990,000.00	0.00
07/14/2011	18	Canadian Horizons Blended Mortgage Investment Corporation - Common Shares	415,015.00	415,015.00
06/15/2011	3	Canadian Orebodies Inc. - Common Shares	495,000.00	N/A
08/03/2011	1	Canamex Resources Corp. - Common Shares	180,000.00	1,500,000.00
07/05/2011	1	Canuc Resources Corporation - Common Shares	0.00	N/A
07/04/2011	1	Capital Direct I Income Trust - Units	19,400.00	1,940.00
07/12/2011	1	Chequers Capital XVI FCPR - Common Shares	101,610,000.00	1,016,100.00

Notice of Exempt Financings

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price (\$)	No of Securities Distributed
07/19/2011	1	Cheung Kong Infrastructure Holdings Ltd. - Common Shares	739,500.00	150,000.00
07/18/2011	1	CHYF Trust - Units	600,825.00	53,693.00
07/22/2011	8	Clear Sky Capital US Real Estate Opportunity Limited Partnership - Common Shares	451,345.00	4,750.00
07/20/2010 to 01/31/2011	3	Commonfund Emerging Markets Investors Company - Common Shares	2,384,920.00	109,810.00
07/01/2010	3	Commonfund Hedged Investors Company - Common Shares	9,968,527.09	940,782.00
07/30/2010 to 01/31/2011	3	Commonfund Institutional All Cap Equity Fund, LLC. - Common Shares	4,809,496.00	330,963.44
01/31/2011 to 06/08/2011	3	Commonfund Institutional Core Equity Fund, LLC. - Common Shares	7,239,900.00	593,940.00
10/29/2010	1	Commonfund Institutional International Equity Fund, LLC - Common Shares	305,820.00	24,331.00
07/01/2010 to 01/31/2011	1	Commonfund Institutional Multi-Strategy Commodities Fund, Ltd. - Common Shares	3,452,650.00	358,639.98
09/30/2010 to 04/30/2011	3	Commonfund Strategic Solutions Diversifying Company - Common Shares	39,805,758.52	3,993,119.00
09/30/2010 to 04/30/2011	2	Commonfund Strategic Solutions Relative Value & Event Driven Company - Common Shares	8,179,314.06	808,863.00
07/29/2011	15	DB Mortgage Investment Corporation #1 - Common Shares	7,921,000.00	7,921.00
08/02/2011	360	Denovo Capital Corp. - Receipts	40,981,675.50	45,535,195.00
08/02/2011	1	Dundee Energy Limited - Common Shares	6,011,922.40	7,243,280.00
07/15/2011	3	Electronic Arts Inc. - Notes	1,048,960.00	1,100,000.00
07/19/2011	8	Elm Park Credit Opportunities Fund L.P. - Limited Partnership Interest	8,650,460.00	8.00
07/19/2011 to 07/21/2011	38	Elm Park Credit Opportunities Fund (Canada) L.P. - Limited Partnership Interest	135,698,150.00	38.00
07/22/2011	1	Emerging Markets Growth Fund, Inc. - Common Shares	17,026,400.00	1,809,045.00
06/01/2010	1	Equimor First Mortgage Income Fund Inc. - Common Shares	100,000.00	100,000.00
04/01/2009	1	Equimor Income Fund Inc. - Special Shares	100,000.00	100,000.00
07/01/2009	1	Equimor Income Fund Inc. - Special Shares	179,000.00	179,000.00
08/01/2009	1	Equimor Income Fund Inc. - Special Shares	200,000.00	200,000.00
09/01/2009	2	Equimor Income Fund Inc. - Special Shares	61,000.00	61,000.00
10/01/2009	2	Equimor Income Fund Inc. - Special Shares	81,568.00	81,568.00
12/01/2009	3	Equimor Income Fund Inc. - Special Shares	300,000.00	300,000.00

Notice of Exempt Financings

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price (\$)	No of Securities Distributed
02/01/2010	2	Equimor Income Fund Inc. - Special Shares	110,000.00	110,000.00
06/01/2010	3	Equimor Income Fund Inc. - Special Shares	230,263.00	230,263.00
08/01/2010	1	Equimor Income Fund Inc. - Special Shares	200,000.00	200,000.00
09/01/2010	1	Equimor Income Fund Inc. - Special Shares	100,000.00	100,000.00
10/01/2010	1	Equimor Income Fund Inc. - Special Shares	100,000.00	100,000.00
12/01/2010	1	Equimor Income Fund Inc. - Special Shares	25,000.00	25,000.00
04/01/2010	1	Equimor Income Fund Inc. - Special Shares	100,000.00	100,000.00
05/01/2011	1	Equimor Income Fund Inc. - Special Shares	150,000.00	80,000.00
06/01/2011	1	Equimor Income Fund Inc. - Special Shares	80,000.00	80,000.00
04/01/2011	2	Equimor Income Fund Inc. - Special Shares	41,723.00	150,000.00
05/01/2010	2	Equimor Income Fund Inc. - Special Shares	236,172.00	236,172.00
02/01/2011	2	Equimor Income Fund Inc. - Special Shares	172,450.00	172,450.00
07/20/2011	25	Escape Gold Inc. - Common Shares	1,200,000.00	3,600,000.00
08/05/2011	22	Estrella International Energy Services Ltd. - Common Shares	892,541.28	1,928,568.00
07/01/2011	3	Excalibur Limited Partnership - Units	4,535,400.00	20.22
07/19/2011	9	Expand Energy Corporation - Common Shares	1,346,890.20	1,204,178.00
07/14/2011	1	FanXchange Limited - Debentures	500,000.00	500,000.00
07/14/2011 to 07/20/2011	8	First Leaside Wealth Management Fund - Common Shares	483,204.00	483,204.00
07/04/2011	9	First Leaside Wealth Management Fund - Units	1,102,104.00	1,102,104.00
07/06/2011 to 07/13/2011	11	First Leaside Wealth Management Fund - Units	1,053,531.00	1,053,531.00
07/21/2011 to 07/22/2011	6	First Leaside Wealth Management Fund - Units	115,892.00	115,892.00
07/19/2011	12	First Nickel Inc. - Common Shares	5,099,800.00	31,873,750.00
07/01/2011	2	Flatiron Trust - Units	2,000.00	72.24
07/20/2011	1	Flex Fund - Trust Units	7,489.00	7,489.00
07/27/2011	1	FLWM Holdings LP - Units	150,000.00	150,000.00
07/01/2010 to 06/30/2011	27	FTIF Franklin Euro Small-Mid Cap Growth Fund - Units	116,438,953.70	3,012,753.00
07/01/2010 to 06/30/2011	28	FTIF Franklin Mutual European Fund - Units	195,073,502.85	7,993,951.00
07/01/2010 to 06/30/2011	18	FTIF Templeton Asian Growth Fund - Units	91,287,303.61	2,144,925.00

