

The Ontario Securities Commission

# OSC Bulletin

September 2, 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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# Table of Contents

<b>Chapter 1 Notices / News Releases .....</b>	
<b>1.1 Notices .....</b>	<b>9063</b>
1.1.1 Current Proceedings before the Ontario Securities Commission .....	9063
1.1.2 Consultation Session on Proposed NI 51-103 Ongoing Governance and Disclosure Requirements for Venture Issuers .....	9071
1.1.3 Seminar on Technical and Environmental Disclosure To Assist Public Mining Companies .....	9072
1.1.4 CSA Staff Notice 31-327 – Broker-Dealer Registration in the Exempt Market Dealer Category .....	9073
<b>1.2 Notices of Hearing.....</b>	<b>9075</b>
1.2.1 Helen Kuszper and Paul Kuszper – ss. 127, 127.1 .....	9075
1.2.2 Global Energy Group, Ltd. et al. – ss. 37, 127 .....	9075
1.2.3 Anthony Ianno et al. – ss. 127 and 127.1 .....	9076
<b>1.3 News Releases .....</b>	<b>9076</b>
1.3.1 Investor Alert – Anchor Securities Limited and Martin Donald Heppner .....	9076
<b>1.4 Notices from the Office of the Secretary .....</b>	<b>9077</b>
1.4.1 Sino-Forest Corporation et al. ....	9077
1.4.2 Peter Beck et al. ....	9078
1.4.3 Helen Kuszper and Paul Kuszper.....	9078
1.4.4 Normand Gauthier et al. ....	9079
1.4.5 Global Energy Group, Ltd. et al. ....	9079
1.4.6 Anthony Ianno et al. ....	9080
<b>Chapter 2 Decisions, Orders and Rulings .....</b>	<b>9081</b>
<b>2.1 Decisions .....</b>	<b>9081</b>
2.1.1 Mercator Minerals Ltd. ....	9081
2.1.2 Investis U.S. Inc. ....	9084
2.1.3 Elad Canada Inc. ....	9085
2.1.4 Sundance Energy Corporation .....	9090
2.1.5 C&C Energia Ltd. ....	9091
2.1.6 Faircourt Split Trust and Faircourt Asset Management Inc. ....	9094
2.1.7 Humboldt Capital Corporation .....	9097
2.1.8 Northcliff Resources Ltd. ....	9101
<b>2.2 Orders.....</b>	<b>9103</b>
2.2.1 Sino-Forest Corporation et al. – ss. 127(1), 127(5) .....	9103
2.2.2 Sino-Forest Corporation et al. – s. 144(1) .....	9105
2.2.3 Applied Inventions Management Inc. – s. 144.....	9106
2.2.4 Peter Beck et al. ....	9108
2.2.5 Sitebrand Inc. – s. 144 .....	9109
2.2.6 Normand Gauthier et al. – s. 127.....	9111
2.2.7 Paul Azeff et al. ....	9113
2.2.8 Newlook Industries Corp. – s. 144.....	9114
2.2.9 ISAM (UK) Limited and ISAM (USA) LLC – s. 80 of the CFA .....	9116
<b>2.3 Rulings.....</b>	<b>9122</b>
2.3.1 Rae & Lipskie Investment Counsel Inc. and RaeLipskie Partners' Equity Fund – s. 74(1).....	9122
2.3.2 K.J. Harrison & Partners Inc. – s. 74(1) .....	9125
<b>Chapter 3 Reasons: Decisions, Orders and Rulings .....</b>	<b>9129</b>
<b>3.1 OSC Decisions, Orders and Rulings.....</b>	<b>9129</b>
3.1.1 Anchor Securities Limited and Martin Heppner .....	9129
<b>3.2 Court Decisions, Order and Rulings.....</b>	<b>nil</b>
<b>Chapter 4 Cease Trading Orders .....</b>	<b>9131</b>
4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders.....	9131
4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders .....	9131
4.2.2 Outstanding Management & Insider Cease Trading Orders .....	9131
<b>Chapter 5 Rules and Policies .....</b>	<b>nil</b>
<b>Chapter 6 Request for Comments .....</b>	<b>nil</b>
<b>Chapter 7 Insider Reporting.....</b>	<b>9133</b>
<b>Chapter 8 Notice of Exempt Financings.....</b>	<b>9199</b>
Reports of Trades Submitted on Forms 45-106F1 and 45-501F1 .....	9199
<b>Chapter 9 Legislation.....</b>	<b>nil</b>
<b>Chapter 11 IPOs, New Issues and Secondary Financings.....</b>	<b>9203</b>
<b>Chapter 12 Registrations.....</b>	<b>9211</b>
12.1.1 Registrants.....	9211
<b>Chapter 13 SROs, Marketplaces and Clearing Agencies.....</b>	<b>nil</b>
<b>13.1 SROs .....</b>	<b>nil</b>
<b>13.2 Marketplaces .....</b>	<b>nil</b>
<b>13.3 Clearing Agencies.....</b>	<b>nil</b>
<b>Chapter 25 Other Information .....</b>	<b>9213</b>
<b>25.1 Exemptions .....</b>	<b>9213</b>
25.1.1 Lakeview Disciplined Leadership Canadian Equity Fund et al. ....	9213
<b>Index.....</b>	<b>9215</b>



# Chapter 1

## Notices / News Releases

### 1.1 Notices

#### 1.1.1 Current Proceedings before the Ontario Securities Commission

**September 2, 2011**

#### CURRENT PROCEEDINGS

#### BEFORE

#### ONTARIO SECURITIES COMMISSION

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Unless otherwise indicated in the date column, all hearings will take place at the following location:

The Harry S. Bray Hearing Room  
Ontario Securities Commission  
Cadillac Fairview Tower  
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S. -----

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Paulette L. Kennedy	—	PLK
Edward P. Kerwin	—	EPK
Vern Krishna	—	VK
Christopher Portner	—	CP
Judith N. Robertson	—	JNR
Charles Wesley Moore (Wes) Scott	—	CWMS

### SCHEDULED OSC HEARINGS

September 6-12, **Anthony Ianno and Saverio Manzo**  
September 14-26  
& September 28, s. 127 & 127.1  
2011

10:00 a.m.

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: CP

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: CP

September 8,  
2011

1:00 p.m.

**Normand Gauthier, Gentree Asset Management Inc., R.E.A.L. Group Fund III (Canada) LP, and CanPro Income Fund I, LP**

s.127

B. Shulman in attendance for Staff

Panel: MGC

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 16, September 20 - 23, September 28-September 30, & October 4, 2011

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

10:00 a.m. s.127 and 127.1

September 19, D. Ferris in attendance for Staff  
2011 & October 3, 2011  
Panel: VK/MCH

2:30 p.m.

September 21, 2011  
1:00 p.m.  
December 19, 2011

**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**

10:00 a.m. s. 127

H. Craig/C. Watson in attendance for Staff

Panel: VK/EPK

September 22-23, 2011

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

10:00 a.m.

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	<b>North American Financial Group Inc., North American Capital Inc., Alexander Flavio Arconti, and Luigino Arconti</b>	October 5, 2011	<b>Irwin Boock, Stanton Defreitas, Jason Wong, Saudia Allie, Alena Dubinsky, Alex Khodjiaints</b>
10:00 a.m.		10:00 a.m.	<b>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</b>
	s. 127		s. 127 & 127.1
	M. Vaillancourt in attendance for Staff		H. Craig in attendance for Staff
	Panel: JEAT		Panel: MGC
October 3, 2011	<b>Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Ciavarella and Michael Mitton</b>	October 11, 2011	<b>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</b>
9:30 a.m.		2:30 p.m.	
	s. 127		s.127
	H. Craig in attendance for Staff		H. Craig/C. Rossi in attendance for Staff
	Panel: JEAT		Panel: CP
October 3-7 & October 12-21, 2011	<b>FactorCorp Inc., FactorCorp Financial Inc. and Mark Twerdun</b>	October 13, 2011	<b>Portus Alternative Asset Management Inc., Portus Asset Management Inc., Boaz Manor, Michael Mendelson, Michael Labanowich and John Ogg</b>
10:00 a.m.		10:00 a.m.	
	s. 127		s. 127
	C. Price in attendance for Staff		H Craig in attendance for Staff
	Panel: CP		Panel: JEAT
October 3-6 & October 12, 2011	<b>Innovative Gifting Inc., Terence Lushington, Z2A Corp., and Christine Hewitt</b>	October 17-24 & October 26-31, 2011	<b>Richvale Resource Corp., Marvin Winick, Howard Blumenfeld, John Colonna, Pasquale Schiavone, and Shafi Khan</b>
10:00 a.m.		10:00 a.m.	
	s. 127		s. 127(7) and 127(8)
	M. Vaillancourt in attendance for Staff		C. Johnson in attendance for Staff
	Panel: PLK		Panel: EPK/MCH

October 31, 2011 10:00 a.m.	<b>Oversea Chinese Fund Limited Partnership, Weizhen Tang and Associates Inc., Weizhen Tang Corp., and Weizhen Tang</b>  s. 127 and 127.1  H. Craig in attendance for Staff  Panel: JDC	December 5 & December 7-16, 2011 10:00 a.m.	<b>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.</b>  s. 127  M. Britton in attendance for Staff  Panel: EPK/PLK
October 31- November 3, 2011 10:00 a.m.	<b>QuantFX Asset Management Inc., Vadim Tsatskin, Lucien Shtromvaser and Rostislav Zemlinsky</b>  s.127  C. Rossi in attendance for Staff  Panel: MGC	December 19, 2011 9:00 a.m.	<b>New Hudson Television Corporation, New Hudson Television L.L.C. &amp; James Dmitry Salganov</b>  s. 127  C. Watson in attendance for Staff  Panel: MGC
November 7, November 9-21, November 23- December 2, 2011 10:00 a.m.	<b>Majestic Supply Co. Inc., Suncastle Developments Corporation, Herbert Adams, Steve Bishop, Mary Kricfalusi, Kevin Loman and CBK Enterprises Inc.</b>  s. 37, 127 and 127.1  D. Ferris in attendance for Staff  Panel: EPK/PLK	January 3-10, 2012 10:00 a.m.	<b>Simply Wealth Financial Group Inc., Naida Allarde, Bernardo Giangrosso, K&amp;S Global Wealth Creative Strategies Inc., Kevin Persaud, Maxine Lobban and Wayne Lobban</b>  s. 127 and 127.1  C. Johnson in attendance for Staff  Panel: JDC
November 14-21 & November 23-28, 2011 10:00 a.m.	<b>Shaun Gerard McErlean, Securus Capital Inc., and Acquiesce Investments</b>  s. 127  M. Britton in attendance for Staff  Panel: TBA	January 18-20, 2012 10:00 a.m.	<b>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"</b>  s. 127  B. Shulman in attendance for Staff  Panel: TBA
December 1-5 & December 7-15, 2011 10:00 a.m.	<b>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)</b>  s. 127  S. Chandra in attendance for Staff  Panel: JDC		

January 18-30 & February 1-10, 2012	<b>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</b>	April 2-5, April 9, April 11-23 & April 25-27, 2012	<b>Bernard Boily</b>
10:00 a.m.			s.127 and 127.1
	s. 37, 127 and 127.1		M. Vaillancourt/U. Sheikh in attendance for Staff
	H. Craig in attendance for Staff		Panel: TBA
	Panel: TBA		
January 26-27, 2012	<b>Empire Consulting Inc. and Desmond Chambers</b>	April 30-May 7, May 9-18 & May 23-25, 2012	<b>Rezwealth Financial Services Inc., Pamela Ramoutar, Justin Ramoutar, Tiffin Financial Corporation, Daniel Tiffin, 2150129 Ontario Inc., Sylvan Blackett, 1778445 Ontario Inc. and Willoughby Smith</b>
10:00 a.m.	s. 127		s.127(1) & (5)
	D. Ferris in attendance for Staff		A. Heydon in attendance for Staff
	Panel: TBA		Panel: TBA
February 1-13, February 15-17 & February 21-23, 2012	<b>Irwin Boock, Stanton Defreitas, Jason Wong, Saudia Allie, Alena Dubinsky, Alex Khodjiaints Select American Transfer Co., Leasesmart, Inc., Advanced Growing Systems, Inc., International Energy Ltd., Nutrione Corporation, Pocketop Corporation, Asia Telecom Ltd., Pharm Control Ltd., Cambridge Resources Corporation, Compushare Transfer Corporation, Federated Purchaser, Inc., TCC Industries, Inc., First National Entertainment Corporation, WGI Holdings, Inc. and Enerbrite Technologies Group</b>	TBA	<b>Yama Abdullah Yaqeen</b>
10:00 a.m.			s. 8(2)
	s. 127 & 127.1		J. Superina in attendance for Staff
	H. Craig in attendance for Staff		Panel: TBA
	Panel: TBA		
March 12, March 14-26, & March 28, 2012	<b>David M. O'Brien</b>		<b>Microsourceonline Inc., Michael Peter Anzelmo, Vito Curalli, Jaime S. Lobo, Sumit Majumdar and Jeffrey David Mandell</b>
10:00 a.m.	s. 37, 127 and 127.1		s. 127
	B. Shulman in attendance for Staff		J. Waechter in attendance for Staff
	Panel: TBA		Panel: TBA
			<b>Frank Dunn, Douglas Beatty, Michael Gollogly</b>
			s.127
			K. Daniels in attendance for Staff
			Panel: TBA
			<b>MRS Sciences Inc. (formerly Morningside Capital Corp.), Americo DeRosa, Ronald Sherman, Edward Emmons and Ivan Cavric</b>
			s. 127 & 127(1)
			D. Ferris in attendance for Staff
			Panel: TBA

TBA	<b>Gold-Quest International, 1725587 Ontario Inc. carrying on business as Health and Harmony, Harmony Club Inc., Donald Iain Buchanan, Lisa Buchanan and Sandra Gale</b>	TBA	<b>Abel Da Silva</b>
	s.127		s.127
	H. Craig in attendance for Staff		C. Watson in attendance for Staff
	Panel: TBA		Panel: TBA
TBA	<b>Lyndz Pharmaceuticals Inc., James Marketing Ltd., Michael Eatch and Rickey McKenzie</b>	TBA	<b>Paul Azeff, Korin Bobrow, Mitchell Finkelstein, Howard Jeffrey Miller and Man Kin Cheng (a.k.a. Francis Cheng)</b>
	s.127(1) & (5)		s. 127
	J. Feasby/C. Rossi in attendance for Staff		T. Center/D. Campbell in attendance for Staff
	Panel: TBA		Panel: TBA
TBA	<b>M P Global Financial Ltd., and Joe Feng Deng</b>	TBA	<b>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</b>
	s. 127 (1)		s.127
	M. Britton in attendance for Staff		A. Perschy/C. Rossi in attendance for Staff
	Panel: TBA		Panel: TBA
TBA	<b>Shane Suman and Monie Rahman</b>	TBA	<b>Merax Resource Management Ltd. carrying on business as Crown Capital Partners, Richard Mellon and Alex Elin</b>
	s. 127 & 127(1)		s. 127
	C. Price in attendance for Staff		T. Center in attendance for Staff
	Panel: TBA		Panel: TBA
TBA	<b>Gold-Quest International, Health and Harmony, Iain Buchanan and Lisa Buchanan</b>	TBA	<b>Alexander Christ Doulis (aka Alexander Christos Doulis, aka Alexandros Christodoulidis) and Liberty Consulting Ltd.</b>
	s.127		s. 127
	H. Craig in attendance for Staff		S. Horgan in attendance for Staff
	Panel: TBA		Panel: TBA
TBA	<b>Brilliant Brasilcan Resources Corp., York Rio Resources Inc., Brian W. Aidelman, Jason Georgiadis, Richard Taylor and Victor York</b>		
	s. 127		
	H. Craig in attendance for Staff		
	Panel: TBA		

TBA	<p><b>Uranium308 Resources Inc., Michael Friedman, George Schwartz, Peter Robinson, and Shafi Khan</b></p> <p>s. 127</p> <p>H. Craig/C.Rossi in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p><b>Nest Acquisitions and Mergers, IMG International Inc., Caroline Myriam Frayssignes, David Pelcowitz, Michael Smith, and Robert Patrick Zuk</b></p> <p>s. 37, 127 and 127.1</p> <p>C. Price in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p><b>Ameron Oil and Gas Ltd., MX-IV Ltd., Gaye Knowles, Giorgio Knowles, Anthony Howorth, Vadim Tsatskin, Mark Grinshpun, Oded Pasternak, and Allan Walker</b></p> <p>s. 127</p> <p>H. Craig/C. Rossi in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p><b>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</b></p> <p>s. 127(1) and 127(5)</p> <p>C. Watson in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p><b>Paul Donald</b></p> <p>s. 127</p> <p>C. Price in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p><b>Lehman Brothers &amp; Associates Corp., Greg Marks, Kent Emerson Lounds and Gregory William Higgins</b></p> <p>s. 127</p> <p>C. Rossi in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p><b>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</b></p> <p>s. 127</p> <p>Y. Chisholm in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p><b>Peter Sbaraglia</b></p> <p>s. 127</p> <p>S. Horgan/P. Foy in attendance for Staff</p> <p>Panel: TBA</p>
		TBA	<p><b>Crown Hill Capital Corporation and Wayne Lawrence Pushka</b></p> <p>s. 127</p> <p>A. Perschy in attendance for Staff</p> <p>Panel: TBA</p>

TBA **Ground Wealth Inc., Armadillo Energy Inc., Paul Schuett, Doug DeBoer, James Linde, Susan Lawson, Michelle Dunk, Adrion Smith, Bianca Soto and Terry Reichert**

s. 127

S. Schumacher in attendance for Staff

Panel: TBA

TBA **Shallow Oil & Gas Inc., Eric O'Brien, Abel Da Silva, Gurdip Singh Gahunia aka Michael Gahunia and Abraham Herbert Grossman aka Allen Grossman**

s. 127(7) and 127(8)

H. Craig in attendance for Staff

Panel: TBA

TBA **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: TBA

TBA **MBS Group (Canada) Ltd., Balbir Ahluwalia and Mohinder Ahluwalia**

s. 37, 127 and 127.1

C. Rossi in attendance for staff

Panel: TBA

TBA **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

#### 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**

## 1.1.2 Consultation Session on Proposed NI 51-103 Ongoing Governance and Disclosure Requirements for Venture Issuers

### A Consultation Session on Proposed NI 51-103 *Ongoing Governance and Disclosure Requirements for Venture Issuers*

Staff of the Ontario Securities Commission invites you to attend a consultation session on proposed National Instrument 51-103 *Ongoing Governance and Disclosure Requirements for Venture Issuers* (NI 51-103). This session is designed to assist venture issuers, their advisors and their investors in understanding the key differences between NI 51-102 *Continuous Disclosure Obligations* and Proposed NI 51-103 and express their views prior to the end of the comment period on October 27, 2011. This will allow sufficient time to venture market stakeholders to provide written comments on the proposals.

#### Choice of Sessions

**Dates:** Tuesday, September 20, 2011 (1:30 pm to 4:00 pm)

Tuesday, October 4, 2011 (8:30 am to 11:00 am)

**Location:** 22<sup>nd</sup> Floor OSC Training Room  
20 Queen Street West, Toronto, Ontario

**Cost:** No charge

**RSVP:** Sharon D'mello  
Email: [sdmello@osc.gov.on.ca](mailto:sdmello@osc.gov.on.ca)  
Deadline: Tuesday, September 13, 2011



#### OBJECTIVE

On July 29, 2011, the Canadian Securities Administrators (CSA) published for comment proposed NI 51-103.

The proposed rule introduces a new mandatory regulatory regime for venture issuers. It is designed to streamline and tailor venture issuer disclosure to make it more useful and user-friendly for investors.

The CSA is seeking written comments from investors and industry on the proposed national instrument and related amendments. As such, we want to help you familiarize yourself with NI 51-103 by holding information sessions prior to the end of the comment period. We are seeking input from participants in the venture market and your contribution is valuable to this process.

To formally comment, please refer to the CSA Notice and Request for Comment announcing proposed NI 51-103, proposed amendments to National Instrument 41-101 *General Prospectus Requirements*, National Instrument 44-101 *Short Form Prospectus Distributions*, and National Instrument 45-106 *Prospectus and Registration Exemptions*, and related consequential amendments, which are available on the OSC website: <http://www.osc.gov.on.ca/en/32707.htm>.

#### WHO SHOULD ATTEND

- Chief Financial Officers and individuals involved in the preparation of continuous disclosure documents
- External counsels, auditors and other advisors to venture issuers
- Portfolio managers, institutional investors and retail investors which invest in venture issuers
- Independent directors, including audit committee members of venture issuers

#### AGENDA

##### September 20, 2011

1:30 p.m. – 2:00 p.m.  
2:00 p.m. – 2:30 p.m.  
2:30 p.m. – 3:45 p.m.  
3:45 p.m. – 4:00 p.m.

##### October 4, 2011

8:30 a.m. – 9:00 a.m.  
9:00 a.m. – 9:30 a.m.  
9:30 a.m. – 10:45 a.m.  
10:45 a.m. – 11:00 a.m.

Registration  
Presentation of proposals  
Questions and discussion on proposals  
Summary of results and wrap-up

#### LEADERS from the CORPORATE FINANCE BRANCH

Lisa Enright, Michael Tang and Marie-France Bourret

### 1.1.3 Seminar on Technical and Environmental Disclosure to Assist Public Mining Companies

#### A Free Seminar on Technical and Environmental Disclosure to Assist Public Mining Companies

The Corporate Finance Branch of the Ontario Securities Commission invites you to attend a free seminar designed to assist mining companies in understanding:

- the key changes to NI 43-101 *Standards of Disclosure for Mineral Projects* that came into force in June 2011
- the environmental disclosure requirements in the MD&A and annual information forms

#### Choice of Seminar

**Dates:** Wednesday, September 21, 2011  
Friday, October 14, 2011

**Time:** 9:00 to 10:30 a.m.

**Location:** 22<sup>nd</sup> Floor OSC Training Room  
20 Queen Street West, Toronto, Ontario

**Cost:** No charge

**RSVP:** Nancy Macnab  
Email: nmacnab@osc.gov.on.ca



***This seminar may qualify for continuing professional education***

Please note that space is limited.

#### OBJECTIVE

Mining companies face unprecedented risks and challenges in the exploration and development of mineral deposits in addition to keeping up with an evolving regulatory landscape. Companies are also recognizing that environmental matters may affect their operations, financial results, reputation and access to and cost of capital. Investors are increasingly interested in environmental matters and are asking for more information about them.