Notice of Exempt Financings

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price (\$)	No of Securities Distributed
07/01/2010 to 06/30/2011	18	FTIF Templeton Latin America Fund - Units	78,850,454.20	2,325,734.00
07/28/2011	1	Fuel Transfer Technologies Inc. - Preferred Shares	10,000.00	2,500.00
07/14/2011	25	Global Uranium Corp. - Units	908,900.00	6,059,333.00
05/05/2011 to 06/13/2011	4	GMO International Intrinsic Value Fund-II - Common Shares	319,644.17	14,308.67
05/02/2011	1	GMO International Opportunities Equity Allocation - Common Shares	155,769.06	10,239.00
07/15/2011	18	Golden Dory Resources Corp. - Units	1,115,250.00	8,578,846.00
07/01/2010 to 06/30/2011	106	GS+A Growth Fund - Limited Partnership Units	15,151,632.94	214,337.00
07/01/2010 to 06/30/2011	1832	GS+A Premium Income Fund - Limited Partnership Units	282,179,392.00	1,648,076.62
07/01/2010 to 06/30/2011	304	GS+A Value Fund - Limited Partnership Units	32,271,840.75	248,958.00
07/15/2011	9	Guerrero Exploration Inc. - Common Shares	312,000.00	1,560,000.00
07/26/2011	6	HCA Inc. - Notes	65,670,550.00	0.00
07/14/2011	93	Huldra Silver Inc. - Special Warrants	9,336,763.20	6,476,880.00
07/18/2011 to 07/22/2011	26	IGW Real Estate Investment Trust - Units	1,032,490.32	1,021,152.00
07/11/2011 to 07/15/2011	12	IGW Real Estate Investment Trust - Units	509,154.51	3,791.47
07/21/2011	4	International Lithium Corp. - Units	1,000,000.00	3,636,361.00
07/15/2011	3	IOU Financial Inc. - Units	200,000.00	500,000.00
07/22/2011 to 07/29/2011	20	Jennerex, Inc. - Common Shares	4,726,223.06	584,849.00
07/01/2011	1	JP Morgan Chase & Co. - Notes	95,670.00	1,000.00
07/12/2011	1	J.P. Morgan Structured Products B.V. Amsterdam, The Netherlands - Certificates	656,888.50	500,000.00
07/15/2011	1	J.P. Morgan Structured Products B.V. Amsterdam, The Netherlands - Certificates	28,253.86	30,000.00
07/25/2011	16	Kelso Technologies Inc. - Units	1,000,000.00	2,000,000.00
07/11/2011 to 07/13/2011	115	KIK Polymers Inc. - Receipts	6,170,250.00	22,597,000.00
07/31/2011	4	Kingwest Avenue Portfolio - Units	216,252.05	7,219.16
07/31/2011	1	Kingwest Canadian Equity Portfolio - Units	6,171.55	508.00
07/31/2011	1	Kingwest U.S. Equity Portfolio - Units	2,805.41	196.00
07/22/2011	1	Kodiak Oil & Gas Corp. - Common Shares	867,000.00	150,000.00

Notice of Exempt Financings

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price (\$)	No of Securities Distributed
07/20/2011	1	Koffman Enterprises Limited - Loans	210,489.00	210,489.00
07/18/2011	1	Koffman Enterprises Limited - Loans	129,719.00	129,719.00
07/18/2011	54	Kootenay Global Energy Absolute Return Fund Limited Partnership - Units	10,090,000.00	10,090.00
07/02/2010 to 03/18/2011	8	Large Cap Disciplined Equity Fund - Units	2,072,778.45	329,713.02
07/20/2011	7	Laurion Mineral Exploration Inc. - Flow-Through Units	820,000.00	8,200,000.00
07/19/2011	3	London City Center LP - Loans	15,152,555.00	15,152,555.00
07/12/2011	10	Longbow Capital Limited Partnership #19 - Units	1,685,000.00	1,685.00
07/20/2011	1	Longleaf Partners Global Fund - Common Shares	947,663.00	84,961.77
07/20/2011	54	Megastar Development Corp. - Units	671,526.50	6,715,265.00
07/12/2011 to 07/13/2011	2	Member-Partners Solar Energy Limited Partnership - Units	25,000.00	25,000.00
07/19/2011 to 07/21/2011	11	Member-Partners Solar Energy Limited Partnership - Units	599,500.00	599,500.00
07/04/2011	152	Mexigold Corp. - Common Shares	3,672,000.00	11,100,000.00
07/18/2011	1	Micrex Development Corp. - Flow-Through Units	700,000.00	2,800,000.00
08/05/2011	1	Micromem Technologies Inc. - Units	9,000.00	75,000.00
08/03/2011	133	Montero Mining and Exploration Ltd. - Common Shares	5,892,799.80	9,821,333.00
07/14/2011 to 07/22/2011	13	Mount Royal Resources Corp. - Common Shares	135,750.46	1,846,000.00
07/22/2011	1	Murgor Resources Inc. - Common Shares	700,000.00	5,000,000.00
07/05/2011	53	Musgrove Minerals Corp. - Common Shares	1,200,000.00	8,000,000.00
07/14/2011	1	N-Solv Corporation - Common Shares	24,001,498.72	500,866.00
07/25/2011	5	Newbaska Gold and Copper Mines Ltd. - Common Shares	62,943.37	419,622.00
07/25/2011 to 08/02/2011	39	Newcastle Minerals Ltd. - Common Shares	702,000.00	11,700,000.00
07/21/2011 to 07/29/2011	8	Newport Balanced Fund - Units	375,045.24	3,735.00
07/11/2011 to 07/20/2011	3	Newport Balanced Fund - Units	9,166.64	91.00
07/21/2011 to 07/29/2011	8	Newport Canadian Equity Fund - Units	78,450.00	419.00
07/11/2011 to 07/20/2011	6	Newport Canadian Equity Fund - Units	212,800.00	1,538.00
07/21/2011 to 07/29/2011	15	Newport Fixed Income Fund - Units	287,795.97	2,513.00

Notice of Exempt Financings

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price (\$)	No of Securities Distributed
07/11/2011 to 07/20/2011	5	Newport Fixed Income Fund - Units	145,000.00	1,361.00
07/11/2011 to 07/20/2011	4	Newport Global Equity Fund - Units	95,000.00	1,597.00
07/21/2011 to 07/29/2011	23	Newport Yield Fund - Units	668,945.70	2,520.00
07/11/2011 to 07/20/2011	12	Newport Yield Fund - Units	691,100.00	5,858.00
07/20/2011	5	Newton Gold Corp. - Flow-Through Units	800,000.00	3,200,000.00
05/10/2011 to 05/19/2011	11	Omniarch Capital Corporation - Bonds	321,660.53	11.00
05/10/2011	3	Omniarch Capital Corporation - Common Shares	1,500.00	300.00
07/18/2011	5	ONCAP III (Canada) LP - Limited Partnership Interest	33,500,000.00	33,500,000.00
07/15/2011	1	Ottawa Community Housing Corporation - Debentures	1,300,000.00	1,300,000.00
08/03/2011	7	PharmaGap Inc. - Units	416,800.00	4,631,110.00
07/27/2011	1	Proforma Capital Bond (II) Corporation - Common Shares	150,000.00	1,500.00
07/14/2011	46	Redstar Gold Corp. - Units	4,521,299.65	12,917,999.00
07/11/2011 to 07/15/2011	11	Redux Duncan City Centre Limited Partnership - Notes	620,000.00	620,000.00
07/11/2011 to 07/15/2011	3	Residences At Quadra Village Limited Partnership - Units	75,000.00	75,000.00
07/19/2011 to 07/21/2011	2	Residences At Quadra Village Limited Partnership - Units	25,000.00	25,000.00
07/25/2011	3	Rogue Resources Inc. - Common Shares	21,000.00	75,000.00
07/18/2011	1	ROI Private Capital Trust Series R - Units	1,200,000.00	1,200,000.00
07/20/2011	10	Rx Exploration Inc. - Units	2,280,000.00	5,000,000.00
07/27/2011	1	Seahold Investments Inc. - Notes	60,000.00	1.00
07/13/2011 to 07/22/2011	4	Sinclair Cockburn Mortgage Investment Corporation - Common Shares	750,000.00	750,000.00
07/19/2011	1	Skullcandy, Inc. - Common Shares	38,024.00	2,000.00
07/15/2011	115	Skyline Apartment Real Estate Investment Trust - Units	11,941,373.01	1,085,579.36
07/29/2010 to 03/22/2011	4	Small/Mid Cap Equity Fund - Units	770,000.00	109,899.40
07/20/2011	2	Sphere Resources Inc. - Common Shares	125,683.26	1,399,241.00
07/19/2011	1	Sprott SFIF Trust - Units	198,045,000.00	19,804,500.00
07/01/2011	2	Stacey Muirhead Limited Partnership - Units	152,500.00	4,232.80

Notice of Exempt Financings

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price (\$)	No of Securities Distributed
07/01/2011	1	Stacey Muirhead Limited Partnership - Units	500.00	52.00
07/01/2010 to 06/30/2011	3	State Street Institutional US Government Money Market Fund - Common Shares	38,228,011.43	38,625,689.00
07/12/2011	68	Synergia Polygen Ltd. - Common Shares	25,130,000.00	718,000.00
07/28/2011	1	Tamerlane Ventures Inc. - Common Shares	1,000,000.00	3,846,154.00
07/21/2011	5	Tartisan Resources Corp. - Units	162,249.85	463,571.00
07/22/2011	4	The Goldman Sachs Group Inc. - Notes	23,742,172.30	25,000,000.00
07/26/2011	6	TIEX Inc. - Units	760,000.00	5,930,068.00
08/03/2011	1	Titan Uranium Inc. - Warrants	0.00	500,000.00
07/14/2011	86	Trimel BioPharma Holdings Inc. - Units	22,435,735.48	21,279,211.00
07/20/2011	2	Two Harbors Investment Corp. - Common Shares	5,061,000.00	525,000.00
07/18/2011	1	UBS AG, Jersey Branch - Notes	90,837.29	100,000.00
07/01/2011	1	Value Contrarian Canadian Equity Fund - Units	100,000.00	43.00
07/19/2011	1	Venerable Ventures Ltd. - Units	25,000.00	100,000.00
08/04/2011	60	Volta Resources Inc. - Warrants	40,000,700.00	21,053,000.00
07/22/2011	16	Walton Fletcher Mills LP - Units	580,200.00	58,020.00
07/22/2011	2	Walton MD Gardner Heights LP - Limited Partnership Units	1,990,170.00	200,000.00
07/29/2011	33	Walton MD Gardner Ridge LP - Limited Partnership Units	808,888.55	85,003.00
07/22/2011	16	Walton MD Potomac Crossing Investment Corporation - Common Shares	334,470.00	40,197.00
07/22/2011	7	Walton MD Potomac Crossing LP - Limited Partnership Units	622,947.78	63,385.00
07/22/2011	15	Walton Silver Crossing Investment Corporation - Common Shares	541,310.00	54,131.00
07/22/2011	6	Walton Silver Crossing LP - Limited Partnership Units	757,443.96	77,070.00
07/14/2011 to 07/21/2011	18	WCB Resources Ltd. - Units	1,000,000.00	5,000,000.00
05/31/2011	41	Westboro Mortgage Investment Corp. - Common Shares	8,210,000.00	821,000.00
07/20/2011	59	Westman Exploration Ltd. - Common Shares	13,500,000.00	10,800,000.00
07/29/2011	10	Westpen Properties Ltd. - Common Shares	114,721,950.55	16,297,653.00
07/23/2010 to 06/01/2011	6	World Equity Ex-US Fund - Units	2,550,943.08	415,702.80
08/05/2011	1	Xylitol Canada Inc. - Common Shares	300,000.00	1,000,000.00