We want to help provide you with the tools and information you need to understand the technical mining and environmental reporting requirements under Ontario securities law.

#### WHO SHOULD ATTEND

- Chief Financial Officers and others involved in the preparation of continuous disclosure documents (including MD&A and annual information forms)
- External counsel and advisors to public mining companies
- Qualified persons, both in-house and independent
- Audit committee members

#### CONTENT

##### Key changes to NI 43-101, including:

- New triggers for technical reports
- New technical report content requirements

##### Environmental disclosure requirements, including:

- Materiality of environmental matters
- Environmental risks, trends and uncertainties
- Environmental liabilities and the impact of adoption of IFRS
- Asset retirement obligations
- Environmental risk oversight and management

#### SEMINAR LEADERS

**NI 43-101 Team:** Craig Waldie, Senior Geologist and James Whyte, Senior Geologist  
**Environmental Disclosure Team:** Jo-Anne Matear, Assistant Manager (Legal), Christine Krikorian, Accountant and Daphne Wong, Analyst (Legal)

#### BENEFITS OF ATTENDING

*This seminar will cover public company disclosure requirements that are of particular interest to mining companies.*

- discover the key changes to NI 43-101 and their impact on your reporting obligations
- become familiar with the environmental reporting guidance in CSA Staff Notice 51-333
- understand the relevant requirements and the perspective of the securities regulators
- learn about common deficiencies and how to avoid them in your disclosure
- learn to prepare meaningful and relevant continuous disclosure

**1.1.4 CSA Staff Notice 31-327 – Broker-Dealer Registration in the Exempt Market Dealer Category**

**CSA STAFF NOTICE 31-327**

**BROKER-DEALER REGISTRATION IN THE EXEMPT MARKET DEALER CATEGORY**

**September 2, 2011**

**Purpose**

Staff of the Canadian Securities Administrators (**CSA** or **we**) have recently learned that there are a number of firms registered as exempt market dealers (**EMD**) that are carrying out brokerage activities (trading securities listed on an exchange in foreign or Canadian markets) for accredited investors. We understand that these are primarily broker-dealer firms registered in the United States that are members of the Financial Industry Regulatory Authority (**FINRA**). CSA staff have also received applications from firms seeking registration in the EMD category for the same purpose.

CSA staff do not believe that the EMD category of registration was intended for firms that conduct brokerage activities. This raises serious policy issues that regulators and the industry need to consider. The purpose of this Notice is to outline our concerns and our interim response to this problem and to advise that we will be examining these activities in a wider consultation and review process.

**Background – the EMD Category**

National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**) became effective September 28, 2009 and introduced the EMD category of registration, which was a new category to most CSA jurisdictions and represented a significant change to the pre-existing limited market dealer category in Ontario and Newfoundland and Labrador.

The EMD category was designed to allow increased oversight and regulation of market participants in the exempt market. The category permits trading in securities distributed under prospectus exemptions. We did not envision that EMDs would be involved in brokerage activities, including trading securities on an exchange, or entering into arrangements similar to introducing-carrying broker activities.

Firms providing brokerage activities have historically been categorized as investment dealers, which are subject to the Investment Industry Regulatory Organization of Canada (**IIROC**) requirements and supervision.

**Applications by Firms Seeking Registration in the EMD Category**

The current applicants seek to rely on section 7.1(2)(d) of NI 31-103 combined with the prospectus exemption provided in section 2.3 of National Instrument 45-106 *Prospectus and Registration Exemptions* that exempts distributions to accredited investors. Some of the applicants

also seek an exemption from section 13.12 of NI 31-103 to allow lending or providing margin to clients. Therefore, an EMD could technically trade in any securities for an accredited investor, including securities listed on an exchange.

**Issues**

We have concerns with firms applying for registration in the EMD category and with firms already registered in the category because we do not think the EMD category was intended to allow firms to engage in brokerage activities.

IIROC monitors brokerage activities and it has developed rules and an oversight infrastructure to supervise this activity. If EMDs are conducting brokerage activities which would otherwise be carried out by Canadian investment dealers who are members of IIROC, similar activities would be regulated within Canada differently, resulting in differences in regulatory oversight depending on whether the activity is carried out by an EMD or an IIROC member.

**Interim Action**

In view of these regulatory concerns, we will consider registering these broker-dealers in the restricted dealer category with terms and conditions. One condition is that these broker-dealers only deal with permitted clients. The registration will be limited in time. This interim registration will allow applicants to engage in limited activities while we engage in a consultation process.

**Consultation**

We will be examining these issues in a consultation and review process to allow all interested stakeholders an opportunity to comment. Our goal is to ensure appropriate regulatory requirements apply to all firms that engage in brokerage activities in Canada. The securities industry should be aware that the outcome of these consultations is likely to result in changes to our rules.

**Questions**

If you have questions regarding this notice please direct them to any of:

Lindy Bremner  
Senior Legal Counsel, Capital Markets Regulation  
British Columbia Securities Commission  
Tel: 604-899-6678  
1-800-373-6393  
lbremner@bcsc.bc.ca

Navdeep Gill  
Legal Counsel, Market Regulation  
Alberta Securities Commission  
Tel: 403-355-9043  
navdeep.gill@asc.ca

Dean Murrison  
Deputy Director, Legal and Registration  
Saskatchewan Financial Services Commission  
Tel: 306-787-5879  
dean.murrison@gov.sk.ca

Chris Besko  
Legal Counsel, Deputy Director  
Manitoba Securities Commission  
Tel: 204-945-2561  
Toll Free (Manitoba only): 1-800-655-5244  
chris.besko@gov.mb.ca

Sandra Blake  
Senior Legal Counsel  
Ontario Securities Commission  
Tel: 416-593-8115  
sblake@osc.gov.on.ca

Sophie Jean  
Analyste expert en réglementation  
– pratiques de distribution  
Autorité des marchés financiers  
Tel: 514-395-0337, ext. 4786  
Toll-free: 1-877-525-0337  
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Brian W. Murphy  
Deputy Director, Capital Markets  
Nova Scotia Securities Commission  
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murphybw@gov.ns.ca

Jason L. Alcorn  
Legal Counsel  
New Brunswick Securities Commission  
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jason.alcorn@nbsec-cvmnb.ca

Katharine Tummon  
Superintendent of Securities  
Prince Edward Island Securities Office  
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kptummon@gov.pe.ca

Craig Whalen  
Manager of Licensing, Registration and Compliance  
Office of the Superintendent of Securities  
Government of Newfoundland and Labrador  
Tel: 709-729-5661  
cwhalen@gov.nl.ca

Louis Arki, Director, Legal Registries  
Department of Justice  
Government of Nunavut  
Tel: 867-975-6587  
larki@gov.nu.ca

Donn MacDougall  
Deputy Superintendent, Legal & Enforcement  
Office of the Superintendent of Securities  
Government of the Northwest Territories  
Tel: 867-920-8984  
donald.macdougall@gov.nt.ca

Frederik J. Pretorius  
Manager Corporate Affairs (C-6)  
Dept of Community Services  
Government of Yukon  
Tel: 867-667-5225  
Fred.Pretorius@gov.yk.ca

**1.2 Notices of Hearing**

**1.2.1 Helen Kuszper and Paul Kuszper – ss. 127, 127.1**

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

**AND**

**IN THE MATTER OF  
HELEN KUSZPER AND PAUL KUSZPER  
NOTICE OF HEARING  
(Sections 127 and 127.1)**

**TAKE NOTICE** that the Ontario Securities Commission (the “Commission”) will hold a hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O., 1990 c. S.5, as amended (the “Act”) at its offices at 20 Queen Street West, 17th Floor, Toronto, Ontario, commencing on September 1, 2011 at 10:00 a.m. or as soon thereafter as the hearing can be held;

**AND TAKE NOTICE** that the purpose of the hearing is for the Commission to consider whether it is in the public interest to approve the settlement agreements between Staff of the Commission and Helen Kuszper and Paul Kuszper;

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

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

**DATED** at Toronto this 29th day of August, 2011.

“John Stevenson”  
Secretary to the Commission

**1.2.2 Global Energy Group, Ltd. et al. – ss. 37, 127**

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

**AND**

**IN THE MATTER OF  
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**

**AND**

**IN THE MATTER OF  
SETTLEMENT AGREEMENTS BETWEEN STAFF OF  
THE ONTARIO SECURITIES COMMISSION  
AND ODED PASTERNAK, VYACHESLAV BRIKMAN  
AND ALLAN WALKER**

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

**TAKE NOTICE** that the Ontario Securities Commission (the “Commission”) will hold a hearing pursuant to sections 37 and 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”), at the offices of the Commission located at 20 Queen Street West, Toronto, 17th Floor, on September 1, 2011 at 1:30 p.m. or as soon thereafter as the hearing can be held;

**AND TAKE NOTICE** that the purpose of the hearing is for the Commission to consider whether it is in the public interest to approve a settlement agreements entered into between Staff of the Commission and Oded Pasternak, Vyacheslav Brikmán and Allan Walker;

**BY REASON OF** the allegations set out in the Statement of Allegations of Staff of the Commission dated June 8, 2010 and such additional allegations as counsel may advise and the Commission may permit;

**AND TAKE FURTHER NOTICE** that any party to the proceeding may be represented by counsel, if that party attends or submits evidence at the hearing;

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

**DATED** at Toronto this 30th day of August, 2011.

“John Stevenson”  
Secretary to the Commission

**1.2.3 Anthony Ianno et al. – ss. 127 and 127.1**

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

**AND**

**IN THE MATTER OF  
ANTHONY IANNO AND SAVERIO MANZO  
AND**

**IN THE MATTER OF  
SETTLEMENT AGREEMENT BETWEEN STAFF OF  
THE ONTARIO SECURITIES COMMISSION  
AND ANTHONY IANNO**

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

**TAKE NOTICE** that the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S-5, as amended (the "Act"), at the offices of the Commission located at 20 Queen Street West, Toronto, 17th Floor, on September 2, 2011 at 9:30 a.m. or as soon thereafter as the hearing can be held;

**AND TAKE NOTICE** that the purpose of the hearing is for the Commission to consider whether it is in the public interest to approve a settlement agreement entered into between Staff of the Commission and Anthony Ianno;

**BY REASON OF** the allegations set out in the Statement of Allegations of Staff of the Commission dated March 8, 2010 and such additional allegations as counsel may advise and the Commission may permit;

**AND TAKE FURTHER NOTICE** that any party to the proceeding may be represented by counsel, if that party attends or submits evidence at the hearing;

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

**DATED** at Toronto this 31st day of August, 2011

"John Stevenson"  
Secretary to the Commission

**1.3 News Releases**

**1.3.1 Investor Alert – Anchor Securities Limited and Martin Donald Heppner**

**FOR IMMEDIATE RELEASE  
August 29, 2011**

**INVESTOR ALERT – ANCHOR SECURITIES LIMITED  
and MARTIN DONALD HEPPNER**

**TORONTO** – The Ontario Securities Commission (OSC) is alerting investors not to purchase securities from Anchor Securities Limited or its principal, Martin Donald Heppner.

Effective August 26, 2011, the OSC suspended the registration of Anchor Securities Limited and of Mr. Heppner. A suspension means that Anchor Securities Limited and Mr. Heppner may no longer sell securities to investors.

The decision to suspend the registration of Anchor Securities Limited and of Mr. Heppner was communicated orally during proceedings held at the offices of the OSC on Friday, August 26, 2011. It is anticipated that written reasons for the decision will be prepared and published on the OSC website.

If you have any questions or information relating to this matter, please contact the OSC Contact Centre at 416-593-8314 or toll free at 1-877-785-1555.

Under section 28 of the *Securities Act* (Ontario), the OSC may suspend the registration of an individual or a firm if we have serious concerns about their continued fitness for registration, or if we determine that it is no longer in the public interest that they be registered.

The mandate of the OSC is to provide protection to investors from unfair, improper or fraudulent practices and to foster fair and efficient capital markets and confidence in capital markets. Investors are urged to check the registration of any person or company offering an investment opportunity and to review the OSC's investor materials available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

For media inquiries:  
[media\\_inquiries@osc.gov.on.ca](mailto:media_inquiries@osc.gov.on.ca)

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 Sino-Forest Corporation et al.**

**FOR IMMEDIATE RELEASE**

**August 26, 2011**

**IN THE MATTER OF  
THE SECURITIES ACT**

**AND**

**IN THE MATTER OF  
SINO-FOREST CORPORATION, ALLEN CHAN,  
ALBERT IP, ALFRED C.T. HUNG, GEORGE HO  
AND SIMON YEUNG**

**TORONTO** – The Commission issued an order pursuant to section 144(1) in the above named matter amending the Temporary Order issued earlier today by removing the following term from the Temporary Order:

IT IS FURTHER ORDERED that pursuant to clauses 7 and 8 of section 127(1) of the Act that Chan, Ip, Hung, Ho and Yeung resign any and all positions that they hold as a director or officer of Sino-Forest or any other registrant and that they are prohibited from becoming or acting as director or officer of an issuer” (“the Original Term”);

A copy of the section 144(1) order amending the Temporary Order dated August 26, 2011 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

For media inquiries:  
[media\\_inquiries@osc.gov.on.ca](mailto:media_inquiries@osc.gov.on.ca)

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For investor inquiries:

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

**1.4.2 Peter Beck et al.**

**FOR IMMEDIATE RELEASE**  
**August 25, 2011**

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

**AND**

**IN THE MATTER OF  
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"**

**TORONTO** – The Commission issued an Order in the above noted matter which provides that the hearing of the application for the Temporary Order be held on January 18, 19 and 20, 2012, at the Offices of the Commission; and a confidential pre-hearing conference be held on September 1, 2011 at 11:00 a.m. to address scheduling for the hearing on the merits, and any other matters that Staff and counsel for the Respondents wish to raise.

A copy of the Order dated July 20, 2011 is available at **[www.osc.gov.on.ca](http://www.osc.gov.on.ca)**.

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

For media inquiries:  
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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:

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

**1.4.3 Helen Kuszper and Paul Kuszper**

**FOR IMMEDIATE RELEASE**  
**August 29, 2011**

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

**AND**

**IN THE MATTER OF  
HELEN KUSZPER AND PAUL KUSZPER**

**TORONTO** – The Office of the Secretary issued a Notice of Hearing for a hearing to consider whether it is in the public interest to approve a settlement agreements entered into by Staff of the Commission and Helen Kuszper and Paul Kuszper. The hearing will be held on September 1, 2011 at 10:00 a.m. in Hearing Room B on the 17th floor of the Commission's offices located at 20 Queen Street West, Toronto.

A copy of the Notice of Hearing dated August 29, 2011 is available at **[www.osc.gov.on.ca](http://www.osc.gov.on.ca)**.

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

For media inquiries:  
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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 Normand Gauthier et al.**

**FOR IMMEDIATE RELEASE  
August 30, 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 Commission issued an Order in the above named matter which provides that, pursuant to section 127 of the Act, 1) the Temporary Order shall remain in effect until such further order of the Commission; and 2) the hearing is adjourned to September 8, 2011 at 1:00 p.m. or to such other date or time to be agreed to by the parties and arranged through the Office of the Secretary for a hearing or for such other purposes as may be requested.

A copy of the Order dated August 29, 2011 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

For media inquiries:  
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Dylan Rae  
Media Relations Specialist  
416-595-8934

For investor inquiries:

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

**1.4.5 Global Energy Group, Ltd. et al.**

**FOR IMMEDIATE RELEASE  
August 31, 2011**

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

**AND**

**IN THE MATTER OF  
GLOBAL ENERGY GROUP, LTD.,  
NEW GOLD LIMITED PARTNERSHIPS,  
CHRISTINA HARPER, VADIM TSATSKIN,  
MICHAEL SCHAUER, ELLIOT FEDER,  
ODED PASTERNAK, ALAN SILVERSTEIN,  
HERBERT GROBERMAN,  
ALLAN WALKER, PETER ROBINSON,  
VYACHESLAV BRIKMAN, NIKOLA BAJOVSKI,  
BRUCE COHEN and ANDREW SHIFF**

**AND**

**N THE MATTER OF  
SETTLEMENT AGREEMENTS BETWEEN STAFF OF  
THE ONTARIO SECURITIES COMMISSION AND  
ODED PASTERNAK, VYACHESLAV BRIKMAN  
AND ALLAN WALKER**

**TORONTO** – The Office of the Secretary issued a Notice of Hearing for a hearing to consider whether it is in the public interest to approve the settlement agreements entered into between Staff of the Commission and Oded Pasternak, Vyacheslav Brikman and Allan Walker. The hearing will be held on September 1, 2011 at 1:30 p.m. in Hearing Room B on the 17th floor of the Commission's offices located at 20 Queen Street West, Toronto.

A copy of the Notice of Hearing dated August 30, 2011 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

For media inquiries:  
[media\\_inquiries@osc.gov.on.ca](mailto:media_inquiries@osc.gov.on.ca)

Wendy Dey  
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416-593-8120

Carolyn Shaw-Rimington  
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)

**1.4.6 Anthony Ianno et al.**

**FOR IMMEDIATE RELEASE  
August 31, 2011**

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

**AND**

**IN THE MATTER OF  
ANTHONY IANNO AND SAVERIO MANZO**

**AND**

**IN THE MATTER OF  
SETTLEMENT AGREEMENT  
BETWEEN STAFF OF THE  
ONTARIO SECURITIES COMMISSION  
AND ANTHONY IANNO**

**TORONTO** – The Office of the Secretary issued a Notice of Hearing for a hearing to consider whether it is in the public interest to approve a settlement agreement entered into by Staff of the Commission and Anthony Ianno. The hearing will be held on September 2, 2011 at 9:30 a.m. in Hearing Room B on the 17th floor of the Commission's offices located at 20 Queen Street West, Toronto.

A copy of the Notice of Hearing dated August 31, 2011 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

For media inquiries:  
[media\\_inquiries@osc.gov.on.ca](mailto:media_inquiries@osc.gov.on.ca)

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

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

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416-595-8934

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## Chapter 2

# Decisions, Orders and Rulings

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### 2.1 Decisions

#### 2.1.1 Mercator Minerals Ltd.

##### Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – An issuer requires relief from the requirement to include certain financial statements in a business acquisition report – The acquired company filed an information circular before the date of the acquisition. The information circular included financial information for a period that ended not more than one interim period before the financial information that the issuer would be required to include in its BAR. The issuer could rely on the exemptions in subsections 8.4(4) and (6) but for the fact that the acquired company, and not the issuer, filed the information circular. The issuer will file the information circular under its SEDAR profile and will include in the BAR all of the relevant financial statements included in the information circular.

##### Applicable Legislative Provisions

National Instrument 51-102 – Continuous Disclosure Obligations, ss. 8.4 and 13.1.

August 18, 2011

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

and

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

and

IN THE MATTER OF  
MERCATOR MINERALS LTD.  
(the Filer)

DECISION

##### Background

- 1 The securities regulatory authority or regulator in each of the Jurisdictions (Decision Maker) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) exempting the Filer from the requirement in the Legislation to include certain financial statements in a business acquisition report required under Part 8 of National Instrument 51-102 *Continuous Disclosure Obligations* (the Exemption Sought).

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

- (a) the British Columbia Securities Commission is the principal regulator for the Filer;
- (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 Alberta, Saskatchewan, Manitoba, and Nova Scotia; and
- (c) the decision is the decision of the principal regulator and evidences the decision of the regulator in Ontario.

## Interpretation

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

## Representations

- 3 This decision is based on the following facts represented by the Filer:
1. the Filer is a company governed by the *Business Corporations Act* (British Columbia) (BCBCA);
  2. the Filer's head office is located at 1050 - 625 Howe Street, Vancouver, British Columbia, V6C 2T6;
  3. the authorized capital of the Filer consists of an unlimited number of common shares;
  4. the common shares of the Filer are listed for trading on the Toronto Stock Exchange (TSX) under the trading symbol "ML";
  5. the Filer is a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, and Nova Scotia;
  6. the Filer is not in default of any of the requirements of the applicable securities legislation in any of the provinces in which it is a reporting issuer;
  7. the Filer is engaged in the acquisition, development, and production of mineral properties in North America;
  8. Creston Moly Corp. (Creston) was incorporated under the laws of British Columbia;
  9. Creston is engaged in the exploration and development of mineral properties in Mexico and Newfoundland;
  10. on June 22, 2011, the Filer acquired all of the common shares of Creston (the Acquisition);
  11. prior to the Acquisition, the common shares of Creston were listed for trading on the TSX Venture Exchange (TSXV) and Creston was a reporting issuer in British Columbia, Alberta, Manitoba, and Ontario;
  12. the Acquisition was carried out by way of plan of arrangement under the BCBCA (the Arrangement);
  13. under the terms of the Arrangement, the common shares of Creston were exchanged for common shares of the Filer and Creston became a wholly owned subsidiary of the Filer;
  14. the Arrangement and the resulting Acquisition were approved by the British Columbia Supreme Court (the Court), the TSX, the TSXV, and by special resolution of the shareholders of Creston;
  15. Creston delivered an information circular (the Information Circular) describing the Acquisition to its shareholders prior to the meeting at which shareholder approval of the Acquisition was obtained;
  16. the contents of the Information Circular and a draft order in respect of the Arrangement were approved by the Court prior to delivery to the shareholders of Creston;
  17. under National Instrument 51-102 *Continuous Disclosure Obligations* (NI 51-102), the Information Circular was required to contain prospectus level disclosure and include or incorporate by reference the financial statements required by a prospectus;
  18. the Information Circular included or incorporated by reference the following financial statements relating to the Acquisition:
    - (a) the audited financial statements of Creston for the years ended July 31, 2010 and July 31, 2009, together with the notes thereto and the auditors' reports thereon;
    - (b) unaudited financial statements of Creston for the six month interim period ended January 31, 2011 with comparatives for the six month interim period ended January 31, 2010; and
    - (c) a pro forma consolidated balance sheet of the Filer as at December 31, 2010 and a pro forma income statement of the Filer for the twelve months ended December 31, 2010;

(collectively, the Circular Statements)

19. Creston filed the Information Circular under its SEDAR profile on May 16, 2011; the Information Circular was, therefore, available to the public and to the shareholders of Creston and the Filer on the SEDAR website;
20. to the knowledge of the Filer, since the time the Information Circular was filed, there has not been any change in the Creston business that is material and adverse to the Filer, taken as a whole;
21. the Acquisition constitutes a "significant acquisition" for the Filer for the purposes of NI 51-102; consequently, under NI 51-102, the Filer is required to file a business acquisition report within 75 days of the Acquisition;
22. under NI 51-102, the business acquisition report must include the following financial statements:
  - (a) the audited financial statements of Creston for the years ended July 31, 2010 and July 31, 2009, together with the notes thereto and the auditor's report thereon;
  - (b) unaudited financial statements of Creston for the nine month interim period ended April 30, 2011 and April 30, 2010 (the Interim Statements); and
  - (c) a pro forma consolidated balance sheet of the Filer as at March 31, 2011 and pro forma income statements of the Filer for the three months ended March 31, 2011 and the twelve months ended December 31, 2010;
23. subsection 8.4(4) of NI 51-102 permits an issuer to include in its business acquisition report financial statements for a period ending not more than one interim period before the interim period for which financial statements would be required to be included in the business acquisition report, if
  - (a) before the date of acquisition, the issuer filed a document that included financial statements for the acquired business that would have been required to be included if the document were a prospectus, and
  - (b) those financial statements are for a period ending not more than one interim period before the interim period for which financial statements would be required to be included in the business acquisition report;
24. subsection 8.4(6) of NI 51-102 permits an issuer to include in its business acquisition report pro forma financial statements based on the interim financial statements permitted to be filed under subsection 8.4(4);
25. because Creston, and not the Filer, filed the Information Circular, the Filer is not able to rely on the exemptions in subsections 8.4(4) and 8.4(6) of NI 51-102; the Filer satisfies all the other conditions of these exemptions; and
26. the Filer is seeking an exemption from the requirement under NI 51-102 to include the Interim Statements, the pro forma balance sheet of the Filer as at March 31, 2011, and the pro forma income statement of the Filer for the three months ended March 31, 2011 in the business acquisition report.