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:

Cardiff Energy Corp.

Principal Regulator - British Columbia

Type and Date:

Preliminary Long Form Prospectus dated August 12, 2011

NP 11-202 Receipt dated August 15, 2011

Offering Price and Description:

\$1,000,002.00 - 3,333,340 Units Price: \$0.30 per Unit

Underwriter(s) or Distributor(s):

Global Securities Corporation

Promoter(s):

Lorne A. Torhjem

Project #1786658

Issuer Name:

Deploy Technologies Inc.

Principal Regulator - British Columbia

Type and Date:

Amended and Restated Preliminary Long Form Non-

Offering Prospectus dated August 12, 2011

NP 11-202 Receipt dated August 15, 2011

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

David Eppert

Project #1732437

Issuer Name:

Faircourt Split Trust

Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated August 11, 2011

NP 11-202 Receipt dated August 12, 2011

Offering Price and Description:

Series A Warrants to Subscribe for up to * Units, *

Preferred Securities and * Series B Warrants

Subscription Price: \$*

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #1784883

Issuer Name:

Far Resources Ltd.

Principal Regulator - British Columbia

Type and Date:

Preliminary CPC Prospectus dated August 12, 2011

NP 11-202 Receipt dated August 12, 2011

Offering Price and Description:

\$450,000.00 - Minimum 3,000,000 Common Shares;

\$600,000.00 - Maximum 4,000,000 Common Shares

Price: \$0.15 per Common Share

Underwriter(s) or Distributor(s):

Canaccord Genuity Corp.

Promoter(s):

Keith C. Anderson

Project #1785244

Issuer Name:

Firm Capital Mortgage Investment Corporation

Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated August 9, 2011

NP 11-202 Receipt dated August 10, 2011

Offering Price and Description:

\$22,500,000.00 - 25,000 5.40% Convertible Unsecured

Subordinated Debentures due February 28, 2019

Price: \$1,000 per Debenture

Underwriter(s) or Distributor(s):

TD Securities Inc.

CIBC World Markets Inc.

Dundee Securities Ltd.

Desjardins Securities Inc.

National Bank Financial Inc.

Macquarie Capital Markets Canada Ltd.

Promoter(s):

-

Project #1782646

Issuer Name:

Hydro One Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Base Shelf Prospectus dated August 16, 2011
NP 11-202 Receipt dated August 16, 2011

Offering Price and Description:

\$3,000,000,000.00 - Medium Term Notes (unsecured)

Underwriter(s) or Distributor(s):

BMO Nesbitt Burns Inc.
Casgrain & Company Limited
CIBC World Markets Inc.
Desjardins Securities Inc.
HSBC Securities (Canada) Inc.
Laurentian Bank Securities Inc.
Merrill Lynch Canada Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
TD Securities Inc.

Promoter(s):

-

Project #1787067

Issuer Name:

Manitoba Telecom Services Inc.

Type and Date:

Preliminary Base Shelf Prospectus dated August 10, 2011
Receipted on August 11, 2011

Offering Price and Description:

\$500,000,000.00 - Medium Term Notes (unsecured)

Underwriter(s) or Distributor(s):

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

Promoter(s):

-

Project #1783446

Issuer Name:

Moneda LatAm Corporate Bond Fund
Principal Regulator - Ontario

Type and Date:

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

Offering Price and Description:

Class A and Class U Units Maximum \$* (* Class A Units and Class U Units) Price: \$10.00 per Class A Unit Minimum Purchase: \$5,000 (500 Class A Units) Price: US\$10.00 per Class U Unit Minimum Purchase: US\$5,000 (500 Class U Units)

Underwriter(s) or Distributor(s):

Scotia Capital Inc.

Promoter(s):

Scotia Managed Companies Administration Inc.

Project #1785089

Issuer Name:

Russell Focused US Equity Class
Russell Focused US Equity Pool
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectuses dated August 12, 2011

NP 11-202 Receipt dated August 15, 2011

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

Russell Investments Canada Limited

Promoter(s):

Russell Investments Canada Limited

Project #1786250

Issuer Name:

Ark StoneCastle Stable Growth Class
Ark StoneCastle Stable Income Class
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectuses dated August 12, 2011

NP 11-202 Receipt dated August 15, 2011

Offering Price and Description:

Series A, F and I shares

Underwriter(s) or Distributor(s):

-

Promoter(s):

Redwood Asset Management Inc.