#### Decision

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

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

- (a) the Filer files the Information Circular under its SEDAR profile; and
- (b) the Filer includes in its business acquisition report the Circular Statements.

Martin Eady, CA  
Director, Corporate Finance  
British Columbia Securities Commission

**2.1.2 Investis U.S. Inc.**

**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., ss.1(10).

August 24, 2011

Investis U.S., Inc.  
c/o Birch Hill Equity Partners  
100 Wellington Street West  
CP Tower, Suite 2300  
PO Box 22  
Toronto, ON M5K 1A1

**Attn: Lori Evans**

and

Davies Ward Phillips & Vineberg LLP  
44th Floor  
1 First Canadian Place  
Toronto, ON M5X 1B1

**Attn: Michael Barrett**

Dear Sirs/Mesdames:

**Re: Investis U.S. Inc. (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.

“Jo-Anne Matear”  
Assistant Manager, Corporate Finance

### 2.1.3 Elad Canada Inc.

#### Headnote

NP 11-203 – Exemptive relief from prospectus requirements for first trades in non-reporting issuer's common shares issued pursuant to prospectus exemptions - Filer is a subsidiary of a global real estate developer that carries on business through a number of subsidiaries - 88% of the Filer's common shares are owned directly or indirectly by Trusts resident in Canada - none of the ultimate beneficiaries of the Trusts or the ultimate beneficial owner of the Trustee are Canadian residents - Exemptive relief analogous to s. 2.14 of National Instrument 45-102 Resale of Securities (NI 45-102) granted in order to effectively permit direct or indirect holders of Filer's securities that are ultimately beneficially owned by non-residents of Canada to be excluded from share ownership calculation set out in s. 2.14 – Original order revoked and new order issued that more closely follows drafting of NI 45-102

#### Applicable Legislative Provisions

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

August 9, 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  
ELAD CANADA INC.  
(the Filer)  
  
DECISION

#### Background

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

- (a) a revocation of the decision (the **Original Decision**) In the Matter of Elad Canada Inc. dated May 11, 2010; and
- (b) an exemption under the Legislation from the prospectus requirements contained in the Legislation in connection with first trades of the Filer's securities distributed under an exemption from the prospectus requirement (the **Exemption Sought**).

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

- (a) the Ontario Securities Commission is the principal regulator for this application; and
- (b) the Filer has provided notice that Section 4.7(1) of Multilateral Instrument 11-102 – *Passport System* (**MI 11-102**) is intended to be relied upon in each of the provinces of Canada other than Ontario (the **Non-Principal Passport Jurisdictions**).

## Interpretation

In this decision:

- (a) terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning in this decision unless they are otherwise defined; and
- (b) the terms “convertible security”, “distribution date”, “exchangeable security”, “multiple convertible security” and “underlying security” have the meanings ascribed to such terms in National Instrument 45-102 *Resale of Securities* (**NI 45-102**).

## Representations

This decision is based on the following facts represented by the Filer and Y.T. America Israel Investment Ltd. (Elad Israel), where applicable:

### *Elad Israel and the El-Ad Group*

- 1. Elad Israel is a private company incorporated under the laws of Israel. The shareholders of Elad Israel are not resident in Canada.
- 2. Elad Israel directly or indirectly controls a number of entities (each an **Elad Subsidiary**, and collectively with Elad Israel, the **El-Ad Group**) worldwide in connection with its business of acquiring, developing and owning real estate assets worldwide.

### *The Filer*

- 3. The Filer was incorporated pursuant to the *Business Corporations Act* (Ontario) on December 23, 2009. Its registered and head office is located at Suite 1405, 5001 Yonge Street, Toronto, Ontario, Canada M2N 6P6.
- 4. The Filer owns a portfolio of real estate assets and development projects in Quebec and Ontario. The Filer completed, on August 31, 2010, an initial public offering (the **IPO**) of its common shares and warrants on the Tel Aviv Stock Exchange (the **TASE**) by way of a Hebrew language prospectus filed on August 23, 2010 in Israel pursuant to the securities laws of Israel.
- 5. Subsequent to the IPO, on May 23, 2011 the Filer completed a public offering in Israel of Series A bonds on the TASE by way of a Hebrew language prospectus filed in Israel pursuant to the securities laws of Israel.
- 6. The Filer's authorized share capital consists of an unlimited number of common shares and an unlimited number of preferred shares, each without nominal or par value, of which 113,018,100 common shares and no preferred shares are issued and outstanding as at the date hereof. In addition, the Filer has warrants and options issued and outstanding, each of which is exercisable into one common share of the Filer.
- 7. The Filer currently intends on filing in Israel a Hebrew language shelf prospectus pursuant to the securities laws of Israel (the **Shelf Prospectus**), expected to be published in August, 2011, relating to the potential future offerings, pursuant to “shelf offering reports”, of common shares, warrants, rights, bonds (convertible and/or non-convertible), options for bonds, and/or commercial debt securities of the Filer (the **Offerings**).
- 8. The Filer is not a reporting issuer in any province in Canada and will not become a reporting issuer as a result of the Offerings. The Filer has no current intention of becoming a reporting issuer in Canada.
- 9. The Common Shares of the Filer are currently listed on the TASE and it has no plans to apply for a listing of any of its securities in Canada.
- 10. The Filer is not in default of securities legislation in Ontario or the Non-Principal Passport Jurisdictions.
- 11. The Original Decision provided the Filer with an exemption under the Legislation from the prospectus requirements contained in the Legislation in connection with first trades of the Filer's Common Shares distributed under an exemption from the prospectus requirements. This decision revokes and replaces the Original Decision.

***El-Ad Group's Holdings of the Filer***

12. The El-Ad Group owns securities of the Filer through seven Alberta-resident trusts (collectively, the **Trusts**), including a portion of such securities that are held indirectly through a Canadian limited partnership (**Elad LP**), the limited partnership interests of which are held by the Trusts.
13. The sole trustee of each Trust (the **Trustee**) is a corporation resident in Canada and an Elad Subsidiary. All of the issued and outstanding shares of the Trustee are beneficially owned, indirectly through a complex holding structure, by Elad Israel. The two individual directors of the Trustee are both residents of Canada. One of the two directors of the Trustee is an employee of an Elad Subsidiary.
14. The beneficiaries of each Trust (except Riviera Trust) consist of a subset of members of the El-Ad Group, together with persons who are related, within the meaning of the *Income Tax Act* (Canada), to existing beneficiaries.
15. Riviera Trust is a discretionary trust with beneficiaries consisting of a member of the El-Ad Group, together with such other beneficiaries as may be determined by the Trustee from time to time.
16. The ultimate beneficiaries of the Trusts and the ultimate beneficial owner of the Trustee are all not resident in Canada.
17. As at the date hereof, the Trusts hold in aggregate, directly or indirectly through Elad LP, approximately 88% of the issued and outstanding common shares and none of the issued and outstanding warrants of the Filer (collectively, the **El-Ad Block**).
18. Immediately after the IPO, aside from the Trusts and Elad LP, to the best knowledge of the Filer none of the shareholders and none of the warrant holders of the Filer were resident in Canada.
19. Reasonable precautions, consistent with the Interpretation Note issued in respect of former OSC Policy 1.5, were taken in connection with the IPO and will be taken in connection with the Offerings to ensure that the securities issued pursuant to those offerings are not distributed into Canada (other than any rights offerings to securityholders of the Filer who at such time are residents of Canada). These precautions include:
  - (a) imposing requirements in any underwriting agreement and selling group arrangements that restrict any underwriters and selling group members from soliciting or selling the securities issued in the IPO or to be issued in any Offerings (other than any rights offerings) to Canadian residents and obliging any underwriters to certify that they have not, to the best of their knowledge after reasonable investigation, solicited or sold any such securities being offered to Canadian residents, and
  - (b) the inclusion of a legend on the cover of the IPO Prospectus, the Shelf Prospectus, any shelf offering reports and the form upon which orders for securities are made and all advertisements regarding the IPO and any Offering (other than any rights offerings) indicating that such offering is unavailable to Canadian residents.
20. A trade in any of the Jurisdictions of common shares from the El-Ad Block will be a distribution under either the Legislation or the securities legislation of one of the non-Principal Passport Jurisdictions. Each Trust and Elad LP has delivered to the Filer an undertaking not to trade the Filer's common shares unless such trade does not require the filing of a prospectus in Ontario or in a Non-Principal Passport Jurisdiction.
21. The Filer does not intend to issue securities to residents of the provinces and territories of Canada other than:
  - (a) to employees, executive officers, directors and consultants resident in Ontario and Quebec; and
  - (b) potentially in any future rights offering to any resident in any province or territory of Canada, including the Trusts and Elad LP, who is a securityholder at the time of such rights offering.
22. The financial reports, proxy materials and other materials distributed to the securityholders pursuant to the securities laws of Israel will be provided to any securityholders resident in Canada in accordance with applicable corporate and securities laws.
23. If the Trusts and Elad LP were not resident in Canada, an exemption would be available from (a) the prospectus requirement pursuant to section 2.14 (the **First Trade Exemption**) of NI 45-102 for the first trades of any securities distributed in Canada pursuant to any exemption from the prospectus requirement.
24. The conditions to the First Trade Exemption include a requirement that residents of Canada not directly or indirectly own more than 10% of the outstanding securities of the class or series distributed.

25. In the case of the First Trade Exemption, the relevant time for measuring whether the tests set out in the First Trade Exemption are met in respect of a sale of underlying securities is the time of the initial distribution of the convertible security, exchangeable security or multiple convertible security.
26. Because the Trusts will directly or indirectly through Elad LP own more than 10% of the common shares of the Filer and are resident in Canada, the First Trade Exemption will not be available for the first trades of any common shares distributed in Canada, even though:
- (a) none of the ultimate beneficiaries of the Trusts nor the ultimate beneficial owner of the Trustee are resident in Canada; and
  - (b) all common shares that are part of the El-Ad Block will be indirectly beneficially owned by persons not resident in Canada.
27. The Original Decision issued in May 2010 effectively allows first trades in common shares of the Filer (but not other securities) to be treated in accordance with the First Trade Exemption as if the common shares of the Filer held by the Elad Group were held directly by the ultimate (non-Canadian) owners and beneficiaries of the Elad Group. The Original Decision did not address the following securities:
- (a) common shares of the Filer issued from time to time upon the exercise of convertible securities, exchangeable securities or multiple convertible securities other than employee stock options; and
  - (b) securities of the Filer other than common shares that may be owned from time to time by one or more Elad Subsidiaries.

**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:

1. the Original Order is revoked;
2. the prospectus requirement does not apply to the first trade of a security of the Filer distributed under an exemption from the prospectus requirement if:
  - (a) the Filer
    - (i) was not a reporting issuer in any jurisdiction of Canada at the distribution date; or
    - (ii) is not a reporting issuer in any jurisdiction of Canada at the date of the trade;
  - (b) at the distribution date, after giving effect to the issue of the securities and any other securities of the same class or series that were issued at the same time as or as part of the same distribution as the security,
    - (i) residents of Canada did not own directly or indirectly more than 10 percent of the outstanding securities of the class or series;
    - (ii) despite paragraph (i) above, in calculating the number of outstanding securities owned directly or indirectly by residents of Canada, securities that are directly or indirectly owned by an Elad Subsidiary resident in Canada may be excluded provided that:
      - (A) if the Elad Subsidiary is a trust, none of the ultimate beneficiaries of the trust are residents of Canada; and
      - (B) none of the issued and outstanding shares of Elad Israel are beneficially owned by residents of Canada;
    - (iii) residents of Canada did not represent in number more than 10 percent of the total number of owners directly or indirectly of securities of the class or series;

(iv) despite paragraph (iii) above, in calculating the number of residents of Canada who own directly or indirectly outstanding securities, Elad Subsidiaries resident in Canada that directly or indirectly own securities may be excluded provided that:

(A) if the Elad Subsidiary is a trust, none of the ultimate beneficiaries of the trust are residents of Canada; and

(B) none of the issued and outstanding shares of Elad Israel are beneficially owned by residents of Canada; and

(c) the trade is made

(i) through an exchange, or a market, outside of Canada; or

(ii) to a person or company outside of Canada; and

3. the prospectus requirement does not apply to the first trade of an underlying security of the Filer if:

(a) the convertible security, exchangeable security or multiple convertible security that, directly or indirectly, entitled or required the holder to acquire the underlying security was distributed under an exemption from the prospectus requirement;

(b) the Filer

(i) was not a reporting issuer in any jurisdiction of Canada at the distribution date of the convertible security, exchangeable security or multiple convertible security; or

(ii) is not a reporting issuer in any jurisdiction of Canada at the date of the trade;

(c) the conditions in paragraph 2(b) would have been satisfied for the underlying security at the time of the initial distribution of the convertible security, exchangeable security or multiple convertible security; and

(d) the condition in paragraph 2(c) is satisfied.

“James E. A. Turner”  
Commissioner

“Paulette L. Kennedy”  
Commissioner

## 2.1.4 Sundance Energy Corporation

### Headnote

National Policy 11-203 Process For Exemptive Relief Applications in Multiple Jurisdictions – National Instrument 52-107 Acceptable Accounting Principles, Auditing Standards and Reporting Currency – Relief from the requirement that financial statements be prepared in accordance with Canadian GAAP applicable to publically accountable enterprises to permit a reverse takeover acquiree to prepare its interim financial statements for an interim period prior to a reverse takeover in accordance with Canadian GAAP – Part V.

### Applicable Legislative Provisions

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

**Citation:** Sundance Energy Corporation, Re, 2011 ABASC 359

June 6, 2009

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

AND

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

AND

IN THE MATTER OF  
SUNDANCE ENERGY CORPORATION  
(the Filer)

DECISION

### Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) exempting the Filer from the requirements under subsection 3.2(1) of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards* (**NI 52-107**) that financial statements of Sentinel Rock Oil Inc. (the **Reverse Takeover Acquiree**) be prepared in accordance with Canadian GAAP applicable to publicly accountable enterprises that is IFRS, and disclose an unreserved statement of compliance with IFRS or International Accounting Standard 34 *Interim Financial Reporting*, as applicable (the **Exemption Sought**), in order that the interim financial report of the Reverse Takeover Acquiree for the interim period ended March 31, 2011 may be prepared in accordance with generally accepted accounting principles determined with reference to Part V of the

Handbook applicable to public enterprises (**Canadian GAAP-Part V**).

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

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

### Interpretation

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

### Representations

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

1. The Filer is a corporation incorporated under the *Business Corporations Act* (Alberta). Its head office is located in Calgary, Alberta.
2. The Filer is a reporting issuer in the provinces of Alberta, British Columbia and Ontario and is not, to its knowledge, in default of its obligations as a reporting issuer under the securities legislation of any of the jurisdictions.
3. The Filer is the resulting issuer of the reverse takeover (the **Reverse Takeover**) of the Reverse Takeover Acquiree by Sundance Energy Corporation (**TargetCo**), a private Alberta corporation, which was completed on April 8, 2011. This transaction will be accounted for as a reverse takeover, with the result that the Filer's future financial statements will consolidate the results of operations of the Reverse Takeover Acquiree from the date of the Reverse Takeover only.
4. The financial year end of the Reverse Takeover Acquiree was December 31. The financial year end of TargetCo was October 31. In conjunction with the Reverse Takeover, the Filer changed its name to Sundance Energy Corporation and adopted the October 31 year end of TargetCo. As a result, the Filer will adopt IFRS pursuant to Part 3 of NI 52-107 effective November 1, 2011.
5. Pursuant to subsections 4.3(1) of National Instrument 51-102 *Continuous Disclosure Obligations* and 3.8(2) of the Companion Policy

51-102CP, the Reverse Takeover Acquiree is required to file an interim financial report for the interim period ended March 31, 2011. Without the exemption being sought hereunder, this interim financial report would be required to be prepared in accordance with Canadian GAAP applicable to publicly accountable enterprises that is IFRS.

6. The Reverse Takeover Acquiree undertook very limited business activities during the interim period ended March 31, 2011 and had no revenue and incurred no expenses relating to operating activities.

#### Decision

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

The decision of the Decision Makers under the Legislation is that the Exemption Sought is granted provided that the interim financial report of the Reverse Takeover Acquiree for the interim period ended March 31, 2011:

- (a) is prepared in accordance with Canadian GAAP-Part V; and
- (b) discloses that it was prepared in accordance with Canadian GAAP-Part V instead of IFRS.

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

#### 2.1.5 C&C Energia Ltd.

##### Headnote

National Policy 11-203 Process For Exemptive Relief Applications in Multiple Jurisdictions - Exemption from the requirement under Part 8 of NI 51-102 to include financial statements in a Business Acquisition Report - the Filer will provide alternative disclosure on the basis that the acquisition was in substance an acquisition by the Filer of an interest in oil and gas properties.

##### Applicable Legislation

National Instrument 51-102 Continuous Disclosure Obligations

**Citation:** C&C Energia Ltd., Re, 2011 ABASC 390

July 21, 2011

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

**AND**

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

**AND**

**IN THE MATTER OF  
C&C ENERGIA LTD.  
(The Filer)**

**DECISION**

##### Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) exempting the Filer from the requirement to include in a business acquisition report (**BAR**) certain financial information as required under National Instrument 51-102 *Continuous Disclosure Obligations* (**NI 51-102**) in respect of a significant acquisition made by the Filer, on the condition that the Filer include in the BAR the Alternative Financial Disclosure (defined below) (the **Exemption Sought**).

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

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

- British Columbia, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador; and
- (c) this decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

### Interpretation

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

### Representations

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

1. The Filer was incorporated under the *Business Corporations Act* (Alberta) on February 28, 2005. On March 8, 2005, the Filer amended its articles to change its name to "C&C Energy Canada Ltd." On May 24, 2010, in preparation for the Filer's initial public offering, the Filer amended its articles to among other things, change its name from "C&C Energy Canada Ltd." to "C&C Energia Ltd." Its head office is located in Calgary, Alberta.
2. The Filer is an independent resource company whose principal business activities consist of the exploration for, and development and production of, oil resources in Colombia.
3. The Filer is a reporting issuer in each of the provinces of Canada, and is not to its knowledge, after reasonable inquiry, in default of securities legislation of any jurisdiction in Canada.
4. The common shares of the Filer are listed and posted for trading on the Toronto Stock Exchange under the symbol "CZE".
5. On March 25, 2011, a subsidiary of the Filer entered into a purchase and sale agreement (the **Acquisition Agreement**) with Ramshorn International Limited (the **Vendor**), Ramshorn Holdings Limited, a subsidiary of the Vendor (the **Holding Subsidiary**) and Nabors Global Holdings II Limited, the Vendor's parent company, providing for the indirect acquisition (the **Acquisition**) by the Filer of certain oil and gas properties and related assets in Colombia (the **Assets**).
6. Subsequent to the entering into of the Acquisition Agreement and immediately prior to the closing of the Acquisition the Vendor transferred the Assets to the Holding Subsidiary. The Acquisition was completed on May 9, 2011.
7. As a result of the Acquisition Agreement, the Filer acquired through its subsidiary, 100% of the issued and outstanding shares of the Holding Subsidiary.
8. The Holding Subsidiary is an inactive subsidiary of the Vendor that was used by the Vendor for the purpose of facilitating the Acquisition. At the time of the closing of the Acquisition, the Holding Subsidiary had no assets or liabilities other than the Assets, and carried on no other business.
9. The acquisition of the Assets by way of the purchase and sale of the issued and outstanding shares of the Holding Subsidiary was made for the purpose of facilitating the Acquisition in a manner that achieved certain tax efficiencies for the Vendor and facilitated the governmental approval process for the Acquisition in Colombia.
10. The Acquisition constitutes a "significant acquisition" for the Filer within the meaning of Part 8 of NI 51-102. Accordingly, the Filer is required to file a BAR in respect of the Acquisition.
11. The financial year end of the Filer is December 31 and the financial year end of the Holding Subsidiary is December 31.
12. Pursuant to Item 3 of Form 51-102F4 *Business Acquisition Report (Form 51-102F4)* and Part 8 of NI 51-102, the Filer would, absent the Exemption Sought, be required to include in its BAR for the Acquisition, subject to the exemptions provided therein:
  - (a) an income statement, a statement of retained earnings and a cash flow statement of each of the two most recently completed financial years in respect of the Holding Subsidiary, a balance sheet as at the end of each such financial year, and notes to the financial statements;
  - (b) an auditors' report on the income statement, statement of retained earnings and cash flow statements for the most recently completed financial year in respect of the Holding Subsidiary and the balance sheet as at the end of such financial year;
  - (c) an income statement, a statement of retained earnings and a cash flow statement of each of the most recently completed interim period and a comparable period in the preceding financial year in respect of the Holding Subsidiary, a balance sheet as at the end of each such periods, and notes to the financial statements;