Project #1770388

Issuer Name:

Bell Canada
Principal Regulator - Quebec

Type and Date:

Final Base Shelf Prospectus dated August 15, 2011

NP 11-202 Receipt dated August 15, 2011

Offering Price and Description:

\$3,000,000,000.00 - Debt Securities (UNSECURED)
Unconditionally guaranteed as to payment of principal, interest and other payment obligations by BCE Inc.

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #1781378

Issuer Name:

Canadian Oil Sands Limited
Principal Regulator - Alberta

Type and Date:

Final Base Shelf Prospectus dated August 11, 2011
NP 11-202 Receipt dated August 11, 2011

Offering Price and Description:

\$2,500,000,000.00:

Common Shares
Preferred Shares
Debt Securities
Warrants
Subscription Receipts
Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #1779868

Issuer Name:

Cequence Energy Ltd.
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated August 12, 2011
NP 11-202 Receipt dated August 11, 2011

Offering Price and Description:

\$50,062,500.00 - 10,400,000 Common Shares at \$3.85 per
Common Share for gross proceeds of \$40,040,000.00 -
and - 2,110,000 Flow-Through Shares at \$4.75 per Flow-
Through Share

for gross proceeds of \$10,022,500

Underwriter(s) or Distributor(s):

Peters & Co. Limited
Cormark Securities Inc.
Stifel Nicolaus Canada Inc.
CIBC World Markets Inc.
GMP Securities L.P.

Promoter(s):

-

Project #1780466

Issuer Name:

Elemental Minerals Limited
Principal Regulator - Ontario

Type and Date:

Final Long Form Prospectus dated August 10, 2011
NP 11-202 Receipt dated August 10, 2011

Offering Price and Description:

C\$53,512,200.00 - 42,470,000 Ordinary Shares - Per
Ordinary Share C\$1.26

Underwriter(s) or Distributor(s):

BMO NESBITT BURNS INC.
STIFEL NICOLAUS CANADA INC.
NATIONAL BANK FINANCIAL INC.
RBC DOMINION SECURITIES INC.
CIBC WORLD MARKETS INC.

Promoter(s):

-

Project #1762320

Issuer Name:

Firm Capital Mortgage Investment Corporation
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated August 16, 2011
NP 11-202 Receipt dated August 16, 2011

Offering Price and Description:

\$22,500,000.00 - 5.40% Convertible Unsecured
Subordinated Debentures due February 28, 2019PRICE:
\$1,000 per Debenture

Underwriter(s) or Distributor(s):

TD Securities Inc.
CIBC World Markets Inc.
Dundee Securities Ltd.
Desjardins Securities Inc.
National Bank Financial Inc.
Macquarie Capital Markets Canada Ltd.

Promoter(s):

-

Project #1782646

Issuer Name:

FortisAlberta Inc.
Principal Regulator - Alberta

Type and Date:

Final Base Shelf Prospectus dated August 16, 2011
NP 11-202 Receipt dated August 16, 2011

Offering Price and Description:

\$500,000,000.00 - Medium Term Note Debentures
(unsecured)

Underwriter(s) or Distributor(s):

Scotia Capital Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
National Bank Financial Inc.
HSBC Securities (Canada) Inc.
Casgrain & Company Limited

Promoter(s):

-

Project #1781083

Issuer Name:

Horizons BetaPro COMEX® Gold Bullion Bull Plus ETF
Horizons BetaPro COMEX® Gold Bullion Bear Plus ETF
Horizons BetaPro NYMEX® Crude Oil Bull Plus ETF
Horizons BetaPro NYMEX® Crude Oil Bear Plus ETF
Horizons BetaPro NYMEX® Natural Gas Bull Plus ETF
Horizons BetaPro NYMEX® Natural Gas Bear Plus ETF
Horizons BetaPro US Dollar Bull Plus ETF
Horizons BetaPro US Dollar Bear Plus ETF
Horizons BetaPro US 30-year Bond Bull Plus ETF
Horizons BetaPro US 30-year Bond Bear Plus ETF
Horizons BetaPro COMEX® Silver Bull Plus ETF
Horizons BetaPro COMEX® Silver Bear Plus ETF
Horizons BetaPro COMEX® Copper Bull Plus ETF
Horizons BetaPro COMEX® Copper Bear Plus ETF
Horizons BetaPro COMEX® Gold Inverse ETF
Horizons BetaPro COMEX® Silver Inverse ETF
Horizons BetaPro NYMEX® Natural Gas Inverse ETF
Horizons BetaPro NYMEX® Crude Oil Inverse ETF
Horizons BetaPro COMEX® Long Gold/Short Silver Spread ETF
Horizons BetaPro COMEX® Long Silver/Short Gold Spread ETF
Horizons BetaPro NYMEX® Long Natural Gas/Short Crude Oil Spread ETF
Horizons BetaPro NYMEX® Long Crude Oil/Short Natural Gas Spread ETF

Principal Regulator - Ontario

Type and Date:

Amendment #1 dated July 28, 2011 to the Long Form
Prospectus dated June 10, 2011
NP 11-202 Receipt dated August 16, 2011

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

BetaPro Management Inc.
Project #1747203

Issuer Name:

Horizons BetaPro S&P/TSX 60™ Bull Plus ETF
Horizons BetaPro S&P/TSX 60™ Bear Plus ETF
Horizons BetaPro S&P/TSX Global Base Metals™ Bull Plus ETF
Horizons BetaPro S&P/TSX Global Base Metals™ Bear Plus ETF
Horizons BetaPro S&P/TSX Capped Financials™ Bull Plus ETF
Horizons BetaPro S&P/TSX Capped Financials™ Bear Plus ETF
Horizons BetaPro S&P/TSX Capped Energy™ Bull Plus ETF
Horizons BetaPro S&P/TSX Capped Energy™ Bear Plus ETF
Horizons BetaPro S&P/TSX Global Gold™ Bull Plus ETF
Horizons BetaPro S&P/TSX Global Gold™ Bear Plus ETF
Horizons BetaPro S&P 500® Bull Plus ETF
Horizons BetaPro S&P 500® Bear Plus ETF
Horizons BetaPro NASDAQ-100® Bull Plus ETF
Horizons BetaPro NASDAQ-100® Bear Plus ETF
Horizons BetaPro MSCI Emerging Markets Bull Plus ETF
Horizons BetaPro MSCI Emerging Markets Bear Plus ETF
Horizons BetaPro S&P/TSX 60™ Inverse ETF
Horizons BetaPro S&P/TSX Capped Financials™ Inverse ETF
Horizons BetaPro S&P/TSX Capped Energy™ Inverse ETF
Horizons BetaPro S&P/TSX Global Gold™ Inverse ETF
Horizons BetaPro S&P 500® Inverse ETF
Principal Regulator - Ontario

Type and Date:

Amendment #1 dated July 28, 2011 to the Long Form
Prospectus dated June 10, 2011
NP 11-202 Receipt dated August 16, 2011

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

BetaPro Management Inc.
Project #1747207

Issuer Name:

Horizons BetaPro S&P 500 VIX Short-Term Futures Bull Plus ETF
Horizons BetaPro S&P 500 VIX Short-Term Futures ETF
Principal Regulator - Ontario

Type and Date:

Amendment #1 dated July 28, 2011 to the Long Form
Prospectus dated December 9, 2010
NP 11-202 Receipt dated August 16, 2011

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

BetaPro Management Inc.
Project #1581773

Issuer Name:

Horizons COMEX® Copper ETF
Horizons COMEX® Gold ETF
Horizons COMEX® Silver ETF
Horizons Winter-Term NYMEX® Crude Oil ETF
Horizons Winter-Term NYMEX® Natural Gas ETF
Principal Regulator - Ontario

Type and Date:

Amendment #1 dated July 28, 2011 to the Long Form
Prospectus dated June 10, 2011
NP 11-202 Receipt dated August 16, 2011

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

BetaPro Management Inc.
Project #1747204

Issuer Name:

TDK Resource Fund Inc.
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectus dated August 10, 2011
NP 11-202 Receipt dated August 12, 2011

Offering Price and Description:

Class A Shares, Series 1

Underwriter(s) or Distributor(s):

TDK Management Fund Inc.

Promoter(s):

-

Project #1770400

Issuer Name:

USC Family Group Education Savings Plan
USC Family Single Student Education Savings Plan
USC Family Multiple Student Education Savings Plan
Principal Regulator - Ontario

Type and Date:

Final Long Form Prospectus dated August 10, 2011
NP 11-202 Receipt dated August 15, 2011

Offering Price and Description:

Scholarship Trust Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #1756183/1756189/1756186

Issuer Name:

Valhalla Resources Ltd.

Principal Regulator - British Columbia

Type and Date:

Amended and Restated Long Form Prospectus dated
August 9, 2011 the Long Form Prospectus dated June 24,
2011.

NP 11-202 Receipt dated August 15, 2011

Offering Price and Description:

Minimum Public Offering: \$3,750,000.00; Maximum Public

Offering: \$5,000,000.00 up to: 10,000,000 common shares

Price: \$0.50 per common share

Underwriter(s) or Distributor(s):

Canaccord Genuity Corp.

Promoter(s):

-

Project #1741213

Issuer Name:

Neurobiopharm inc.

Principal Jurisdiction - Quebec

Type and Date:

Preliminary Long Form Prospectus dated June 28, 2011

Withdrawn on August 12, 2011

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #1766207

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Change in Registration Category	Brookfield Investment Management (Canada) Inc.	From: Portfolio Manager, Exempt Marker Dealer To: Portfolio Manager, Exempt Marker Dealer and Investment Fund Manager	August 11, 2011
Change in Registration Category	OMERS Investment Management Inc.	From: Portfolio Manager, Exempt Marker Dealer To: Exempt Marker Dealer	August 11, 2011
Change in Registration Category	Global Alpha Capital Management Ltd.	From: Portfolio Manager, Exempt Marker Dealer To: Portfolio Manager	August 12, 2011
Change in Registration Category	CWM Investment Counsel Inc.	From: Portfolio Manager and Exempt Marker Dealer To: Portfolio Manager, Exempt Marker Dealer and Investment Fund Manager	August 12, 2011
New Registration	Generation Capital Management Inc.	Portfolio Manager	August 12, 2011
New Registration	Ewing Morris Investment Partners Ltd.	Exempt Market Dealer, Portfolio Manager and Investment Fund Manager	August 15, 2011
New Registration	Webb Asset Management Canada, Inc.	Investment Fund Manager	August 15, 2011

Registrations

Change in Registration Category	Select Financial Services Inc.	From: Mutual Fund Dealer and Exempt Marker Dealer To: Mutual Fund Dealer	August 15, 2011
Change in Registration Category	Scotia Asset Management L.P.	From: Portfolio Manager, Exempt Marker Dealer and Commodity Trading Manager To: Investment Fund Manager, Portfolio Manager, Exempt Marker Dealer and Commodity Trading Manager	August 17, 2011
Change in Registration Category	Kensington Capital Advisors Inc.	From: Portfolio Manager, Exempt Marker Dealer To: Investment Fund Manager, Portfolio Manager, Exempt Marker Dealer	August 17, 2011

Chapter 13

SROs, Marketplaces and Clearing Agencies

13.3 Clearing Agencies

13.3.1 Material Amendments to CDS Procedures – Due Bill Processing in Canada – Request for Comment

CDS CLEARING AND DEPOSITORY SERVICES INC. (CDS®)

NOTICE AND REQUEST FOR COMMENT MATERIAL AMENDMENTS TO CDS PROCEDURES

DUE BILL PROCESSING IN CANADA

A. DESCRIPTION OF THE PROPOSED CDS PROCEDURE AMENDMENTS

The proposed procedure amendments are available for review and download on the [User Documentation](http://www.cds.ca/cdsclearinghome.nsf/Pages/-EN-UserDocumentation?Open) page (<http://www.cds.ca/cdsclearinghome.nsf/Pages/-EN-UserDocumentation?Open>) on the CDS website.