- (d) a pro forma balance sheet of the Filer as at March 31, 2011 that gives effect to the Acquisition as if it had taken place as at such date; and
  - (e) a pro forma income statement of the Filer for the financial year ended December 31, 2010, and for the three month interim period ended March 31, 2011, in each case giving effect to the acquisition as if it had taken place at December 31, 2010 together with pro forma earnings per share.
13. Subsection 8.10(3) of NI 51-102 provides an exemption from the financial statement disclosure requirements that would otherwise apply under Part 8 of NI 51-102 if the significant acquisition is of a business that is an interest in an oil and gas property, provided that, among other things: (i) the acquisition is not an acquisition of securities of another issuer; and (ii) the Filer includes in the BAR for the Acquisition, historical operating statements in respect of the Assets and pro forma operating statements of the Filer as required under paragraph 8.10(3)(e) of NI 51-102.
14. All of the conditions set forth in subsection 8.10(3) of NI 51-102 are satisfied, except for the fact that the Acquisition is an acquisition of securities of another issuer.
15. The Filer does not have access to the source documents required to prepare audited financial statements for the Holding Subsidiary and cannot therefore fulfill the BAR requirements.
16. The Filer proposes to include in the BAR to be filed in respect of the Acquisition all of the information that would be required under paragraph 8.10(3)(e) of NI 51-102, being:
  - (a) an audited operating statement presenting gross revenue, royalty expenses, production costs and operating income of the Assets for the year ended December 31, 2010;
  - (b) an unaudited operating statement presenting gross revenue, royalty expenses, production costs and operating income of the Assets for the year ended December 31, 2009;
  - (c) unaudited operating statements presenting gross revenue, royalty expenses, production costs and operating income of the Assets for the three month periods ended March 31, 2011 and March 31, 2010, respectively;
  - (d) an unaudited pro forma operating statement of Filer presenting gross revenue, royalty expenses, production costs and operating income for the year ended December 31, 2010 giving effect to the Acquisition as if it had taken place at January 1, 2010;
  - (e) an unaudited pro forma operating statement of Filer presenting gross revenue, royalty expenses, production costs and operating income for the three months ended March 31, 2011 giving effect to the Acquisition as if it had taken place at January 1, 2010;
  - (f) a description of the Assets and disclosure regarding the annual oil production volumes from the Assets, as contemplated in subparagraphs 8.10(3)(e)(iii) and (iv) of NI 51-102; and
  - (g) information regarding the estimated reserves and future related net revenue attributable to the Assets and estimated oil production volumes therefrom, as contemplated in paragraph 8.10(3)(g) of NI 51-102,(collectively, the **Alternative Financial Disclosure**).
17. The Acquisition was, in substance, an acquisition by the Filer of an interest in oil and gas properties constituting a business. For certain tax and governmental approval efficiencies, the transaction was structured by the Vendor as a purchase by the Filer of all of the issued and outstanding shares of the Holding Subsidiary rather than the acquisition of the Assets directly from the Vendor. Absent these considerations, the Filer would have acquired the Assets directly from the Vendor and availed itself of the exemption provided in subsection 8.10(3) of NI 51-102 with respect to the financial disclosure to be included in the BAR.
18. The Alternative Financial Disclosure provides complete information regarding the business acquired by the Filer. The Holding Subsidiary was an inactive subsidiary of the Vendor used by the Vendor to facilitate the Acquisition, which had no assets or liabilities other than the Assets, which it acquired immediately before the Acquisition in connection with the Acquisition.
19. The Filer seeks a decision of the Decision Makers under section 13.1 of NI 51-102 exempting the Filer from the requirements to include in the BAR to be filed in respect of the Acquisition, the financial statements and other information required pursuant to Item 3 of Form 51-102F4, provided that the BAR includes the Alternative Financial Disclosure.

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

The decision of the Decision Makers under the Legislation is that the Exemption Sought is granted provided that the Filer includes the Alternative Financial Disclosure in the BAR to be filed in respect of the Acquisition.

"Blaine Young"

Associate Director, Corporate Finance

Alberta Securities Commission

## **2.1.6 Faircourt Split Trust and Faircourt Asset Management Inc.**

### **Headnote**

Pursuant to National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions, the Trust and the Manager are exempted from the dealer registration requirement for certain limited trading activities to be carried out by these parties in connection with a warrant offering by the Trust, as the limited trading activities involve: i) the forwarding of a short form prospectus and the distribution of the Series A Warrants to acquire Trust Units, Preferred Securities and Series B Warrants to existing Unit holders and ii) the subsequent distribution of securities to existing Unit holders, upon their exercise of the Series A Warrants, through an appropriately registered dealer.

### **Applicable Legislative Provisions**

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 25(1) and 74(1).

Multilateral Instrument 11-102 Passport System, s. 4.7(1).

National Instrument 45-106 Prospectus and Registration Exemptions, ss. 2.1, 3.1, 3.42 and 8.5.

National Instrument 31-103, Registration Requirements and Exemptions, s. 8.5.

**August 26, 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  
FAIRCOURT SPLIT TRUST  
(the Trust)**

**AND**

**FAIRCOURT ASSET MANAGEMENT INC.  
(the Manager)  
(collectively, the Filers)**

### **DECISION**

### **Background**

The principal regulator in the Jurisdiction has received an application from the Filers for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for an exemption from the dealer registration requirements in the Legislation in respect of certain trades (the **Warrant Offering Activities**)

to be carried out by the Manager and on behalf of the Trust, in connection with a proposed distribution (the Warrant Offering) of warrants (the **Series A Warrants**) to acquire units of the Trust (the **Trust Units**), preferred securities (the Preferred Securities) and a second series of warrants (the **Series B Warrants**, such distribution to be made in Ontario and each of the Passport Jurisdictions (as defined below) pursuant to a short form (final) prospectus (the **Warrant Prospectus**) (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) each Filer has provided notice that Section 4.7(1) of Multilateral Instrument 11-102 – *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Prince Edward Island, Nova Scotia and Newfoundland and Labrador (collectively, the **Passport Jurisdictions**).

### Interpretation

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

### Representations

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

1. The Trust is an investment trust established under the laws of the Province of Ontario pursuant to an amended and restated declaration of trust dated as of February 27, 2006, as amended and restated on September 30, 2010 (the **Declaration of Trust**) between the Trust and the Manager (the **Trustee**). The Manager is acting as the manager and trustee of the Trust.
2. The Manager performs management, investment advisory and administrative services for the Trust pursuant to a management agreement. The head office of each of the Trust and the Manager is located at 141 Adelaide Street West, Suite 1402, Toronto, Ontario, M5H 3L5. The Manager is not in default of any of its obligations under securities legislation in any jurisdiction.
3. The Trust is authorized to issue an unlimited number of a single class of transferrable, redeemable Trust Units, each Trust Unit representing an equal, undivided interest in the net assets of the Trust. The Trust Units are listed and posted for trading on the Toronto Stock Exchange (the TSX) under the symbol "FCS.UN".
4. The Trust is also authorized to issue an unlimited aggregate principal amount of a series of preferred securities (the "Preferred Securities") designated as "6.25% Preferred Securities", each of which represents indebtedness of the Trust in the amount of \$10.00. The Preferred Securities of the Trust are listed for trading on the TSX under the symbol "FCS.PR.B".
5. The Trust filed a final prospectus dated February 27, 2006 for the initial issuance of Trust Units and a previous series of preferred securities for the Trust. There are no warrants currently outstanding.
6. The Trust's initial public offering was conducted through the full service investment dealer channel and its Trust Units and Preferred Securities were issued through and held in the book based system of CDS Clearing and Depository Services Inc. (**CDS**).
7. The investment objectives of the Trust are to provide holders of Trust Units (**Unitholders**) with a balance between the objectives of the Unitholders and the holders of Preferred Securities.
8. The investment portfolio of the Trust consists of a broad range of North American equities and income producing securities.
9. The Trust is subject to certain investment restrictions that, among other things, limit the securities which may be acquired for the investment portfolio that the Trust owns or to which the Trust may be exposed.
10. The Trust does not engage in the continuous distribution of its securities.
11. The Trust has retained the Manager to make the Trust's investment decisions in accordance with the Trust's investment objectives and investment strategy. The Manager is registered as an Investment Fund Manager, an Exempt Market Dealer and a Portfolio Manager. All trades in securities in connection with the investing activities of the Trust are conducted through registered dealers.
12. In connection with the Warrant Offering, the Trust has filed a preliminary short form prospectus dated August 11, 2011 under the securities legislation of the Province of Ontario and each Passport Jurisdiction. Under the Warrant Offering, each holder of Trust Units as at a specified record date will be entitled to receive, for no consideration, one (1) Series A Warrant for each of the Trust Units held by such holder.
13. Holders of the Series A Warrants will be entitled, upon the exercise of the Series A Warrants, to subscribe for Trust Units, Preferred Securities and Series B Warrants pursuant to subscription

privileges provided for in the Warrant Prospectus, at a subscription price to be specified in the Warrant Prospectus. Each Series A Warrant will entitle the holder to subscribe for one (1) Trust Unit, one half (1/2) of a Preferred Security and one (1) of the Series B Warrants under a basic subscription privilege. Holders of Series A Warrants who exercise Series A Warrants under the basic subscription privilege may also subscribe, *pro rata*, for additional Trust Units, Preferred Securities and Series B Warrants that are not subscribed for by other holders under the basic subscription privilege pursuant to the terms of an additional subscription privilege. The term for exercise of the Series A Warrants (including both the basic subscription privilege and the additional subscription privilege) will not exceed six (6) months. The Series B Warrants will only be exercisable on June 27, 2012.

14. The Trust has applied to list the Series A Warrants, to be distributed under the Warrant Prospectus, on the TSX. The Trust has also applied to list the Trust Units, Preferred Securities and Series B Warrants issuable upon the exercise of the Series A Warrants and the Trust Units issuable upon the exercise of the Series B Warrants, on the TSX.

15. The Warrant Offering Activities will consist of:

- (a) the distribution of the Warrant Prospectus and the issuance of Series A Warrants to the holders of Trust Units (as at the record date specified in the Warrant Prospectus), after the Warrant Prospectus has been filed, and receipts obtained, under the securities legislation of the Province of Ontario and each Passport Jurisdiction;
- (b) the distribution of Trust Units, Preferred Securities and Series B Warrants to holders of Series A Warrants, upon the exercise of Series A Warrants by their holders; and
- (c) the distribution of Trust Units to holders of Series B Warrants, upon the exercise of such Series B Warrants by the holder.

16. The Trust is in the business of trading by virtue of its portfolio investing activities. As a result, its capital raising activities, including the Warrant Offering Activities, would require the Trust and the Manager to register as a dealer in the absence of the Requested Relief (or another available exemption from the dealer registration requirements).

17. Section 8.5 of National Instrument 45-106 – *Prospectus and Registration Exemptions* (NI 45-

106) provides that, after March 26, 2010, the exemptions from the dealer registration requirements set out in sections 3.1 [*Rights offering*] and section 3.42 [*Conversion, exchange or exercise*] of NI 45-106 no longer apply.

#### Decision

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

The decision of the principal regulator under the Legislation is that the Trust and the Manager, acting on behalf of the Trust, are not subject to the dealer registration requirement in respect of the Warrant Offering Activities.

“James Turner”  
Commissioner

“C. Wesley Scott”  
Commissioner

## 2.1.7 Humboldt Capital Corporation

### Headnote

Multilateral Instrument 11-102 Passport System and National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Filer seeking relief from requirements under Part 3 of National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards (NI 52-107) that its financial statements be prepared in accordance with Canadian GAAP applicable to publicly accountable enterprises (the Exemption Sought) to permit Filer to prepare its financial statements in accordance with Canadian GAAP – Part V for its financial year that begins on 1 January 2011 and ends on 31 December 2011 and for its financial year that begins on 1 January 2012 and ends on 31 December 2012 (collectively, the Filer's deferred financial years) – Filer also seeking relief from IFRS-related amendments to National Instrument 51-102 Continuous Disclosure Obligations, National Instrument 41-101 General Prospectus Requirements, National Instrument 44-101 Short Form Prospectus Distributions, National Instrument 44-102 Shelf Distributions, National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings and National Instrument 52-110 Audit Committee that came into force on 1 January 2011 and that would apply to periods relating to Filer's deferred financial years.

### Applicable Legislative Provisions

National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards, Parts 3 and 4.

National Instrument 51-102 Continuous Disclosure Obligations.

National Instrument 41-101 General Prospectus Requirements.

National Instrument 44-101 Short Form Prospectus Distributions.

National Instrument 44-102 Shelf Distributions.

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

National Instrument 52-110 Audit Committees.

**Citation:** Humboldt Capital Corporation, Re, 2011 ABASC 459

August 29, 2011

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

**AND**

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

**AND**

**IN THE MATTER OF  
HUMBOLDT CAPITAL CORPORATION  
(the Filer)**

**DECISION**

### Background

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

- (a) the requirements in Part 3 of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards* (**NI 52-107**) that apply to financial statements, financial information, operating statements and pro forma financial statements for periods relating to the Filer's financial year beginning on 1 January 2011 and ending on 31 December 2011 and the Filer's financial year beginning on 1 January 2012 and ending on 31 December 2012 (collectively, the **Filer's deferred financial years**);
- (b) the amendments to National Instrument 51-102 *Continuous Disclosure Obligations* (**NI 51-102**) related to International Financial Reporting Standards (**IFRS**) that came into force on 1 January 2011 and that apply to documents required to be prepared, filed, delivered, or sent under NI 51-102 for periods relating to the Filer's deferred financial years;

- (c) the IFRS-related amendments to National Instrument 41-101 *General Prospectus Requirements* (**NI 41-101**) that came into force on 1 January 2011 and that apply to a preliminary prospectus, an amendment to a preliminary prospectus, a final prospectus or an amendment to a final prospectus of the Filer which includes or incorporates by reference financial statements of the Filer in respect of periods relating to the Filer's deferred financial years;
- (d) the IFRS-related amendments to National Instrument 44-101 *Short Form Prospectus Distributions* (**NI 44-101**) that came into force on 1 January 2011 and that apply to a preliminary short form prospectus, an amendment to a preliminary short form prospectus, a final short form prospectus or an amendment to a final short form prospectus of the Filer which includes or incorporates by reference financial statements of the Filer in respect of periods relating to the Filer's deferred financial years;
- (e) the IFRS-related amendments to National Instrument 44-102 *Shelf Distributions* (**NI 44-102**) that came into force on 1 January 2011 and that apply to a preliminary base shelf prospectus, an amendment to a preliminary base shelf prospectus, a base shelf prospectus, an amendment to a base shelf prospectus or a shelf prospectus supplement of the Filer which includes or incorporates by reference financial statements of the Filer in respect of periods relating to the Filer's deferred financial years;
- (f) the IFRS-related amendments to National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (**NI 52-109**) that came into force on 1 January 2011 and that apply to annual filings and interim filings for periods relating to the Filer's deferred financial years; and
- (g) the IFRS-related amendments to National Instrument 52-110 *Audit Committees* (**NI 52-110**) that came into force on 1 January 2011 and that apply to periods relating to the Filer's deferred financial years;

(collectively, the **Relief**).

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

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

### Interpretation

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

### Representations

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

1. The Filer is a corporation established under the laws of Alberta. The head office of the Filer is in Calgary, Alberta.
2. The Filer is a reporting issuer or equivalent in the Jurisdictions and each of the Passport Jurisdictions and is not in default of securities legislation in any jurisdiction, other than with respect to the interim financial statements for the 3 month period ended 31 March 2011 and filed on 30 May 2011 not having been prepared in accordance with IFRS pursuant to Part 3 of NI 52-107.
3. The Filer's fiscal year end is December 31.
4. The Filer is not an investment fund as that term is defined in the *Securities Act* (Alberta).
5. Accounting Guideline AcG-18 Investment Companies (**AcG-18**) in Part V of the Handbook defines an investment company as either:
  - (a) an investment fund as defined by the Canadian securities regulatory authorities in National Instrument 81-106, *Investment Fund Continuous Disclosure*; or
  - (b) a separate legal entity whose primary business activity for the period is investing.

6. The Filer meets all the criteria for its primary business activity to be investing, as set out in AcG-18. As such, the Filer is an investment company and applies AcG-18 in the preparation of its financial statements, in accordance with Part V of the Handbook as applicable to public enterprises for securities legislation purposes.
7. The Canadian Accounting Standards Board published amendments that provide a deferral of the transition to IFRS for investment companies applying AcG-18 to adopt IFRS for annual periods beginning on or after 1 January 2013.
8. The Canadian Securities Administrators (**CSA**) published CSA Staff Notice 81-320 *Update on International Financial Reporting Standards for Investment Funds* which indicated that, given the Handbook provides for a deferral of the transition to IFRS for investment companies applying AcG-18, the CSA would defer finalizing IFRS-related amendments to rules related to investment companies that are investment funds as defined in securities legislation and are subject to National Instrument 81-106 *Investment Fund Continuous Disclosure*, with a stated goal of having the necessary IFRS-related amendments for investment funds in force by 1 January 2013.
9. NI 51-102, NI 41-101, NI 44-101, NI 44-102, NI 52-109 and NI 52-110 (collectively, the Rules) and NI 52-107 apply to the Filer. Since Part 3 of NI 52-107 and the IFRS-related amendments to the Rules do not have a provision providing for a two-year deferral of the transition to IFRS for investment companies subject to NI 52-107 and the Rules, the Filer has applied for the Relief.
10. During the Filer's deferred financial years, the Filer will comply with section 1.13 of Form 51-102F1 *Management's Discussion and Analysis (MD&A)* by providing an updated discussion of the Filer's preparations for changeover to IFRS in its annual and interim MD&A. In particular, the Filer will discuss the expected effect on the financial statements, or state that the effect cannot be reasonably estimated.
11. The Filer acknowledges that if the Relief is granted, the Filer:
  - (a) will be subject to Part 3 of NI 52-107 and the IFRS-related amendments to the Rules for periods relating to financial years beginning on or after 1 January 2013; and
  - (b) will not have the benefit of the 30 day extension to the deadline of filing the first interim financial report in the year of adopting IFRS in respect of an interim period beginning on or after 1 January 2011, as set out in the IFRS-related amendments to NI 51-102, since that extension does not apply if the first interim financial report is in respect of an interim period ending after 30 March 2012.

**Decision**

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

12. The decision of the Decision Makers under the Legislation is that the Relief is granted provided that:
  - (a) the Filer continues to be an investment company, as defined in and applying AcG-18;
  - (b) the Filer provides the communication as described and in the manner set out in paragraph 10 above;
  - (c) the Filer complies with the requirements in Part 4 of NI 52-107 for all financial statements (including interim financial statements), financial information, operating statements and pro forma financial statements for periods relating to the Filer's deferred financial years, as if the expression "January 1, 2011" in subsection 4.1(2) were read as "January 1, 2013";
  - (d) the Filer complies with the version of NI 51-102 that was in effect on 31 December 2010 (together with any amendments to NI 51-102 that are not related to IFRS and that come into force after 1 January 2011) for all documents required to be prepared, filed, delivered, or sent under NI 51-102 for periods relating to the Filer's deferred financial years;
  - (e) the Filer complies with the version of NI 41-101 that was in effect on 31 December 2010 (together with any amendments to NI 41-101 that are not related to IFRS and that come into effect after 1 January 2011) for any preliminary prospectus, amendment to a preliminary prospectus, final prospectus or amendment to a final prospectus of the Filer which includes or incorporates by reference financial statements of the Filer in respect of periods relating to the Filer's deferred financial years;
  - (f) the Filer complies with the version of NI 44-101 that was in effect on 31 December 2010 (together with any amendments to NI 44-101 that are not related to IFRS and that come into effect after 1 January 2011) for any preliminary short form prospectus, amendment to a preliminary short form prospectus, final short form

- prospectus or amendment to a final short form prospectus of the Filer which includes or incorporates by reference financial statements of the Filer in respect of periods relating to the Filer's deferred financial years;
- (g) the Filer complies with the version of NI 44-102 that was in effect on 31 December 2010 (together with any amendments to NI 44-102 that are not related to IFRS and that come into effect after 1 January 2011) for any preliminary base shelf prospectus, amendment to a preliminary base shelf prospectus, base shelf prospectus, amendment to a base shelf prospectus or shelf prospectus supplement of the Filer which includes or incorporates by reference financial statements of the Filer in respect of periods relating to the Filer's deferred financial years;
  - (h) the Filer complies with the version of NI 52-109 that was in effect on 31 December 2010 (together with any amendments to NI 52-109 that are not related to IFRS and that come into effect after 1 January 2011) for all annual filings and interim filings for periods relating to the Filer's deferred financial years;
  - (i) the Filer complies with the version of NI 52-110 that was in effect on 31 December 2010 (together with any amendments to NI 52-110 that are not related to IFRS and that come into effect after 1 January 2011) for periods relating to the Filer's deferred financial years;
  - (j) if, notwithstanding this order, the Filer decides not to rely on the Relief and files an interim financial report prepared in accordance with IFRS for an interim period in a deferred financial year, the Filer must, at the same time:
    - (i) restate, in accordance with IFRS, any interim financial statements for any previous interim period in the same deferred financial year (each, a **Previous Interim Period**) that were originally prepared in accordance with Part V of the Handbook and filed pursuant to this order; and
    - (ii) file a restated interim financial report prepared in accordance with IFRS for each Previous Interim Period, together with corresponding restated interim MD&A and certificates required by NI 52-109. For greater certainty, any restated interim financial report for a Previous Interim Period must comply with applicable securities legislation (including Part 3 of NI 52-107 and the amendments to Part 4 of NI 51-102 that came into force on January 1, 2011) and any restated interim financial report for the first interim period in the deferred financial year must include the opening IFRS statement of financial position at the date of transition to IFRS; and
  - (k) if, notwithstanding this order, the Filer decides not to rely on the Relief and files annual financial statements prepared in accordance with IFRS for a deferred financial year, the Filer must, at the same time (unless previously done pursuant to paragraph j immediately above):
    - (i) restate, in accordance with IFRS, any interim financial statements for any Previous Interim Period that were originally prepared in accordance with Part V of the Handbook and filed pursuant to this order; and
    - (ii) file a restated interim financial report prepared in accordance with IFRS for each Previous Interim Period, together with corresponding restated interim MD&A and certificates required by NI 52-109. For greater certainty, any restated interim financial report for a Previous Interim Period must comply with applicable securities legislation (including Part 3 of NI 52-107 and the amendments to Part 4 of NI 51-102 that came into force on 1 January 2011) and any restated interim financial report for the first interim period in the deferred financial year must include the opening IFRS statement of financial position at the date of transition to IFRS.

"Cheryl McGillivray"  
Manager, Corporate Finance

## 2.1.8 Northcliff Resources Ltd.

### Headnote

National Policy 11-203 Process For Exemptive Relief Applications in Multiple Jurisdictions – National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards – A reporting issuer wants to early adopt IFRS for purposes of preparing its financial statements – The issuer has assessed the readiness of its staff, board, audit committee, auditors and investors; the target has historically prepared its financial statements in accordance with IFRS and the target is now or will be the resulting issuer; the issuer's MD&A for the most recent interim period ending prior to the Qualifying Transaction will provide detailed disclosure about its changeover plan as well as the transaction

### Applicable Legislative Provisions

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

June 24, 2011

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

**AND**

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

**AND**

**IN THE MATTER OF  
NORTHCLIFF RESOURCES LTD.  
(formerly known as Cabre Capital Corp.)  
(the Filer)**

**DECISION**

### Background

The securities regulatory authority or regulator in each of the Jurisdictions (Decision Maker) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) exempting the Filer from the requirement in section 4.2 of National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards (NI 52-107) that financial statements be prepared in accordance with Canadian GAAP – Part V (the Exemption Sought), in order that the Filer may prepare the following financial statements in accordance with Canadian GAAP applicable to publicly accountable enterprises, which is IFRS incorporated into the Handbook:

- (i) financial statements for financial years ending on or after October 31, 2011 and interim periods ending after April 30, 2011, and
- (ii) financial statements required to be filed pursuant to paragraph 4.10(2) of National Instrument 51-102 Continuous Disclosure Obligations (NI 51-102).

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

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

### Interpretation

Terms defined in National Instrument 14-101 Definitions, MI 11-102 and NI 52-107 have the same meaning if used in this decision, unless otherwise defined.

### Representations

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

1. the Filer is a corporation incorporated under the laws of British Columbia;
2. the head office of the Filer is located at 15th Floor, 1040 West Georgia Street, Vancouver, British Columbia, V6E 4H8 and its registered office is located at Suite 1500 – 1055 West Georgia Street, Vancouver, British Columbia, V6E 4N7;
3. the Filer is a reporting issuer in the Jurisdictions and the Passport Jurisdiction;
4. the Filer is not in default of securities legislation of any jurisdiction;
5. the Filer's common shares are listed on the TSX Venture Exchange (TSXV), under the symbol NCF;
6. the Filer was a capital pool company listed on the TSXV until June 7, 2011 when it completed its qualifying transaction under TSXV's Policy 2.4 *Capital Pool Companies* (the Qualifying Transaction) by acquiring all of the issued and

- outstanding securities of Northcliff Holdings (Canada) Ltd. (formerly named Northcliff Resources Ltd.), a private company incorporated under the laws of British Columbia (the Target);
7. the Filer was formerly named Cabre Capital Corp. and changed its name to Northcliff Resources Ltd. upon completion of the Qualifying Transaction;
8. upon completion of the Qualifying Transaction, the Target became a subsidiary of the Filer and the Filer continued to carry on its business through the Target;
9. the Qualifying Transaction was a reverse acquisition; although for legal purposes the Filer was the acquirer, for accounting purposes the Target was the acquirer; accordingly, the consolidated financial statements of the Filer are those of the accounting acquirer, namely the Target;
10. prior to the completion of the Qualifying Transaction, the financial year ends of the Filer and the Target were July 31 and October 31, respectively; the financial year end of the Filer was changed to October 31 upon completion of the Qualifying Transaction;
11. the Filer has not previously prepared financial statements that contain an explicit and unreserved statement of compliance with IFRS;
12. the filing statement of the Filer describing the Qualifying Transaction contained audited financial statements for the Target for its financial years ended October 31, 2010 and 2009 and a reviewed interim financial report of the Target for the three months ended January 31, 2011 (Filing Statement Financial Statements); the Filing Statement Financial Statements were prepared in accordance with IFRS;
13. the Filer analyzed the Filing Statement Financial Statements and determined there would have been no material differences, in recognition and measurement, had the Filing Statement Financial Statements been prepared in accordance with Canadian GAAP – Part V;
14. the Target has been preparing its financial statements in accordance with IFRS since its incorporation; the financial statements of the Target for its financial years ended October 31, 2010 and 2009 were prepared in accordance with IFRS and audited in accordance with Canadian GAAS; all interim financial reports prepared by the Target have been prepared in accordance with IFRS;
15. the Canadian Accounting Standards Board adopted IFRS as Canadian GAAP for most publicly accountable enterprises for financial years beginning on or after January 1, 2011;
16. NI 52-107 sets out acceptable accounting principles for financial reporting under the Legislation by domestic issuers, foreign issuers, registrants and other market participants; under NI 52-107, for financial years beginning before January 1, 2011, a domestic issuer must use Canadian GAAP – Part V, with the exception that an SEC registrant may use U.S. GAAP; under Part 4 of NI 52-107, for financial years beginning before January 1, 2011, only foreign issuers may use IFRS;
17. in CSA Staff Notice 52-321 *Early Adoption of International Financial Reporting Standards, use of US GAAP and Reference to IFRS-IASB*, staff of the Canadian Securities Administrators recognized that some issuers may wish to prepare their financial statements in accordance with IFRS for periods beginning prior to January 1, 2011, and indicated that staff were prepared to recommend exemptive relief on a case by case basis to permit a domestic issuer to do so, despite section 4.2 of NI 52-107;
18. subject to obtaining the Exemption Sought, the Filer will adopt Canadian GAAP for publicly accountable enterprises concurrent with the completion of the Qualifying Transaction;
19. the Filer believes that the use of Canadian GAAP for publicly accountable enterprises, which is IFRS incorporated in the Handbook, as the single accounting standard would eliminate complexity and cost from the financial statement preparation process; since the Target prepares its financial statements in accordance with IFRS, the use of Canadian GAAP for publicly accountable enterprises, which is IFRS incorporated in the Handbook, as the Filer's accounting standard would permit the Filer to streamline the reporting process and reduce costs;
20. the Target has historically prepared its financial statements in accordance with IFRS, and since the Filer will carry on its business through the Target upon completion of the Qualifying Transaction, there will be no conversion plan necessary;
21. the Filer has carefully assessed the readiness of its staff, board of directors, audit committee, auditors, investors and other market participants for the adoption by the Filer of Canadian GAAP applicable to publicly accountable enterprises concurrent with the completion of the Qualifying Transaction and has concluded that they will be adequately prepared for the Filer's adoption of Canadian GAAP applicable to publicly accountable enterprises concurrent with the completion of the Qualifying Transaction;
22. the Filer has considered the implications of adopting Canadian GAAP applicable to publicly accountable enterprises concurrent with the completion of the Qualifying Transaction and its

obligations under securities legislation including, but not limited to, those relating to CEO and CFO certifications, business acquisition reports, offering documents, and previously released material forward looking information;

23. pursuant to paragraph 4.10(2) of NI 51-102, the Filer will prepare and file the Target's interim financial report for the period ended April 30, 2011;
24. the Filer will not file a management's discussion and analysis for the Target's interim period ended April 30, 2011 as permitted under part 5.1(1.1) of NI 51-102; and
25. the Filer's management's discussion and analysis for the interim period ended April 30, 2011 included relevant information about its transition to Canadian GAAP for publicly accountable enterprises, which is IFRS incorporated into the Handbook, including:
  - (a) the key elements and timing of the Filer's changeover plan;
  - (b) an explanation that the Qualifying Transaction is a reverse acquisition;
  - (c) that the Filer's accounting will be a continuation of the Target's accounting which has been IFRS since inception; and
  - (d) the Target will account for the Filer as a reverse acquisition and present consolidated financial statements.

## Decision

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

The decision of the Decision Makers under the Legislation is that the Exemption Sought is granted, provided that the Filer prepares its financial statements for financial years ending on or after October 31, 2011 and interim periods ending after April 30, 2011, and the financial statements required to be filed pursuant to paragraph 4.10(2) of NI 51-102, in accordance with Canadian GAAP applicable to publicly accountable enterprises.

"Martin Eady", CA  
Director, Corporate Finance  
British Columbia Securities Commission

## 2.2 Orders

### 2.2.1 Sino-Forest Corporation et al. – ss. 127(1), 127(5)

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

#### AND

#### IN THE MATTER OF SINO-FOREST CORPORATION, ALLEN CHAN, ALBERT IP, ALFRED C.T. HUNG, GEORGE HO AND SIMON YEUNG

#### TEMPORARY ORDER (Section 127(1) & (5))

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

1. Sino-Forest Corporation ("Sino-Forest") is a publicly traded Canadian company and a "reporting issuer" in Ontario and other provinces, as that term is defined in section 1(1) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act");
2. Allen Chan ("Chan") is Chairman and Chief Executive Officer ("CEO") of Sino-Forest;
3. Albert Ip ("Ip") is the Senior Vice President Development and Operations North-East and South-West China of Sino-Forest;
4. Alfred C.T. Hung ("Hung") is Vice-President Corporate Planning and Banking of Sino-Forest;
5. George Ho ("Ho") is Vice-President Finance of Sino-Forest;
6. Simon Yeung ("Yeung") is Vice President - Operation within the Operation / Project Management group of Sino-Panel (Asia) Inc., a subsidiary of Sino-Forest ("Yeung");
7. Since 2003, Sino-Forest has raised approximately \$2.986 billion from public investment and/or debt securities issues including four public offerings between 2004 and 2009 which approximately raised \$1.05 billion;
8. Sino-Forest has over 150 subsidiaries, the majority of which are registered in the British Virgin Islands and Peoples Republic of China ("PRC");
9. Sino-Forest's operations are predominately in the PRC and its management has offices in Hong Kong primarily and also in the PRC and Ontario;
10. Staff of the Commission is conducting an investigation into the activities and business of

Sino-Forest and its subsidiaries and their management;

11. The Independent Committee of Sino-Forest has also been conducting an investigation into the activities and business of Sino-Forest and its subsidiaries and their management. As a result, Sino-Forest has recently suspended Ho, Hung, and Yeung temporarily and curtailed Ip's duties and responsibilities.
12. Sino-Forest, through its subsidiaries, appears to have engaged in significant non-arm's length transactions which may have been contrary to Ontario securities laws and the public interest;
13. Sino-Forest and certain of its officers and directors appear to have misrepresented some of its revenue and/or exaggerated some of its timber holdings by providing information to the public in documents required to be filed or furnished under Ontario securities laws which may have been false or misleading in a material respect contrary to section 122 or 126.2 of the Act and contrary to the public interest;
14. Sino-Forest and certain of its officers and directors including Chan appear to be engaging or participating in acts, practices or a course of conduct related to its securities which it and/or they know or reasonably ought to know perpetuate a fraud on any person or company contrary to section 126.1 of the Act and contrary to the public interest;

**AND WHEREAS**, the Commission is of the opinion that the time required to conclude a hearing could be prejudicial to the public interest as set out in section 127(5) of the Act;

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

**AND WHEREAS** by Authorization Order made July 14, 2011, pursuant to subsection 3.5(3) of the Act, each of Howard I. Wetston, James E. A. Turner, Kevin J. Kelly, James D. Carnwath, Mary G. Condon, Paulette L. Kennedy, Vern Krishna, Christopher Portner and Edward P. Kerwin, acting alone, is authorized, to exercise the powers of the Commission under the Act, subject to subsection 3.5(4) of the Act, to make orders under section 17 of the Act.

**IT IS HEREBY ORDERED** that, pursuant to clause 2 of section 127(1) of the Act that all trading in the securities of Sino-Forest shall cease;

**IT IS FURTHER ORDERED** that pursuant to clauses 7 and 8 of section 127(1) of the Act that Chan, Ip, Hung, Ho and Yeung resign any and all positions that they hold as a director or officer of Sino-Forest or any other registrant and that they are prohibited from becoming or acting as director or officer of an issuer;

**IT IS FURTHER ORDERED** that pursuant to clause 2 of section 127(1) of the Act that all trading by Chan, Ip, Hung, Ho and Yeung in securities shall cease;

**IT IS FURTHER ORDERED** that, pursuant to section 127(6) of the Act that this order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by order of the Commission.

**DATED** at Toronto this 26th day of August, 2011.

"Howard Wetston", Chair

**2.2.2 Sino-Forest Corporation et al. – s. 144(1)**

**DATED** at Toronto this 26th day of August, 2011.

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

Howard Wetston", Chair

**AND**

**IN THE MATTER OF  
SINO-FOREST CORPORATION, ALLEN CHAN,  
ALBERT IP, ALFRED C.T. HUNG, GEORGE HO  
AND SIMON YEUNG**

**ORDER  
(Section 144(1))**

**WHEREAS** the Ontario Securities Commission (the "Commission") made a temporary order dated August 26, 2011 pursuant to section 127(1) and (5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") (the "Temporary Order");

**WHEREAS** the Temporary Order in this matter includes the following term:

IT IS FURTHER ORDERED that pursuant to clauses 7 and 8 of section 127(1) of the Act that Chan, Ip, Hung, Ho and Yeung resign any and all positions that they hold as a director or officer of Sino-Forest or any other registrant and that they are prohibited from becoming or acting as director or officer of an issuer" ("the Original Term");

**AND WHEREAS** section 127(5) of the Act only permits temporary orders under paragraph 1, 2 or 3 of subsection (1) or subparagraph ii of paragraph 5 of subsection (1);

**AND WHEREAS** the Executive Director has made application to vary the Temporary Order;

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

**AND WHEREAS** by Authorization Order made July 14, 2011, pursuant to subsection 3.5(3) of the Act, each of Howard I. Wetston, James E. A. Turner, Kevin J. Kelly, James D. Carnwath, Mary G. Condon, Paulette L. Kennedy, Vern Krishna, Christopher Portner and Edward P. Kerwin, acting alone, is authorized, to exercise the powers of the Commission under the Act, subject to subsection 3.5(4) of the Act, to make orders under section 144 of the Act.

**IT IS HEREBY ORDERED** that pursuant to section 144(1) of the Act the Temporary Order be varied to remove the Original Term; and

**IT IS FURTHER ORDERED** that all other terms contained in the Temporary Order remain in effect.

## 2.2.3 Applied Inventions Management Inc. – s. 144

### Headnote

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

### Statutes Cited

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

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

**AND**

**IN THE MATTER OF  
APPLIED INVENTIONS MANAGEMENT INC.**

**ORDER  
(Section 144)**

**WHEREAS** the securities of Applied Inventions Management Inc. (the “**Applicant**”) are subject to a temporary cease trade order made by the Director dated February 8, 2001 under paragraph 2 of subsection 127(1) and subsection 127(5) of the Act and a further cease trade order made by the Director dated February 20, 2001 pursuant to subsection 127(8) of the Act directing that trading in the securities of the Applicant cease until the order is revoked by the Director (the “**Cease Trade Order**”);

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

**AND WHEREAS** the Applicant has applied to the Ontario Securities Commission (the “**Commission**”) for an order pursuant to Section 144 of the Act to revoke the Cease Trade Order;

**AND UPON** the Applicant having represented to the Commission that:

1. The Applicant was incorporated on July 12, 1989 pursuant to the *Business Corporations Act* (Ontario) (the “**OBCA**”).
2. The Applicant’s registered office and mailing address is located at 1 Adelaide Street East, Suite 801, Toronto, Ontario, M5C 2V9.
3. The Applicant is a reporting issuer or the equivalent under the securities legislation of the

Province of Ontario. The Applicant is not a reporting issuer in any other jurisdiction in Canada.

4. The Applicant’s authorized share capital consists of an unlimited number of Class A subordinate voting common shares (the “**Class A shares**”), an unlimited number of Class B multiple voting convertible shares (convertible into Class A shares on a 1:1 basis) (the “**Class B shares**”) and Class C preference shares. The Applicant currently has 1,165,314 Class A shares and 918,215 Class B shares issued and outstanding (collectively, the “**Outstanding Shares**”). Other than the Outstanding Shares, the Applicant has no securities, including convertible debt securities, outstanding, except for a secured demand debenture in favour of a director and officer of the Applicant which previously had convertible features which have now lapsed. The Applicant also assumed a general security agreement to a shareholder, director and officer to secure advances to the Applicant.
5. The Cease Trade Order was originally issued on February 20, 2001 as a result of the Applicant’s failure to file audited annual financial statements for the year ended August 31, 2000 and interim statements for the three month period ended November 30, 2000.
6. Since the issuance of the Cease Trade Order, the Applicant has filed on SEDAR the following continuous disclosure documents:
  - (a) Form 13-502F2 *Class 2 Reporting Issuers – Participation Fee* for the year ended August 31, 2008;
  - (b) Form 13-502F2 *Class 2 Reporting Issuers – Participation Fee* for the year ended August 31, 2009;
  - (c) Form 13-502F2 *Class 2 Reporting Issuers – Participation Fee* for the year ended August 31, 2010;
  - (d) audited financial statements and management discussion and analysis (“**MD&A**”) for the years ended August 31, 2010, 2009 and 2008;
  - (e) certifications pursuant to National Instrument 52-109 *Certification of Disclosure in Issuer’s Annual and Interim Filings* (“**NI 52-109**”) for the years ended August 31, 2010, 2009 and 2008;
  - (f) interim financial statements and MD&A for the period ended November 30, 2010;
  - (g) certifications pursuant to NI 52-109 for the period ended November 30, 2010;

- (h) interim financial statements and MD&A for the period ended February 28, 2011;
- (i) certifications pursuant to NI 52-109 for the period ended February 28, 2011;
- (j) interim financial statements and MD&A for the period ended May 31, 2011; and
- (k) certifications pursuant to NI 52-109 for the period ended May 31, 2011.
7. The Applicant has not filed its outstanding continuous disclosure documents for periods prior to the Applicant's financial year ended 2008, or the interim financial statements and related MD&A for the periods ended August 31, 2002 through May 31, 2008 (the "**Outstanding Filings**") because the Applicant believes that the Outstanding Filings would not provide useful information concerning the present or future operations of financial circumstances of the Applicant because the Applicant was inactive during the period covered.
8. Other than the Cease Trade Order and the Outstanding Filings, the Applicant is not in default of any of the requirements of the Act or the rules and regulations made pursuant thereto.
9. Prior to the Cease Trade Order, the Applicant owned and operated a swimming pool intrusion alarm business. The Applicant ceased business operations on or about May 31, 2001.
10. Upon receipt of a Revocation Order, the Applicant intends to acquire a business or an asset. No such businesses or assets are currently identified.
11. The Applicant has provided an undertaking to the Commission to hold an annual general meeting within three months after the date on which this revocation order is granted.
12. Except for the Outstanding Filings, the Applicant is up-to-date with all of its other continuous disclosure obligations and has paid all outstanding filing fees, participation fees and late filing fees.
13. The securities of the Applicant are not traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*.
14. Other than the Cease Trade Order, the Applicant has not previously been subject to a cease trade order by the Commission.
15. The Applicant's profiles on SEDAR and the System for Electronic Disclosure by Insiders (**SEDI**) are up to date.
16. The Applicant is not considering, nor is it involved in any discussions relating to, a reverse takeover, merger, amalgamation or other form of combination or transaction similar to any of the foregoing.
17. Upon the issuance of this revocation order, the Applicant will issue a news release announcing the revocation of the Cease Trade Order. The Applicant will concurrently file a news release and material change report on SEDAR.

**AND UPON** considering the application and the recommendation of the staff of the Commission;

**AND UPON** the Director being satisfied that it would not be prejudicial to the public interest to revoke the Cease Trade Order;

**IT IS ORDERED**, pursuant to Section 144 of the Act, that the Cease Trade Order is revoked.

**DATED** this 26th day of August, 2011

"Jo-Anne Matear"  
Assistant Manager, Corporate Finance

**2.2.4 Peter Beck et al.**

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

**AND**

**IN THE MATTER OF  
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"**

**ORDER**

**WHEREAS** on March 23, 2011, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing and a Statement of Allegations in this matter pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended;

**AND WHEREAS** the Notice of Hearing provided that a hearing would be held at the offices of the Commission on Wednesday, April 13, 2011 at 10:00 a.m.;

**AND WHEREAS** the Respondents were served with the Notice of Hearing and Statement of Allegations on March 23, 2011;

**AND WHEREAS** on April 13, 2011, Staff and counsel for the Respondents attended before the Commission for a first appearance on this matter;

**AND WHEREAS** at the first appearance, Stikeman Elliott LLP confirmed it had been retained as counsel for all of the Respondents in this matter, and further acknowledged that the Notice of Hearing and Statement of Allegations had been served on all of the Respondents;

**AND WHEREAS** at the first appearance, Staff requested that the hearing on the merits be scheduled at a pre-hearing conference or at a subsequent appearance;

**AND WHEREAS** on April 13, 2011, the Commission ordered that a confidential pre-hearing conference be scheduled through the Office of the Secretary on a date to be agreed to by Staff and counsel for the Respondents, and that the hearing be adjourned to Wednesday, July 20, 2011 at 10:00 a.m., or to such other date as may be agreed to by the parties and fixed by the Office of the Secretary, for the purpose of addressing scheduling and any other procedural matters or for such other purposes as the Panel hearing the matter may determine;

**AND WHEREAS** on July 19, 2011, the Commission issued a Notice of Hearing setting the matter down to be heard on September 20 and 21, 2011 at 10:00 a.m. to consider whether, in the opinion of the Commission, it is in the public interest for the Commission to issue a Temporary Order pursuant to subsections 127(1), (4), (5), (6), (7) and (8) of the Act;

**AND WHEREAS** on July 20, 2011, Staff requested that a schedule be set for the hearing for a Temporary Order, and counsel for the Respondents requested that the matter be adjourned in order to allow for the delivery of Staff's materials and for the Respondents to review them and obtain instructions in relation to the relief being sought by Staff;

**AND WHEREAS** at the request of the Commission, Staff and counsel for the Respondents have consulted with respect to dates for the hearing of the application for a Temporary Order and the hearing on the merits;

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

**IT IS ORDERED** that the hearing of the application for the Temporary Order be held on January 18, 19 and 20, 2012, at the Offices of the Commission;

**IT IS FURTHER ORDERED** that a confidential pre-hearing conference be held on September 1, 2011 at 11:00 a.m. to address scheduling for the hearing on the merits, and any other matters that Staff and counsel for the Respondents wish to raise.