Background

Over the last few years, the financial industry has been working on making changes to the processing of entitlement events in Canada to help improve the accuracy of the reporting of clients' holdings at the time these events occur.

Presently events such as stock splits, spin-offs, stock dividends and stock distributions reflect a post distribution price while the client's position is not adjusted until payable date thus undervaluing the client's portfolio positions, possibly creating credit issues and potential lost revenue for undervaluing fee based billing accounts for participants.

In addition, the current processing of entitlement events in Canada is different from that of the United States, which creates significant challenges in the case of interlisted securities. For example, the U.S. utilization of a "due bill" processing system, leads to a situation where inter-listed securities trade in the Canadian market at a different price than in the U.S. market during the due bill period.

Currently, due bill processing is a practice unique to the U.S. market, and applies to an entitlement event when an exchange sets the Ex-Dividend date after the Record Date. Due bills are share or cash entitlements (e.g., in the case of a stock split, the split shares) that are attached to trades that settle between the Record Date and the Due Bill Redemption Date (or, Ex-Dividend Date plus 2). The trade settles at the old price, therefore the buyer is due the entitlement. This practice was established in a certificated environment to accommodate the time it took for the shareholder to receive the physical certificates from the transfer agent. However, this process has evolved and is now accommodated in an automated electronic environment.

In Canada, where due bill trading does not currently apply, the Ex-Dividend date is set as two days prior to the Record Date, resulting in the first settlement date at the "new price" as Record Date plus 1. Also, trades that have a settlement date after Record Date are not eligible for the entitlement.

In 2010, the Canadian securities industry, as represented by the IIAC Due Bill Working Group, asked CDS to enhance and synchronize the entitlement process in CDSX, thereby adopting the due bill process in Canada.

Description of the proposed amendments

With the introduction of due bill processing in Canada, changes will be required to CDS's entitlement event management process, entitlement processing methods, including claims processing, as well as the current reporting and tracking requirements.

Updates to NCS, CDS's entitlement processing system, will include:

- The retirement of 12 existing event types, which will be replaced with four new ones (there will no longer be a requirement to differentiate events based on the listing country of the base security)

- Updates to recognize new key event processing dates (e.g. DBRD, Ex-dividend date, etc.)
- Changes to the entitlement calculations used for payments, which will now be based on whether due bill or non due bill processing is required. The due bill processing method will be used when the ex-date of an event is after record date. When the ex-date is on or before record date then the non due bill method of processing will be used.
- The generation of claims transaction on Trade-for-Trade (TFT) transactions when an outstanding TFT trade that is impacted by the entitlement has been settled. Trades will be monitored, and claims generated upon settlement, for a period of 30 calendar days after the event has been updated to a 'Paid' status.

A new web-based service – TRAX Entitlements Tracking - will be provided to allow participants to track:

- Transactions impacting their entitlement payment
- Outstanding items which, when settled, will result in claims.

Changes will also be required to some existing RMS reports to accommodate the processing changes. A new claims report will be available to participants to support the new process related to claims.

It should be noted that the French version of the procedures includes technical amendments not in the English version, to correct minor updates that occur only in the French version.

B. NATURE AND PURPOSE OF THE PROPOSED CDS PROCEDURE AMENDMENTS

The proposed amendments are considered material. These amendments will implement a new entitlement processing and calculation flow, as well as a claims process, that are expected to reduce participant costs and the risks associated with processing entitlement events using two different processes for clients located in Canada and the United States.

C. IMPACT OF THE PROPOSED CDS PROCEDURE AMENDMENTS

There are significant advantages to having a common system/solution across the industry and cross border.

Processing inefficiencies: Currently there are inconsistencies in processing entitlement events between the Canadian and U.S. marketplaces, in the case of interlisted securities. Such issues trade in the Canadian market at a different price than in the U.S. market during the due bill period causing significant effort by Canadian investment firms to track and reconcile due bills based on the different trading conventions in the two markets.

Portfolio valuation: In the case of stock splits, transfer agents typically do not issue the share entitlements on the first settlement date at the post-split price. The delay in receiving the additional shares causes an understatement in market value in clients' accounts from the first settlement date at the post-split price to the payable date.

C.1 Competition

The procedure amendments are being proposed to support CDS system changes that will assist in the standardization of entitlement processing in Canada and the U.S.

C.2 Risks and Compliance Costs

The proposed amendments are not expected to change the risk profile of CDS or its participants.

C.3 Comparison to International Standards – (a) Committee on Payment and Settlement Systems of the Bank for International Settlements, (b) Technical Committee of the International Organization of Securities Commissions, and (c) the Group of Thirty

Currently, due bill processing is a practice unique to the U.S. market, and is not used internationally.

D. DESCRIPTION OF THE PROCEDURE DRAFTING PROCESS

D.1 Development Context

The proposed amendments and the CDS system changes required to implement the proposed amendments are the result of the financial industry's desire for a standard processing method for entitlement events that are subject to due bills. The changes will help improve the accuracy of the reporting of client's holdings at the time an entitlement event occurs in Canada.

D.2 Procedure Drafting Process

CDS procedure amendments are reviewed and approved by CDS's strategic development review committee (SDRC). The SDRC determines or reviews, prioritizes and oversees CDS-related systems development and other changes proposed by participants and CDS. The SDRC's membership includes representatives from the CDS participant community and it meets on a monthly basis.