**DATED** at Toronto this 20th day of July, 2011.

"James E. A. Turner"

## 2.2.5 Sitebrand Inc. – s. 144

### Headnote

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

### Applicable Legislative Provisions

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

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

**AND**

**IN THE MATTER OF  
SITEBRAND INC.**

**ORDER  
(Section 144)**

**WHEREAS** the securities of SiteBrand Inc. (the **Applicant**) are subject to a temporary cease trade order made by the Director dated April 4, 2011 under paragraph 2 of subsection 127(1) and subsection 127(5) of the *Securities Act* (Ontario) (the **Act**), as extended by a further order made by the Director dated April 15, 2011 pursuant to subsection 127(1) of the Act (collectively, the **Ontario Cease Trade Order**) directing that the trading in the securities of the Applicant cease until the Ontario Cease Trade Order is revoked by the Director;

**AND WHEREAS** the Applicant has made an application to the Ontario Securities Commission (the **Commission**) pursuant to subsection 144(1) of the Act (the **Application**) for an order revoking the Ontario Cease Trade Order;

**AND WHEREAS** the Applicant has represented to the Commission that:

1. The Applicant was incorporated on December 23, 2005, by Certificate of Incorporation issued pursuant to the provisions of the *Business Corporations Act* (Alberta) under the name "Pretium Capital Corp." On September 3, 2008, the Applicant filed articles of continuance to change its corporate jurisdiction to Canada and to change its name to "SiteBrand Inc."
2. The Applicant's registered office is currently located at 800-515 Legget Dr. Ottawa, ON K2K 3G4.

3. As of the date hereof, the authorized capital of the Applicant consists of an unlimited number of common shares of which 25,202,933 common shares are issued and outstanding (the **Common Shares**). In addition to the Common Shares, the Applicant has outstanding warrants to purchase up to 2,151,333 common shares at a price per of \$0.15. No other securities (including debt securities) of the Applicant are issued and outstanding.
4. The Applicant became a reporting issuer in the Provinces of Ontario, British Columbia and Alberta on November 8, 2006.
5. The Applicant has maintained its reporting issuer status from the above noted date to the issuance of the Ontario Cease Trade Order. The Applicant is not a reporting issuer in any other jurisdiction in Canada.
6. The Ontario Cease Trade Order was issued in Ontario as a result of the Applicant's failure to file, in accordance with applicable securities laws, audited annual financial statements for the year ended November 30, 2010 along with related management's discussion and analysis and the applicable officer's certificates (collectively, the **Annual Filings**) pursuant to National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (**NI 52-109**) within the prescribed timeframe. Subsequently, the Applicant failed to file its interim financial statements for the periods ended February 28, 2011 along with related management's discussion and analysis and the applicable officer's certificates pursuant to NI 52-109 (collectively, the **Interim Filings**, and together with the Annual Filings, the **Required Documents**).
7. The Applicant filed the Annual Filings on June 3, 2011 and the Interim Filings on June 14, 2011 on SEDAR.
8. The Applicant subsequently filed restated management's discussion and analysis for the Interim Filings with the applicable officer's certificates pursuant to NI 52-109 on July 15, 2011. The MD&A was refiled at the request of the Commission and expands upon the Applicant's disclosure with respect to its future plans for financing and operations and its IFRS changeover plan. As such, all of the Required Documents have been filed on SEDAR.
9. In addition, the Applicant filed its interim financial statements for the period ended May 31, 2011 along with related management's discussion and analysis and the applicable officer's certificates pursuant to NI 52-109 on SEDAR on July 29, 2011.
10. The Applicant is not in default of any requirements of the Ontario Cease Trade Order or the Act or the

rules and regulations made pursuant thereto, subject to the deficiencies outlined in paragraph 6 above.

11. Prior to the issuance of the Ontario Cease Trade Order, the Common Shares of the Applicant were traded on the TSX Venture Exchange (the **TSXV**). No securities of the Applicant are listed or traded on any other stock exchange or market in Canada or elsewhere.
12. The Applicant is also subject to a cease trade order issued by the British Columbia Securities Commission dated April 7, 2011 (the **B.C. Cease Trade Order**) (collectively, with the Ontario Cease Trade Order, the **Cease Trade Orders**).
13. Other than the Cease Trade Orders, the Applicant has not previously been subject to a cease trade order.
14. The Applicant has applied to have each of the Cease Trade Orders concurrently revoked.
15. The Applicant is up-to-date with its other continuous disclosure obligations and has paid all outstanding participation fees, filing fees and late fees associated with those obligations owing to the Commission in connection with the Required Documents and has filed all of the forms associated with such payments.
16. The Applicant's SEDAR and SEDI profiles are up-to-date.
17. The Applicant held an annual and special meeting of shareholders on June 30, 2011, with respect to its fiscal year ended November 30, 2010 to, among other things, approve the Annual Filings.
18. The Applicant has not changed its business since the date of the Ontario Cease Trade Order.
19. Since the imposition of the Ontario Cease Trade Order, the only change in the insiders or controlling shareholders of the Applicant related to the election of directors at the annual and special meeting of shareholders on June 30, 2011 whereby one of the directors did not stand for re-election. Otherwise, the Applicant has had no changes to its directors since the date of the Cease Trade Order.
20. The Applicant is not currently considering, nor is it involved in any discussions relating to a reverse take-over, merger, amalgamation or other form of combination or transaction similar to any of the foregoing.

21. Upon the issuance of this revocation order, the Applicant will issue a press release announcing the revocation of the Cease Trade Orders of the Applicant and outlines the future plans of the Applicant. The Applicant will concurrently file the press release and a material change report on SEDAR.

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

**AND UPON** the Director being satisfied that it would not be prejudicial to the public interest to revoke the Ontario Cease Trade Order;

**IT IS ORDERED**, pursuant to section 144 of the Act, that the Ontario Cease Trade Order is revoked.

**DATED** at Toronto this 5th day of August, 2011.

"Naizam Kanji"  
Deputy Director, Mergers & Acquisitions – Corporate  
Finance Branch

2.2.6 Normand Gauthier et al. – s. 127

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

AND

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

ORDER  
(Section 127)

**WHEREAS** on August 15, 2011, the Ontario Securities Commission (the “Commission”) issued a Notice of Hearing for the Commission 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 Ontario *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”), for the Commission to issue a temporary order that:

- (a) Pursuant to subsection 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) Pursuant to subsection 127(1)2 of the Act, all trading in any securities by Gauthier, Gentree, R.E.A.L. Group Fund III (Canada) LP (“R.E.A.L.”) and CanPro Income Fund I, LP (“CanPro”) (collectively, “the Respondents”) cease until the conclusion of the hearing on the merits or until such period as the Commission may order;
- (c) Pursuant to subsection 127(1)2 of the Act, all trading in securities of Gentree, R.E.A.L. and CanPro cease until the conclusion of the hearing on the merits or until such period as the Commission may order;
- (d) Pursuant to subsection 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.

**AND WHEREAS** on August 17, 2011, on consent of Staff and the Respondents, the Commission ordered, pursuant to section 127 of the Act (the “Temporary Order”) that:

- 1) Pursuant to subsection 127(1)1 of the Act, the registration of Gentree as a dealer in the category of exempt market dealer be suspended;
- 2) Pursuant to subsection 127(1)2 of the Act, all trading in securities of Gentree, R.E.A.L. and CanPro cease;
- 3) Pursuant to subsection 127(1)3 of the Act, all exemptions contained in Ontario securities law do not apply to the Respondents;
- 4) Pursuant to subsection 127(2) of the Act, the following terms and conditions apply to the Respondents and any other related or connected issuers:
  - i. Gauthier may not solicit, raise, or accept any funds or capital from investors;
  - ii. No issuer or registrant related to or connected to Gauthier, including but not limited to Gentree, R.E.A.L. Group Fund III (Canada) LP or CanPro Income Fund I, LP may solicit, raise, or accept any funds or capital from investors;
  - iii. Gauthier and Gentree may not perform any trades involving any related and/or connected issuer;
  - iv. Gentree may not assume any new clients of any kind; and

- v. No issuer related to or connected to Gauthier may transfer any funds to Gauthier or any person or entity related to or connected to Gauthier.

**AND WHEREAS** on August 17, 2011, the Commission further ordered that:

- a) the Temporary Order shall remain in effect until such further order of the Commission; and
- b) the hearing be adjourned to a date no later than August 29, 2011, such date to be agreed to by the parties and fixed by the Office of the Secretary for a hearing or for such other purposes as may be requested.

**AND WHEREAS** on August 29, 2011, Staff and counsel for the Respondents appeared before a panel of the Commission and advised the panel that they consented to the making of this order;

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

**IT IS HEREBY ORDERED** pursuant to section 127 of the Act that:

- 1) the Temporary Order shall remain in effect until such further order of the Commission; and
- 2) the hearing is adjourned to September 8, 2011 at 1:00 p.m. or to such other date or time to be agreed to by the parties and arranged through the Office of the Secretary for a hearing or for such other purposes as may be requested.

**DATED** at Toronto this 29th day of August, 2011.

“James E. A. Turner”

**2.2.7 Paul Azeff et al.**

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

**AND**

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

**ORDER**

**WHEREAS** on September 22, 2010, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing, pursuant to ss. 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5 (the "*Securities Act*"), accompanied by a Statement of Allegations of Staff of the Commission ("Staff") with respect to the Respondents Howard Jeffrey Miller ("Miller") and Man Kin Cheng ("Cheng") for a hearing to commence on October 18, 2010;

**AND WHEREAS** the Respondents were served with the Notice of Hearing and Statement of Allegations dated September 22, 2010 on September 22, 2010;

**AND WHEREAS** at a hearing on October 18, 2010, counsel for Staff, counsel for the Respondent Cheng, and Miller, appearing on his own behalf, consented to the scheduling of a confidential pre-hearing conference on January 11, 2011 at 3:00 p.m.;

**AND WHEREAS** on November 11, 2010, the Commission issued a Notice of Hearing, pursuant to ss. 127 and 127.1 of the *Securities Act*, accompanied by an Amended Statement of Allegations of Staff which added the Respondents Paul Azeff ("Azeff"), Korin Bobrow ("Bobrow") and Mitchell Finkelstein ("Finkelstein"), for a hearing to commence on January 11, 2011;

**AND WHEREAS** the Respondents were served with the Notice of Hearing and Amended Statement of Allegations dated November 11, 2010 on November 11, 2010;

**AND WHEREAS** following a hearing on January 11, 2011, counsel for Staff, counsel for the Respondents Azeff, Bobrow, Finkelstein and Cheng, and Miller, appearing on his own behalf, attended a confidential pre-hearing conference;

**AND WHEREAS** at the confidential pre-hearing conference on January 11, 2011, all parties made submissions regarding the disclosure made by Staff and it was ordered by the Commission, on the consent of all parties, that Staff and the Respondents would exchange written proposals concerning outstanding disclosure issues and that a motion date would be set for February 22, 2011 regarding disclosure issues, if necessary;

**AND WHEREAS** at the request of the Respondents, and on the consent of Staff, it was agreed that the February 22, 2011 motion date would be adjourned to April 8, 2011;

**AND WHEREAS** a disclosure motion was held on April 8, 2011 and, after submissions by the parties, the Panel issued a Confidentiality Order and Adjournment Order dated April 8, 2011, adjourning the Respondents' disclosure motion and the hearing in this matter to a pre-hearing conference, the date of which was to be agreed to by the parties and provided to the Office of the Secretary;

**AND WHEREAS** on April 18, 2011, Staff filed an Amended Amended Statement of Allegations;

**AND WHEREAS** the Panel issued an amended Confidentiality Order and Adjournment Order dated April 19, 2011 scheduling, on consent of all parties, a confidential pre-hearing conference on June 2, 2011 at 10:00 a.m.;

**AND WHEREAS** all parties consented to an adjournment of the confidential pre-hearing conference from June 2, 2011 at 10:00 a.m. to August 17, 2011 at 10:00 a.m. to allow Staff to provide the Respondents with further disclosure in this matter;

**AND WHEREAS** on July 6, 2011, counsel for Finkelstein served Staff with motion materials seeking a stay of the proceeding against him (the "Stay Motion") and Staff has indicated that: a) it intends to bring a motion that the Stay Motion is premature and should be heard at the hearing on the merits (the "Prematurity Motion"); and b) it intends to bring a motion to seek leave to put before the Panel at the hearing of the Stay Motion certain "without prejudice" communications (the "Privilege Motion");

**AND WHEREAS** counsel for Azeff and Bobrow indicated that they intend to bring a motion to compel records from a third party (the "Third Party Records Motion");

**AND WHEREAS** the Respondents have advised that they may seek to continue the hearing of the previous disclosure motion, which had been held on April 8, 2011 and had been adjourned on April 8, 2011 and June 1, 2011, or may bring other motions relating to disclosure issues (the "Disclosure Motion");

**AND WHEREAS** a pre-hearing conference was held on August 17, 2011 and Staff and the Respondents made submissions regarding the scheduling of the various motions, including the Stay Motion, the Prematurity Motion, the Privilege Motion, the Third Party Records Motion and the Disclosure Motion;

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

**IT IS ORDERED THAT:**

1. The Privilege Motion shall be heard on September 26, 2011 at 9:00 a.m.;
2. The Prematurity Motion and the Stay Motion shall be heard together commencing on November 9, 2011 at 10:00 a.m. and continuing on November 10 and 11, 2011, if necessary;
3. The Third Party Records Motion shall be scheduled to be heard on a date after the Prematurity Motion and the Stay Motion have been heard and decided;
4. The Disclosure Motion shall be adjourned to a date that will be fixed after the four motions referred to in paragraphs 1, 2 and 3 of this order have been heard and decided; and
5. Dates for the hearing on the merits of the matter shall be set after the motions referred to in paragraphs 1, 2, 3 and 4 of this order have been heard and decided.

**DATED** at Toronto this 30th day of August, 2011.

“Edward P. Kerwin”

**2.2.8 Newlook Industries Corp. – s. 144**

**Headnote**

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

**Statutes Cited**

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

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

**AND**

**IN THE MATTER OF  
NEWLOOK INDUSTRIES CORP.**

**ORDER  
(Section 144)**

**WHEREAS** the securities of Newlook Industries Corp. (the **Applicant**) are subject to a temporary cease trade order made by the Director dated May 9, 2011 pursuant to subsections 127(1) and 127(5) of the Act and a further cease trade order made by the Director dated May 20, 2011 pursuant to subsection 127(1) of the Act directing that trading in the securities of the Applicant cease until the order is revoked by the Director (the **Ontario Cease Trade Order**);

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

**AND WHEREAS** the Applicant having applied to the Ontario Securities Commission (the **Commission**) for an order pursuant to section 144 of the Act to revoke the Ontario Cease Trade Order;

**AND UPON** the Applicant having represented to the Commission that:

1. The Applicant is a corporation incorporated under the laws of the Province of Ontario. The head office of the Applicant is located in King City, Ontario.
2. The Applicant is a reporting issuer or the equivalent under the securities legislation of the provinces of British Columbia, Alberta and Ontario (the **Reporting Jurisdictions**). The Applicant is not a reporting issuer in any other jurisdiction in Canada.

3. The Applicant's authorized share capital consists of 100,000,000 common shares of which 30,455,932 are issued and outstanding.
4. The Applicant's common shares are listed for trading on the Canadian National Stock Exchange (CNSX) under the symbol "NLI". The CNSX halted trading of the Applicant's shares on May 9, 2011. Upon revocation of the Ontario Cease Trade Order, the Company will initiate the reinstatement review process with the CNSX in order to commence trading of its shares.
5. The Ontario Cease Trade Order was issued as a result of the Applicant's failure to file its annual financial statements along with associated Management's Discussion and Analysis (MD&A) and applicable executive officers' certificates required under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (the **Annual Filings**) for the year ending December 31, 2010.
6. The Applicant is also subject to a similar cease trade order issued by the British Columbia Securities Commission on May 10, 2011 as a result of the failure to file the Annual Filings.
7. Since the issuance of the Ontario Cease Trade Order, the Applicant has filed, among other things, the following continuous disclosure documents with the Reporting Jurisdictions:
  - a) On July 19, 2011, Form 13-502F1 *Class 1 Reporting Issuers – Participation Fee* for the year ended December 31, 2010;
  - b) On July 19, 2011, audited annual financial statements 31, 2010 and MD&A for the year ended December 31, 2010;
  - c) On July 19, 2011, certifications pursuant to NI 52-109 for the period ended December 31, 2010;
  - d) On July 26, 2011, interim unaudited financial statements, interim MD&A and certifications of interim filings for the interim period ended March 31, 2011;
  - e) On August 23, 2011, disclosure of executive compensation disclosure under Form 51-102F6 *Statement of Executive Compensation*.
8. The Applicant is not in default of any requirements of the Ontario Cease Trade Order or the Act or the rules and regulations made pursuant thereto, subject to the deficiencies outlined in paragraph 7 above.
9. The Applicant has filed all outstanding continuous disclosure documents that are required to be filed under Ontario securities law.
10. Completed personal information forms and authorizations in the form of Appendix A of National Instrument 41-101 *General Prospectus Requirements* for each director and officer have accompanied the application.
11. The Applicant has provided an undertaking to the securities regulatory authorities in the Reporting Jurisdictions to hold an annual general meeting within three months after the date on which this order is granted.
12. The Applicant has paid all outstanding activity, participation and late filing fees that are required to be paid.
13. The Applicant's SEDAR profile and SEDI issuer profile supplement are current and accurate.
14. The Applicant is not considering, nor is it involved in any discussions relating to, a reverse take-over, merger, amalgamation or other form of combination or transaction similar to any of the foregoing.
15. Upon the issuance of this revocation order, the Applicant will issue a news release announcing the revocation of the Ontario Cease Trade Order. The Applicant will concurrently file the news release and material change report on SEDAR.

**AND UPON** considering the application and the recommendation of the staff of the Commission;

**AND UPON** the Director being satisfied that it would not be prejudicial to the public interest to revoke the Ontario Cease Trade Order.

**IT IS ORDERED** pursuant to section 144 of the Act that the Ontario Cease Trade Order is revoked.

**DATED** this 26th day of August, 2011.

"Jo-Anne Matear"  
Assistant Manager, Corporate Finance

## 2.2.9 ISAM (UK) Limited and ISAM (USA) LLC – s. 80 of the CFA

### Headnote

Section 80 of the Commodity Futures Act (Ontario) – Foreign advisers exempted from the adviser registration requirement in section 22(1)(b) of the CFA where such advisers act as an adviser in respect of commodity futures contracts or commodity futures options (commodities) for certain institutional investors in Ontario who meet the definition of “permitted client” in NI 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations – Commodities are primarily traded on commodity futures exchanges outside of Canada and primarily cleared outside of Canada.

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

### Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as amended.

Commodity Futures Act, R.S.O. 1990, c. C.20, as am., ss. 1(1), 22(1)(b) and 80.

### Instruments Cited

National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 1.1 and 8.26.

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

**AND**

**IN THE MATTER OF  
ISAM (UK) LIMITED**

**AND**

**IN THE MATTER OF  
ISAM (USA) LLC**

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

**UPON** the application (the **Application**) of ISAM (UK) Limited (**ISAM UK**) and ISAM (USA) LLC (**ISAM US** and together with ISAM UK, the **Applicants**) to the Ontario Securities Commission (the **Commission**) for an order pursuant to section 80 of the CFA that the Applicants and any individuals engaging in, or holding themselves out as engaging in, the business of advising others on behalf of the respective Applicant (the **Representatives**) be exempt, for a period of five years, from the adviser registration requirement in paragraph 22(1)(b) of the CFA, subject to certain terms and conditions;

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

**AND WHEREAS** for the purposes of this Order;

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

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

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

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

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

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

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

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

"**Permitted Client**" means a client in Ontario that is a "permitted client" as that term is defined in section 1.1 of NI 31-103, except that it excludes a person or company registered under the securities or commodities legislation of a jurisdiction of Canada as an adviser or dealer;

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

"**UK FSA**" means the Financial Services Authority, the regulator of the financial services industry in the United Kingdom.

**AND UPON** the Applicants having represented to the Commission that:

1. ISAM UK is a private limited liability company registered in England and Wales, United Kingdom. The head office of ISAM UK is located in London, England.
2. ISAM US is a limited liability company formed under the laws of Delaware. The head office of ISAM US is located in New York, United States.
3. The Applicants are portfolio managers that manage investments primarily for institutional investors across multiple strategies and financial instruments.
4. ISAM UK is authorised with the UK FSA (FSA No. 230561) as a financial services firm authorised to advise on investments including commodity futures, commodity options and options on commodity futures. Among other activities, ISAM UK engages in the business of advising others as to trading in commodity futures contracts, commodity futures options and options on commodity futures in the United Kingdom.
5. ISAM US is not registered in any capacity with the SEC as an investment adviser and is exempt from registration with the CFTC as a commodity pool operator and commodity trading advisor under the applicable securities or commodity futures legislation in the United States. Among other activities, ISAM US engages in the business of advising others as to trading in commodity futures contracts, commodity futures options and options on commodity futures in the United States.
6. The Applicants are not registered in any capacity under the CFA or the OSA.
7. Institutional investors that are Permitted Clients seek to engage the Applicants as discretionary portfolio managers for purposes of implementing certain specialized investment strategies.
8. The Applicants seek to act as discretionary portfolio managers on behalf of prospective institutional investors that are Permitted Clients. The proposed advisory services would include the use of specialized investment strategies employing Foreign Contracts.
9. Were the proposed advisory services limited to securities, the Applicants could rely on the International Adviser Exemption and carry out such activities on behalf of Permitted Clients on a basis that would be exempt from the OSA Adviser Registration Requirement.
10. There is currently no exemption from the CFA Adviser Registration Requirement that is equivalent to the International Adviser Exemption. Consequently, in order to advise Permitted Clients as to trading in Foreign Contracts, the Applicants would be required to satisfy the CFA Adviser Registration Requirement and would have to apply for registration in Ontario as an adviser under the CFA in the category of commodity trading manager.
11. The Applicants submit that it would not be prejudicial to the public interest for the Commission to grant the requested relief because:

- (a) the Applicants will only advise Permitted Clients as to trading in Foreign Contracts;
- (b) Permitted Clients seek to access certain specialized portfolio management services provided by the Applicants, including advice as to trading in Foreign Contracts;
- (c) the Applicants meet the prescribed conditions to rely on the International Adviser Exemption in connection with the provision of advice to Permitted Clients with respect to foreign securities; and
- (d) the Applicants would provide advice to Permitted Clients as to trading in Foreign Contracts on terms and conditions that are analogous to the prescribed terms and conditions of the International Adviser Exemption.