These proposed procedure amendments were reviewed and approved by the SDRC on July 28, 2011.

D.3 Issues Considered

None.

D.4 Consultation

The amended processes, as well as the procedures changes, were developed with direct consultation with market participants through the SDRC Entitlement subcommittee and IIAC meetings.

D.5 Alternatives Considered

In November 2008, the SDRC asked CDS to prepare a gap analysis and work effort estimate to implement due bill processing in CDSX, similar to that used in the U.S. In January 2009, CDS presented its findings to the Investment Industry Regulatory Organization of Canada (IIROC) FAS operations committee and the SDRC. Two options were presented, one that included claims processing similar to DTCC and one that did not. In 2010, the Canadian securities industry, as represented by the IIAC Due Bill Working Group, reached consensus to enhance and synchronize the entitlement process by adopting the due bill process with claims in Canada.

D.6 Implementation Plan

CDS is recognized as a clearing agency by the Ontario Securities Commission pursuant to section 21.2 of the *Ontario Securities Act*. The Autorité des marchés financiers has authorized CDS to carry on clearing activities in Québec pursuant to sections 169 and 170 of the *Québec Securities Act*. In addition CDS is deemed to be the clearing house for CDSX®, a clearing and settlement system designated by the Bank of Canada pursuant to section 4 of the *Payment Clearing and Settlement Act*. The Ontario Securities Commission, the Autorité des marchés financiers and the Bank of Canada will hereafter be collectively referred to as the "Recognizing Regulators".

The amendments to Participant Procedures may become effective upon approval of the amendments by the Recognizing Regulators following public notice and comment.

E. TECHNOLOGICAL SYSTEMS CHANGES

E.1 CDS

CDS's systems will be modified to accommodate the changes required to process entitlement events subject to due bills, and provide tracking and reporting of outstanding Trade-for-Trade transactions and associated claims.

Enhanced trade tracking and reporting will be available for subscription through a new web-based service – TRAX Entitlements Tracking – on the CDS website, www.cds.ca.

E.2 CDS Participants

CDS participants will be impacted as follows:

- New process allows for more efficient tracking of trades executed in the U.S. marketplace for inter-listed securities
- Reduced reliance on in-house pricing adjustments/processes to deal with existing timing differences
- Must become familiar with and be able to process the new event types of SDV (stock dividend), SPN (spin off), SSP (stock split) and SDS (stock distribution)
- Will be able to process a DBRD date on their internal systems from incoming files and messages
- Enhanced information dissemination through bulletins: Notification on cash dividend events when the event involves due bill processing. Due bill redemption date will be provided on the existing rights & warrants and cash distribution events when the event involves due bill processing.
- Claims will only be settled once the underlying trade has been settled to ensure only valid TFT trades trigger claims
- Claims will be generated for stock split events instead of having the current trade conversion activity occur
- May refer to the new 'Claims for Settled Trades and O/S CNS Positions' RMS report for information on claims generated using the new method of processing

If a participant subscribes to the new TRAX Entitlement Tracking service, they will be further impacted as follows:

- Able to view the projected payment sooner allowing for earlier reconciliation of their client's accounts to the amounts being received
- Due Bills Only: Able to quickly identify the transactions included in the entitlement payment which will facilitate the reconciliation of settled transactions to the entitlement payment
- Due Bills Only – Prior to Payable Date: Able to easily identify and follow up on outstanding transactions to be settled and included in the entitlement payment resulting in fewer claims generated
- Post Payable Date: Able to view, in one location, outstanding TFT transactions, CNS positions and pledge loan items that will generate a claim once settled. They will also be able to view all claims that have settled (or pledge modifications for existing pledges). This will facilitate the reconciliation of amounts receivable/payable to their internal records

E.3 Other Market Participants

Where a CDS participant's systems are operated by a third-party vendor, the vendor will be required to make systems modifications to:

- process the new event types of SDV (stock dividend), SPN (spin off), SSP (stock split) and SDS (stock distribution)
- process a DBRD date on their internal systems from incoming files and messages

Additionally, CDS will use the dates provided by the TMX (for Canadian listed securities) or DTCC (for U.S. listed or interlisted securities) when establishing the Ex-Dividend and Due Bill Redemption dates applicable to an event.

F. COMPARISON TO OTHER CLEARING AGENCIES

These changes will synchronize the due bill entitlement process in Canada with that used in the U.S. Currently, due bill processing is unique to the U.S. market.

G. PUBLIC INTEREST ASSESSMENT

CDS has determined that the proposed amendments are not contrary to the public interest.

H. COMMENTS

Comments on the proposed amendments should be in writing and submitted within 30 calendar days following the date of publication of this notice in the Ontario Securities Commission Bulletin to:

Laura Ellick
Manager, Business Systems
CDS Clearing and Depository Services Inc.
85 Richmond Street West
Toronto, Ontario M5H 2C9

Telephone: 416-365-3872
Fax: 416-367-2755
Email: lellick@cds.ca

Copies should also be provided to the Autorité des marchés financiers and the Ontario Securities Commission by forwarding a copy to each of the following individuals:

M^e Anne-Marie Beaudoin
Secrétaire de l'Autorité
Autorité des marchés financiers
800, square Victoria, 22^e étage
C.P. 246, tour de la Bourse
Montréal (Québec) H4Z 1G3

Manager, Market Regulation
Capital Markets Branch
Ontario Securities Commission
Suite 1903, Box 55,
20 Queen Street West
Toronto, Ontario, M5H 3S8

Télécopieur: (514) 864-6381
Courrier électronique: consultation-en-cours@lautorite.qc.ca

Fax: 416-595-8940
email: marketregulation@osc.gov.on.ca

CDS will make available to the public, upon request, all comments received during the comment period.

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