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

**IT IS ORDERED** pursuant to section 80 of the CFA that the Applicants and their Representatives are exempt, for a period of five years, from the adviser registration requirement in paragraph 22(1)(b) of the CFA in respect of providing advice to Permitted Clients as to trading in Foreign Contracts provided that:

- 1. the Applicants provide advice to Permitted Clients only as to trading in Foreign Contracts and do not advise that Permitted Client as to trading in Contracts that are not Foreign Contracts, unless providing such advice is incidental to the Applicants' providing advice on Foreign Contracts;
- 2. ISAM UK's head office or principal place of business remains in the United Kingdom;
- 3. ISAM US' head office or principal place of business remains in the United States;
- 4. ISAM UK continues to be authorised as an adviser with the UK FSA in a category that permits it to carry on the activities in the United Kingdom that registration as an adviser under the CFA Adviser Registration Requirement would permit it to carry on in Ontario;
- 5. ISAM US is registered, or operates under an exemption from registration, under the applicable securities or commodity futures legislation in the United States in a category of registration that permits it to carry on the activities in the United States that registration as an adviser under the CFA Adviser Registration Requirement would permit it to carry on in Ontario;
- 6. ISAM UK continues to engage in the business of an adviser, as defined in the CFA, in the United Kingdom;
- 7. ISAM US continues to engage in the business of an adviser, as defined in the CFA, in the United States;
- 8. as at the end of ISAM UK's most recently completed financial year, not more than 10% of the aggregate consolidated gross revenue of ISAM UK, its affiliates and its affiliated partnerships is derived from the portfolio management activities of ISAM UK, its affiliates and its affiliated partnerships in Canada;
- 9. as at the end of ISAM US' most recently completed financial year, not more than 10% of the aggregate consolidated gross revenue of ISAM US, its affiliates and its affiliated partnerships is derived from the portfolio management activities of ISAM US, its affiliates and its affiliated partnerships in Canada;
- 10. before advising a Permitted Client with respect to Foreign Contracts, the Applicants notify the Permitted Client of all of the following:
  - (i) the Applicants are not registered in the local jurisdiction to provide the advice described under paragraph 1 of this Order;
  - (ii) the foreign jurisdiction in which the Applicants' head office or principal place of business is located;
  - (iii) all or substantially all of the Applicants' assets may be situated outside of Canada;
  - (iv) there may be difficulty enforcing legal rights against the Applicants because of the above; and
  - (v) the name and address of the Applicants' agent for service of process in Ontario;
- 11. each Applicant has submitted to the Commission a completed *Submission to jurisdiction and appointment of agent for service* in the form attached as Appendix "A"; and

12. by December 1 of each year, each Applicant notifies the Commission if it is relying on the exemption from registration granted pursuant to this order.

August 30, 2011

"Wesley M. Scott"  
Commissioner

"Kevin J. Kelly"  
Commissioner

APPENDIX A

**SUBMISSION TO JURISDICTION AND APPOINTMENT OF  
AGENT FOR SERVICE INTERNATIONAL DEALER OR  
INTERNATIONAL ADVISER EXEMPTED FROM  
REGISTRATION UNDER THE *COMMODITY FUTURES ACT*, ONTARIO**

1. Name of person or company ("International Firm"):
2. If the International Firm was previously assigned an NRD number as a registered firm or an unregistered exempt international firm, provide the NRD number of the firm:
3. Jurisdiction of incorporation of the International Firm:
4. Head office address of the International Firm:
5. The name, e-mail address, phone number and fax number of the International Firm's individual(s) responsible for the supervisory procedure of the International Firm, its chief compliance officer, or equivalent.  
  
Name:  
E-mail address:  
Phone:  
Fax:
6. The International Firm is relying on an exemption order under section 38 or section 80 of the *Commodity Futures Act* (Ontario) that is similar to the following exemption in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (the "Relief Order"):  
  
☐ Section 8.18 [*international dealer*]  
  
☐ Section 8.26 [*international adviser*]  
  
☐ Other [specify]:
7. Name of agent for service of process (the "Agent for Service"):
8. Address for service of process on the Agent for Service:
9. The International Firm designates and appoints the Agent for Service at the address stated above as its agent upon whom may be served a notice, pleading, subpoena, summons or other process in any action, investigation or administrative, criminal, quasi-criminal or other proceeding (a "Proceeding") arising out of or relating to or concerning the International Firm's activities in the local jurisdiction and irrevocably waives any right to raise as a defence in any such proceeding any alleged lack of jurisdiction to bring such Proceeding.
10. The International Firm irrevocably and unconditionally submits to the non-exclusive jurisdiction of the judicial, quasi-judicial and administrative tribunals of the local jurisdiction in any Proceeding arising out of or related to or concerning the International Firm's activities in the local jurisdiction.
11. Until 6 years after the International Firm ceases to rely on the Relief Order, the International Firm must submit to the regulator
  - a. a new Submission to Jurisdiction and Appointment of Agent for Service in this form no later than the 30th day before the date this Submission to Jurisdiction and Appointment of Agent for Service is terminated; and
  - b. an amended Submission to Jurisdiction and Appointment of Agent for Service no later than the 30th day before any change in the name or above address of the Agent for Service.
12. This Submission to Jurisdiction and Appointment of Agent for Service is governed by and construed in accordance with the laws of the local jurisdiction.

**Decisions, Orders and Rulings**

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Dated: \_\_\_\_\_

\_\_\_\_\_  
(Signature of the International Firm or authorized signatory)

\_\_\_\_\_  
(Name of signatory)

\_\_\_\_\_  
(Title of signatory)

**Acceptance**

The undersigned accepts the appointment as Agent for Service of \_\_\_\_\_ [*Insert name of International Firm*] under the terms and conditions of the foregoing Submission to Jurisdiction and Appointment of Agent for Service.

Dated: \_\_\_\_\_

\_\_\_\_\_  
(Signature of the Agent for Service or authorized signatory)

\_\_\_\_\_  
(Name of signatory)

\_\_\_\_\_  
(Title of signatory)

## 2.3 Rulings

### 2.3.1 Rae & Lipskie Investment Counsel Inc. and RaeLipskie Partners' Equity Fund – s. 74(1)

#### Headnote

Relief from the prospectus requirement of the Act to permit the distribution of pooled fund securities to managed accounts held by non-accredited investors on an exempt basis – NI 45–106 contains a carve-out for managed accounts in Ontario which prohibits portfolio manager from making exempt distributions of securities of its proprietary pooled funds to its managed account clients in Ontario unless managed account client qualifies as accredited investor or invests \$150,000 – portfolio manager provides bona fide portfolio management services to high net worth clients – not all managed account clients are accredited investors – portfolio manager permitted to make exempt distributions of proprietary pooled funds to its managed accounts provided written notice is sent to clients advising them of the relief granted – portfolio manager is restricted from distributing proprietary pooled fund securities to parties other than its managed account clients.

#### Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 53 and 74(1).

#### Rules Cited

National Instrument 45–106 Prospectus and Registration Exemptions

August 24, 2011

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

AND

IN THE MATTER OF  
RAE & LIPSKIE INVESTMENT COUNSEL INC.  
(the “Filer”)

AND

IN THE MATTER OF  
RAELIPSKIE PARTNERS' EQUITY FUND  
(the “Existing Fund”)

RULING  
(Subsection 74(1) of the Act)

#### Background

The Ontario Securities Commission (the “**Commission**”) has received an application (the “**Application**”) from the Filer, the Existing Fund and any future pooled fund established and managed by the Filer in the future (the “**Future Funds**” together with the Existing Fund, the

“**Funds**”) for a ruling, pursuant to subsection 74(1) of the Act, that trades in securities of the Funds to Secondary Managed Accounts (as defined below) will not be subject to the prospectus requirements under section 53 of the Act (the “**Prospectus Requirement**”) (the “**Requested Relief**”).

#### Interpretation

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

#### Representations

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

1. The Filer is a corporation organized under the *Business Corporations Act* (Ontario) and its head office is located in Waterloo, Ontario. The Filer is registered in Ontario and British Columbia as an adviser in the category of portfolio manager. The Filer is also registered in Ontario as an investment fund manager.
2. The Filer will act as the manager and portfolio advisor for each Fund. The Filer may in the future, subject to receipt of the necessary regulatory approvals, act as trustee for each Fund that is formed as a trust.
3. Neither the Filer nor the Funds are in default of securities legislation in any jurisdiction.
4. The Filer does not propose to apply for registration as exempt market dealer for the sale of securities of the Funds, as it intends to limit its dealing activities in respect of Fund securities which are securities of non prospectus qualified investment funds to Managed Accounts (as defined below).
5. The Filer is able to rely on the exemption from the dealer registration requirement contained in section 8.6 of National Instrument 31-103 *Registration Requirements and Exemptions* (“**NI 31-103**”).
6. The Funds are or will consist of open-end mutual fund trusts of which the Filer is or will be appointed manager and is or will be appointed portfolio manager, with full discretionary authority. The Funds are or will each be a “mutual fund” under the Act. The Funds will not be reporting issuers under the Act. The Funds will only be sold in Ontario under applicable dealer registration and prospectus exemptions under the Act.
7. The Filer primarily offers discretionary portfolio management services to individuals, corporations and other entities (each, a “**Client**”) seeking wealth management or related services (“**Managed Services**”) through a Managed Account. Pursuant to a written agreement

- (“**Master Client Agreement**”) between the Filer and the Client, the Filer makes investment decisions for the Managed Account and has full discretionary authority to trade in securities for the Managed Account without obtaining the specific consent of the Client to the trade.
8. The Managed Services are provided by employees of the Filer who are registered under Ontario securities law to provide advice on securities to clients.
9. The Managed Services consist of the following:
  - (a) each Client who accepts Managed Services executes a Master Client Agreement whereby the Client authorizes the Filer to supervise, manage and direct purchases and sales, at the Filer’s full discretion on a continuing basis;
  - (b) the Filer’s qualified employees perform investment research, securities selection and management functions with respect to all securities, investments, cash equivalents or other assets in the Managed Account;
  - (c) each Managed Account holds securities as selected by the Filer, including where appropriate units of one or more of the Funds; and
  - (d) the Filer retains overall responsibility for the Managed Services provided to its Clients and has designated a senior officer to oversee and supervise the Managed Services.
10. The usual minimum assets a Client is required to have in one or more Managed Accounts with the Filer is \$500,000. Managed Accounts of a Client which on aggregate satisfy this minimum balance are hereinafter referred to as “**Primary Managed Accounts**”. This minimum balance may be waived by the Filer in rare or limited circumstances.
11. In addition, from time to time the Filer may accept certain Clients for managed accounts with less than \$500,000 under management or who will not pay the Filer’s minimum management fees. Such Clients consist of family members of Primary Managed Account Clients. Assets managed by the Filer for family members and other persons described above are incidental to the assets it manages for holders of Primary Managed Accounts. Managed accounts where the minimum aggregate balance has been waived for the reasons given above are hereinafter referred to as “**Secondary Managed Accounts**”. Together, the Primary Managed Accounts and the Secondary Managed Accounts are referred to in this Application as the “**Managed Accounts**”.
12. While the holders of the Primary Managed Accounts each qualify as accredited investors under Ontario securities law, the holders of the Secondary Managed Accounts do not always themselves qualify as accredited investors under Ontario securities law, nor do their investments meet the minimum investment threshold set out in National Instrument 45-106 *Prospectus and Registration Exemptions* (“**NI 45-106**”). The Filer typically services these Secondary Managed Account Clients as a courtesy to its Primary Managed Account Clients, or with the expectation that a Secondary Managed Account will satisfy the minimum balance requirement in the future.
13. Investments in individual securities may not be ideal for the Secondary Managed Account Clients since they may not receive the same asset diversification benefits and may incur disproportionately higher brokerage commissions relative to the Primary Managed Account Clients due to minimum commission charges.
14. NI 45-106 currently does not recognize a portfolio manager acting on behalf of a managed account in Ontario as being an accredited investor if that account is acquiring a security of an investment fund. Accordingly, in the absence of relief from the Prospectus Requirement, the Funds will be available only to Clients that are accredited investors in their own right or are able to invest a minimum of \$150,000 in a Fund in accordance with the requirements of NI 45-106. These requirements either act as a barrier to Secondary Managed Account Clients investing in the Funds, or may cause the Filer’s portfolio manager to invest more of a Secondary Managed Account Client’s portfolio in such a Fund than it might otherwise prefer to allocate.
15. To improve the diversification and cost benefits to Secondary Managed Account Clients, the Filer wishes to distribute securities of the Funds to Secondary Managed Accounts without a minimum investment. The Secondary Managed Account Client would be able to receive the benefit of the Filer’s investment management expertise, regarding both asset allocation and individual stock selection, as well as receive the benefits of lower costs and broader asset diversification associated with pooled investments relative to direct holdings of individual securities.
16. Managed Services provided by the Filer in a Managed Account are covered by a base management fee calculated as a fixed percentage of the assets under management in the Managed Account (the “**Base Management Fee**”). The Base Management Fee includes investment research, portfolio selection and management with respect to all securities or other assets in the Managed Account. The Base Management Fee is not intended to cover brokerage commissions and other transaction charges in respect of each

- transaction which occurs in a Managed Account, nor does it cover interest charges on funds borrowed or charges for standard administrative services provided in connection with the operation of the Managed Account, such as account transfers, withdrawals, safekeeping charges, service charges, wire transfer requests and record-keeping. The terms of the Base Management Fee are detailed in the Master Client Agreement.
17. The Filer charges the Base Management Fee directly to each Managed Account and no management fee is charged to a Fund. Accordingly, there will be no duplication of fees between a Managed Account and the Funds. The only management fees that are paid by a Managed Account that holds securities of a Fund are the Base Management Fees paid directly by the Client under the Master Client Agreement.
18. Neither the Filer nor the Funds pay fees or commissions to any person in connection with the distribution of securities of the Funds. The Filer may, from time to time, pay referral fees to persons who refer Managed Accounts, including Secondary Managed Accounts, to the Filer. However, neither the Filer nor the Funds pay any referral fees in connection with the referral of Secondary Managed Accounts for investing in securities of the Funds.
- Account in a conjugal relationship outside of marriage;
- (ii) a parent, grandparent, child or sibling of either the holder of a Primary Managed Account or the individual referred to in clause (i) above;
- (iii) a personal holding company controlled by an individual referred to in clause (i) or (ii) above;
- (iv) a trust, other than a commercial trust, of which an individual referred to in clause (i) or (ii) above is a beneficiary; or
- (v) a private foundation controlled by an individual referred to in clause (i) or (ii) above.
- (c) the Filer does not receive any compensation in respect of the sale or redemption of units of the Funds, including any redemption fees, and the Filer does not pay a referral fee to any person or company who refers Secondary Managed Account clients who invest in units of the Funds.

## Ruling

The Commission being satisfied that the relevant test contained in subsection 74(1) of the Act has been met, the Commission rules pursuant to subsection 74(1) of the Act that Requested Relief is granted in connection with the distributions of units of the Funds to Secondary Managed Accounts provided that:

- (a) this Ruling will terminate upon the coming into force of any legislation or rule of the Commission exempting a trade in a security of a mutual fund to a fully managed account from the Prospectus Requirements;
- (b) this Ruling will only apply with respect to a Secondary Managed Account, where the holder of the Secondary Managed Account is, and in the case of clauses (iii) to (v) remains:
- (i) an individual (of the opposite sex or same sex) who is or has been married to the holder of a Primary Managed Account, or is living or has lived with the holder of a Primary Managed

“Edward P. Kerwin”  
Commissioner

“Mary Condon”  
Vice-Chair

## 2.3.2 K.J. Harrison & Partners Inc. – s. 74(1)

### Headnote

Relief from the prospectus requirement of the Act to permit the distribution of pooled fund securities to managed accounts held by non-accredited investors on an exempt basis - NI 45-106 containing carve-out for managed accounts in Ontario prohibiting portfolio manager from making exempt distributions of securities of its proprietary pooled funds to its managed account clients in Ontario unless managed account client qualifies as accredited investor or invests \$150,000 – portfolio manager providing bona fide portfolio management services to high net worth clients – Not all managed account clients are accredited investors – portfolio manager permitted to make exempt distributions of proprietary pooled funds to its managed accounts provided written disclosure is delivered to clients advising them of the relief granted – portfolio manager is restricted from distributing proprietary pooled fund securities to parties other than its managed account clients.

### Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 53, 74(1) and 144(1).

### Rules Cited

National Instrument 45-106 Prospectus and Registration Exemptions  
National Instrument 31-103 Registration Requirements and Exemptions

August 25, 2011

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

AND

IN THE MATTER OF  
K.J. HARRISON & PARTNERS INC.  
(the “Filer”)

**RULING**  
(Subsection 74(1) of the Act)

### Background

The Ontario Securities Commission (the “**Commission**”) has received an application from the Filer, on its own behalf, and on behalf of the KJH Funds (as defined below), for a ruling pursuant to subsection 74(1) of the Act, that distributions of securities of the KJH Funds to Secondary Managed Accounts (as defined below) of clients for which the Filer provides discretionary investment management services will not be subject to the prospectus requirement (the “**Prospectus Requirement**”) under section 53 of the Act.

### Interpretation

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

### Representations

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

1. The Filer is a corporation incorporated under the laws of Ontario. Its head office is in Toronto, Ontario.
2. The Filer is registered as an investment fund manager in Ontario and an investment dealer in each of Ontario, Alberta, British Columbia, Manitoba, New Brunswick and Quebec. In Ontario, the Filer’s investment dealer license is in the category of Securities, Options and Managed Accounts. The Filer is a member of the Investment Industry Regulatory Organization of Canada.
3. The Filer is currently the investment fund manager and portfolio manager of seven open-ended mutual fund trusts offered pursuant to exemptions from the Prospectus Requirement (the “**KJH Pooled Funds**”) and one open-ended

mutual fund trust, KJH Capital Preservation Fund (the “**Fund**”), that is a reporting issuer in various Canadian jurisdictions.

4. The Fund is currently offered to investors pursuant to a simplified prospectus dated August 27, 2010, prepared pursuant to National Instrument 81-101 Mutual Fund Prospectus Disclosure, and has applied to the relevant securities regulatory authorities in Canada to cease to be a reporting issuer.
5. The KJH Pooled Funds are sold to investors pursuant to exemptions from the Prospectus Requirement (e.g. the accredited investor exemption or the \$150,000 exemption in National Instrument 45-106 *Prospectus and Registration Exemptions* (“**NI 45-106**”)) and are not reporting issuers.
6. The Filer may, in the future, be the investment fund manager of other open-ended investment funds that are not reporting issuers and whose securities are offered pursuant to exemptions from the Prospectus Requirement (together with the Fund and the KJH Pooled Funds, the “**KJH Funds**”).
7. The Filer is or will be the investment fund manager, portfolio manager and principal distributor of each KJH Fund.
8. Caledon Trust Company is currently the trustee of the Fund and the KJH Pooled Funds.
9. The Filer, the Fund and the KJH Pooled Funds are not in default under the securities legislation in any province or territory of Canada.
10. The Filer provides discretionary investment management services (“**Managed Services**”) to clients pursuant to managed account agreements between such clients and the Filer (each a “**Managed Account Agreement**”). Pursuant to a Managed Account Agreement, each client, in accordance with its investment objectives, authorizes the Filer to manage that client's investment portfolio on a fully-discretionary basis, which depending on its size, may be managed by the Filer on a segregated account basis or invested in one or more of the KJH Funds.
11. The Managed Services are provided by employees of the Filer who are registered under Ontario securities law to provide advice on securities to clients.
12. The Managed Services consist of the following:
  - (a) each client who accepts Managed Services executes a Managed Account Agreement whereby the client authorizes the Filer to supervise, manage and direct purchases and sales, at the Filer's full discretion on a continuing basis;
  - (b) the Filer's qualified employees perform investment research, securities selection and management functions with respect to all securities, investments, cash equivalents or other assets in that client's Managed Account (as defined below);
  - (c) each Managed Account holds securities as selected by the Filer, including where appropriate securities of one or more of the KJH Funds; and
  - (d) the Filer retains overall responsibility for the Managed Services provided to each client and has designated three senior officers to oversee and supervise such Managed Services.
13. The Filer's minimum aggregate balance for all the Managed Accounts of a client is usually \$1,000,000. From time to time, the Filer will accept a person as a client who does not meet this minimum threshold if there are exceptional factors that have persuaded the Filer for business reasons to accept such person as a client and to waive its usual minimum aggregate balance.
14. Most Managed Account clients investing in securities of one or more of the KJH Funds will qualify as an accredited investor (as such term is defined in NI 45-106) (each such client a “**Primary Managed Account**”) or will rely on another exemption from the Prospectus Requirement, such as the \$150,000 exemption in NI 45-106. Over ninety-five percent of the total assets currently managed by the Filer are for clients that meet the definition of accredited investor or who purchase the KJH Funds in reliance on another exemption from the Prospectus Requirement.
15. From time to time, the Filer may provide Managed Services to clients with less than \$1,000,000 under management, which will usually consist of family members of Primary Managed Account clients. These clients do not qualify as accredited investors and do not purchase securities of the KJH Funds in reliance on another exemption from the Prospectus Requirement, (the “**Secondary Managed Accounts**”, and together with the Primary Managed Accounts, the “**Managed Accounts**”). The assets managed by the Filer for such Secondary Managed Accounts are incidental to

the assets the Filer manages for Primary Managed Accounts. The Filer typically services the Secondary Managed Account clients as a courtesy to its Primary Managed Account clients.

16. As at March 31, 2011, the Filer had 25 Secondary Managed Account clients invested in the Fund which do not have a relationship with a Primary Managed Account client that is listed in paragraphs (i) to (v) of condition (b) of this decision and are not close business associates, employees or professional advisers to a Primary Managed Account client (the "Existing Clients"). As at March 31, 2011, these Existing Clients represented \$1.845M in assets, which is 1.4% of the Fund's total assets and 0.4% of the Filer's total assets under management.
17. Investments in individual securities may not be ideal for the Secondary Managed Accounts clients, since they may not receive the same asset diversification benefits and may incur disproportionately higher brokerage commissions relative to the Primary Managed Account clients due to minimum commission charges.
18. NI 45-106 does not recognize a portfolio manager acting on behalf of a managed account in Ontario as being an accredited investor if that account is acquiring a security of an investment fund. In the absence of relief from the Prospectus Requirement, the KJH Funds will be available only to clients that are accredited investors in their own right or are able to invest a minimum of \$150,000 in a KJH Fund in accordance with the requirements of NI 45-106. These requirements either act as a barrier to Secondary Managed Account clients investing in a KJH Fund, or may cause the Filer to invest more of a Secondary Managed Account client's portfolio in a KJH Fund than it might otherwise prefer to allocate.
19. To improve the diversification and cost benefits to Secondary Managed Account clients, the Filer wishes to distribute securities of the KJH Funds to Secondary Managed Account clients without a minimum investment. The Secondary Managed Account client would thereby be able to receive the benefit of the Filer's investment management expertise, regarding both asset allocation and individual stock selection, as well as receive the benefits of lower costs and broader asset diversification associated with pooled investments relative to direct holdings of individual securities.
20. Under the Managed Account Agreement, clients who invest in securities of the KJH Funds do not pay the Filer a management fee or performance fee in respect of such investments. Instead, the Filer charges a management fee and/or performance fee to each applicable KJH Fund based on its respective constating document. Each KJH Fund pays all administration fees and expenses relating to its operation. No sales or redemption fees are payable by Managed Account clients to invest in the KJH Funds.
21. If the Filer charges management fees or performance fees to a KJH Fund and the Filer invests, on behalf of a Managed Account, in securities of such KJH Fund, the necessary steps will be taken to ensure that there will be no duplication of fees between a Managed Account and the KJH Funds.
22. There will be no commission payable by a client on the sale of securities of a KJH Fund to a Secondary Managed Account, nor will referral fees be paid by the Filer to a person or company in connection with the referral to the Filer of Secondary Managed Account clients that invest in securities of a KJH Fund.

### **Ruling**

The Commission being satisfied that the relevant test contained in subsection 74(1) of the Act has been met, the Commission rules that the relief from the Prospectus Requirement is granted in connection with the distribution of securities of the KJH Funds to Secondary Managed Accounts provided that:

- (a) this Ruling will terminate upon the coming into force of any legislation or rule of the Commission exempting a trade in a security of a mutual fund to a fully managed account from the Prospectus Requirements;
- (b) this Ruling will only apply with respect to a Secondary Managed Account, where the holder of the Secondary Managed Account is, and in the case of clauses (iii) to (vi) remains:
  - (i) an individual (of the opposite sex or same sex) who is or has been married to the holder of a Primary Managed Account, or is living or has lived with the holder of a Primary Managed Account in a conjugal relationship outside of marriage;
  - (ii) a parent, grandparent, child or sibling of either the holder of a Primary Managed Account or the individual referred to in clause (i) above;
  - (iii) a personal holding company controlled by an individual referred to in clause (i) or (ii) above;
  - (iv) a trust, other than a commercial trust, of which an individual referred to in clause (i) or (ii) above is a beneficiary;

- (v) a private foundation controlled by an individual referred to in clause (i) or (ii) above; or
- (vi) either an Existing Client or a close business associate, employee or professional adviser to a holder of a Primary Managed Account, provided that:
  - (A) there are exceptional factors that have persuaded the Filer for business reasons to accept such Existing Client or close business associate, employee or professional adviser as a Secondary Managed Account client, and a record is kept and maintained of the exceptional factors considered; and
  - (B) the Existing Clients plus the close business associates, employees and professional advisers to holders of Primary Managed Accounts shall not, at any time, represent more than two percent of the Filer's total Managed Account assets under management; and
- (c) the Filer does not receive any compensation in respect of the sale or redemption of securities of the KJH Funds, including any redemption fees, and the Filer does not pay a referral fee to any person or company who refers Secondary Managed Account clients who invest in securities of the KJH Funds in reliance on this Ruling.

"Edward Kerwin"  
Commissioner

"Mary Condon"  
Vice-Chair

## Chapter 3

# Reasons: Decisions, Orders and Rulings

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### 3.1 OSC Decisions, Orders and Rulings

#### 3.1.1 Anchor Securities Limited and Martin Heppner

**IN THE MATTER OF  
STAFF'S RECOMMENDATIONS  
TO SUSPEND THE REGISTRATIONS OF  
ANCHOR SECURITIES LIMITED AND MARTIN HEPPNER**

**OPPORTUNITY TO BE HEARD BY THE DIRECTOR  
UNDER SECTION 31 OF THE SECURITIES ACT**

#### Director's decision

1. My decision is that the registration of each of Anchor Securities Limited (Anchor) and Martin Heppner (collectively, the Applicants) is suspended effective August 26, 2011. My decision is based on the:
  - a. verbal arguments of Michael Denyszy, Senior Legal Counsel, Compliance and Registrant Regulation Branch, for Staff of the Ontario Securities Commission, and Martin Heppner, on behalf of himself and Anchor, and
  - b. evidence provided at the opportunity to be heard (OTBH).

#### Brief chronology of events

##### Registration history of Anchor and Heppner

2. Anchor was initially registered as a securities dealer in 1989. It surrendered this registration in 2007. In 2006, it became registered as a limited market dealer. By operation of law, Anchor became registered as an exempt market dealer (EMD) in September 2009.
3. Martin Heppner was initially registered in 1979. Heppner is now the Chief Compliance Officer (CCO), Ultimate Designated Person (UDP), and a dealing representative of Anchor.

##### Suspension letter to Anchor

4. Staff performed a compliance field review of Anchor starting in late 2010. The numerous significant deficiencies (Alleged Significant Deficiencies) identified during this review were set out in a letter to Heppner dated June 10, 2011. Some of the significant deficiencies related to:
  - a. know your client (KYC), suitability and accredited investor information, including no collection or documentation of KYC information, improper trades with clients who are not accredited investors and inaccurate and misleading representations to clients,
  - b. know your product, including insufficient product due diligence,
  - c. disclosure, including inadequate risk disclosure in offering documents, inadequate disclosure of conflicts of interest, and unsubstantiated claims in offering documents,
  - d. financial condition, including incorrect calculations of excess working capital, and no preparation of monthly financial statements,
  - e. books and records, including books and records not provided to Staff, incomplete books and records, and conflicting information provided to Commission staff,
  - f. misleading information in marketing materials,

- g. failure to disclose the nature and extent of existing or potential materials conflicts of interest to clients,
  - h. trade confirmations not provided to clients,
  - i. inadequate policies and procedures on personal trading and conflicts of interest, and
  - j. inaccurate and misleading information provided to Staff in Anchor's risk assessment questionnaire.
5. By letter dated June 10, 2011, Staff advised Anchor of its recommendations that:
- a. Anchor's registration as an EMD, and
  - b. Heppner's registrations as a dealing representative, CCO and UDP of Anchor,
- be suspended. Pursuant to section 31 of the Act, Anchor is entitled to an OTBH before a decision is made by me, as Director.

## **Arguments**

### **Outline of the Staff's arguments**

6. Staff argued that in light of the numerous Alleged Significant Deficiencies identified by Staff, Heppner and Anchor should be suspended. Staff argued that Heppner did not adequately perform his responsibilities as CCO, UDP and the dealing representative of Anchor, and Anchor does not have an adequate compliance system in place. As a result, Staff has fundamental concerns with regard to the integrity and proficiency of Heppner and Anchor, as well as solvency concerns with respect to Anchor. As well, the Alleged Significant Deficiencies call into question whether Anchor's operations are being conducted with the requisite integrity, proficiency and solvency of securities professionals.
7. Staff also argued that section 28 of the Act permits me, as Director, to suspend the registration of each of the Applicants on the basis that the each of the Applicants is not suitable for registration, has failed to comply with Ontario securities law or that their registrations are otherwise objectionable.

### **Anchor does not have sufficient regulatory capital and proposes to surrender its registration in September**

8. Heppner, on behalf of Anchor, advised me that Anchor did not currently have the required minimum capital required under subsection 12.1(3) of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Heppner also advised me that Anchor intended to surrender its registration in September 2011.

### **Decision on the suspensions of the Applicants**

9. My decision is to suspend the registration of Anchor and Heppner as of August 26, 2011. My decision was communicated verbally to Heppner at the OTBH on August 26, 2011.
10. My decision was made for two primary reasons. First, Anchor does not currently have the required minimum capital and I was advised by Heppner that Anchor's minimum capital deficiency would not be rectified. Second, Heppner was not able to assure me that Anchor would not be carrying out registerable activities in Ontario between August 26, 2011 and the date of surrender of its registration. As a result, I decided to immediately suspend the registration of both Anchor and Heppner.
11. In light of Heppner's statements described in paragraphs 8 and 10 above, it was not necessary for me to make a decision as to the merits of the Alleged Significant Deficiencies and whether they were, on their own, sufficient to warrant suspension of Anchor and Heppner.

"Marrienne Bridge", FCA  
Deputy Director, Compliance and Registrant Regulation Branch

August 30, 2011

## 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
Applied Inventions Management Inc.	08 Feb 01	20 Feb 01	20 Feb 01	26 Aug 11
Newlook Industries Corp.	09 May 11	20 May 11	20 May 11	26 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**

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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](http://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](http://www.sedi.ca)).



## Chapter 8

# Notice of Exempt Financings

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### 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
07/31/2011	42	ACM Commercial Mortgage Fund - Units	6,399,230.00	57,054.00
08/02/2011	4	American Residential Income Trust - Trust Units	1,197,500.00	25.00
08/10/2011	90	Annapolis Investment Limited Partnership VI - Units	76,315,000.00	76,315,000.00
07/27/2011	1	Antero Resources Finance Corporation - Notes	710,550.00	750,000.00
07/29/2011	1	BAC Canada Finance Company (Formerly Merrill Lynch Canada Finance Company) - Notes	20,000,000.00	20,000,000.00
06/30/2011	42	BioMatera Inc. - Units	2,164,138.18	24,502.00
08/02/2011	1	BioSante Pharmaceuticals, Inc. - Common Shares	216,000.00	75,000.00
08/04/2011 to 08/08/2011	3	Bison Income Trust II - Trust Units	266,000.00	25,600.00
07/29/2011	2	BNP Paribas Arbitrage Issuance B.V. - Certificates	22,384.80	20,000.00
08/17/2011	1	Calloway Real Estate Investment Trust - Units	NA	N/A
08/11/2011	38	Canadian Horizons Blended Mortgage Investment Corporation - Common Shares	1,339,579.00	1,339,579.00
08/11/2011 to 08/12/2011	7	CareVest Capital First Mortgage Investment Corp. - Common Shares	794,202.00	794,202.00
08/03/2011	1	Chart Industries, Inc. - Notes	1,445,100.00	NA
03/11/2011	36	China Canadian Opportunity VI Limited Partnership - Units	1,079,765.70	1,131,000.00
07/14/2011	48	China Canadian Opportunity VII Limited Partnership - Units	1,514,809.20	1,501,000.00
08/08/2011	61	Clear Creek Resources Ltd. - Common Shares	636,500.00	3,182,500.00
07/29/2011 to 07/31/2011	9	Deveron Resources Ltd. - Units	632,500.00	5,825,000.00
07/26/2011	8	Dunkin' Bands Group, Inc. - Common Shares	5,209,989.62	290,200.00
08/02/2011 to 08/03/2011	25	Eagle Graphite Corporation - Common Shares	1,800,000.00	900,000.00
08/02/2011	1	Elpida Memory, Inc - Common Shares	926,478.00	100,000.00
08/01/2011	1	Equimor Income Fund Inc. - Common Shares	100,000.00	100,000.00
08/02/2011	1	Fidelity National Financial, INC. - Notes	958,000.00	1,000.00
08/04/2011 to 08/10/2011	3	First Leaside Wealth Management Fund - Units	300,563.00	300,563.00

**Notice of Exempt Financings**

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price (\$)	No. of Securities Distributed
07/31/2011	42	ACM Commercial Mortgage Fund - Units	6,399,230.00	57,054.00
08/10/2011	1	FLWM Holdings LP - Units	300,000.00	300,000.00
08/01/2011	3	Ford Motor Credit Company LLC - Notes	1,271,415.40	1,333,000.00
08/05/2011	94	Galane Gold Mines Ltd. - Common Shares	16,400,650.00	20,545,500.00
08/09/2011	23	Galore Resources Inc. - Units	910,000.05	6,066,667.00
08/08/2011	1	Imperial Capital Acquisition Fund IV (Institutional) 2 Limited Partnership - Units	1,161,891.26	1,161,891.00
08/08/2011	1	Imperial Capital Acquisition Fund IV (Institutional) 3 Limited Partnership - Units	1,161,891.26	1,161,891.00
08/08/2011	1	Imperial Capital Acquisition Fund IV (Institutional) 4 Limited Partnership - Units	580,945.63	580,945.63
08/08/2011	1	Imperial Capital Acquisition Fund IV (Institutional) 5 Limited Partnership - Units	580,945.63	580,946.00
06/17/2011 to 07/05/2011	4	ISL Loan Trust - Units	308,587,260.82	32,815,390.00
07/22/2011	1	JPMorgan Chase Bank, National Association - Notes	474,800.00	500,000.00
07/22/2011	1	JPMorgan Chase Bank, National Association - Notes	474,800.00	500,000.00
07/29/2011	10	Kensington Private Equity Direct Investment Fund-R (2011), LP - Units	475,000.00	4,750.00
07/29/2011	1	Kensington Private Equity Direct Investment Fund-R (2011), LP - Units	100,000.00	1,000.00
08/12/2011	6	Majescor Resources Inc. - Units	510,000.00	2,550,000.00
08/01/2011	1	Mariner - Tricadia Credit Strategies, Ltd. - Common Share	3,107,163.00	1.00
07/18/2011 to 07/20/2011	5	Member-Partners Solar Energy Capital Inc. - Bonds	136,400.00	1,364.00
08/15/2011	1	Mineral Mountain Resources Ltd. - Common Shares	96,000.00	200,000.00
07/28/2011	58	MLP 2 Acquisition Canco Inc. - Notes	275,036,000.00	0.00
07/29/2011 to 08/09/2011	3	Move Trust - Notes	8,480,286.50	8,477,286.00
07/20/2011	1	Nautilus Marine Acquisition Corp. - Units	3,792,000.00	400,000.00
08/15/2011	31	Neovasc Inc. - Units	4,720,500.00	4,720,500.00
08/08/2011	25	New Earth Potash Corp. - Units	2,792,500.00	11,170,000.00
07/28/2011	27	Noranda Operating Trust - Notes	90,000,000.00	90,000.00
08/12/2011 to 08/19/2011	6	Opawica Explorations Inc. - Units	850,000.00	8,500,000.00
06/23/2011 to 06/30/2011	10	PI Energy Corp. - Common Shares	107,204,002.00	35,734,668.00

**Notice of Exempt Financings**

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price (\$)	No. of Securities Distributed
07/31/2011	42	ACM Commercial Mortgage Fund - Units	6,399,230.00	57,054.00
07/29/2011	7	Precision Drilling Corporation - Notes	381,520,000.00	N/A
06/22/2011	747	Priviti Oil & Gas Opportunities Limited Partnership 2011 - Units	57,500,000.00	57,500.00
08/08/2011 to 08/09/2011	7	Proforma Capital Bond (II) Corporation - Bonds	856,100.00	8,569.00
07/28/2011 to 08/02/2011	25	Royal Bank of Canada - Notes	3,207,360.00	3,360.00
07/25/2011 to 07/28/2011	5	Royal Bank of Canada - Notes	2,647,833.00	2,795.00
07/07/2011	2	Saratoga Resources, Inc. - Notes	4,074,050.00	0.00
07/28/2011	2	ServiceSource International, Inc. - Common Shares	4,315,220.00	260,000.00
05/20/2011 to 06/16/2011	2	Short Duration High Yield Portfolio Trust - Units	81,448,416.50	6,790,000.00
08/11/2011 to 08/16/2011	3	Sinclair Cockburn Mortgage Investment Corporation - Common Shares	450,000.33	450,000.00
07/15/2011	1	SRA International, Inc. - Notes	1,907,200.00	0.00
07/27/2011	1	Summer Street Capital III, L.P. - Limited Partnership Interest	9,490,100.00	1.00
08/02/2011	1	Teavana Holdings, Inc. - Common Shares	325,720.00	7,142,858.00
08/02/2011	1	Teavana Holdings, Inc. - Common Shares	81,450.00	5,000.00
08/27/2010	4	TELOIP INC. - Units	750,000.00	3,000,000.00
08/02/2011	2	The Chef's Warehouse, Inc. - Common Shares	950,400.00	66,000.00
07/29/2011	1	The Goldman Sachs Group Inc. - Notes	23,845,000.00	25,000,000.00
07/27/2011	5	The Goldman Sachs Group Inc. - Notes	14,256,437.66	14,000,000.00
08/11/2011 to 08/19/2011	10	The Newport Balanced Fund - Trust Units	350,950.49	10.00
08/01/2011 to 08/10/2011	7	The Newport Balanced Fund - Units	48,659.29	7.00
08/11/2011 to 08/19/2011	3	The Newport Canadian Equity Fund - Trust Units	180,000.00	1,361.00
08/01/2011 to 08/10/2011	13	The Newport Canadian Equity Fund - Units	997,500.00	13.00
08/11/2011 to 08/19/2011	14	The Newport Fixed Income Fund - Trust Units	873,551.41	8,144.00
08/11/2011 to 08/19/2011	3	The Newport Global Equity Fund - Trust Units	30,000.00	531.00
08/01/2011 to 08/10/2011	4	The Newport Global Equity Fund - Units	605,000.00	4.00

**Notice of Exempt Financings**

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Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price (\$)	No. of Securities Distributed
07/31/2011	42	ACM Commercial Mortgage Fund - Units	6,399,230.00	57,054.00
08/11/2011 to 08/19/2011	7	The Newport Yield Fund - Trust Units	190,423.89	7.00
08/01/2011 to 08/10/2011	29	The Newport Yield Fund - Units	780,058.17	29.00
07/27/2011	1	UBS AG, Jersey Branch - Notes	46,730.32	50,000.00
07/26/2011	1	UBS AG, Jersey Branch - Notes	177,260.43	130,000.00
07/27/2011	3	UBS AG, London Branch - Certificates	477,990.51	488.00
07/31/2011	73	Vertex Fund - Units	6,327,802.60	182,613.00
08/01/2011	1	York Select Units Trust - Units	238,450.00	238,450.00

## Chapter 11

# IPOs, New Issues and Secondary Financings

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**Issuer Name:**

Bloom Income & Growth Canadian Fund  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Long Form Prospectus dated August 24, 2011  
NP 11-202 Receipt dated August 25, 2011

**Offering Price and Description:**

Maximum \$\* (\* Units)  
Price: \$10.00 per Unit

**Underwriter(s) or Distributor(s):**

CIBC WORLD MARKETS INC.  
RBC DOMINION SECURITIES INC.  
BMO NESBITT BURNS INC.  
TD SECURITIES INC.  
NATIONAL BANK FINANCIAL INC.  
SCOTIA CAPITAL INC.  
CANACCORD GENUITY CORP.  
GMP SECURITIES L.P.  
HSBC SECURITIES (CANADA) INC.  
DUNDEE SECURITIES LTD.  
MACQUARIE PRIVATE WEALTH INC.  
RAYMOND JAMES LTD.  
DESJARDINS SECURITIES INC.

**Promoter(s):**

BLOOM INVESTMENT COUNSEL, INC.

**Project #1790325**

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**Issuer Name:**

Ethical Select Income Portfolio  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Simplified Prospectus and Annual Information  
Form dated August 26, 2011  
NP 11-202 Receipt dated August 29, 2011

**Offering Price and Description:**

Series A and F Units @ Net Asset Value per unit

**Underwriter(s) or Distributor(s):**

Credential Asset Management Inc.  
Credential Asset Management Inc.

**Promoter(s):**

Northwest & Ethical Investments L.P.

**Project #1793013**

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**Issuer Name:**

Fidelity Canadian Growth Company Class  
Fidelity Canadian Opportunities Class  
Fidelity Special Situations Class  
Fidelity Global Natural Resources Class  
Fidelity Canadian Disciplined Equity Class  
Fidelity Global Class  
Fidelity Canadian Balanced Class  
Principal Regulator - Ontario

**Type and Date:**

Amendment #2 dated August 24, 2011 to Final Simplified  
Prospectuses and Annual Information Form dated March  
25, 2011

NP 11-202 Receipt dated August 30, 2011

**Offering Price and Description:**

Series A, Series B, Series F, Series T5, Series T8, Series  
S5, Series S8, Series F5 and Series F8 shares @ Net  
Asset Value

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

FIDELITY INVESTMENTS CANADA ULC

**Project #1699107**

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**Issuer Name:**

Fidelity Canadian Growth Company Fund  
Fidelity Canadian Opportunities Fund  
Fidelity Special Situations Fund  
Fidelity Global Natural Resources Fund  
Fidelity Income Allocation Fund  
Fidelity Canadian Disciplined Equity Fund  
Fidelity Global Fund  
Fidelity Canadian Balanced Fund  
Principal Regulator - Ontario

**Type and Date:**

Amendment #2 dated August 24, 2011 to Final Simplified  
Prospectuses and Annual Information Form dated  
November 8, 2010

NP 11-202 Receipt dated August 30, 2011

**Offering Price and Description:**

Series A, Series B, Series F, Series O, Series T5, Series  
T8, Series S5 and Series S8 units @ Net Asset Value

**Underwriter(s) or Distributor(s):**

Fidelity Investments Canada ULC  
Fidelity Investments Canada Limited

**Promoter(s):**

-

**Project #1640917**

**Issuer Name:**

First Trust Senior Loan Fund  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Long Form Prospectus dated August 25, 2011  
NP 11-202 Receipt dated August 26, 2011

**Offering Price and Description:**

Maximum \$\* (\* Units)

Price: \$10.00 per Unit

Minimum Purchase: 100 Units

**Underwriter(s) or Distributor(s):**

BMO NESBITT BURNS INC.  
CIBC WORLD MARKETS INC.  
RBC DOMINION SECURITIES INC.  
TD SECURITIES INC.  
GMP SECURITIES L.P.  
NATIONAL BANK FINANCIAL INC.  
SCOTIA CAPITAL INC.  
HSBC SECURITIES (CANADA) INC.  
RAYMOND JAMES LTD.  
CANACCORD GENUITY CORP.  
DESJARDINS SECURITIES INC.  
MACQUARIE PRIVATE WEALTH INC.  
MACKIE RESEARCH CAPITAL CORPORATION  
MANULIFE SECURITIES INCORPORATED  
MGI SECURITIES INC.

**Promoter(s):**

FIRST DEFINED PORTFOLIO MANAGEMENT CO.

**Project #1791261**

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**Issuer Name:**

Homburg Canada Real Estate Investment Trust  
Principal Regulator - Quebec

**Type and Date:**

Preliminary Short Form Prospectus dated August 26, 2011  
NP 11-202 Receipt dated August 29, 2011

**Offering Price and Description:**

\$63,250,000 - 5,500,000 Units

Price: \$11.50 Per Unit

**Underwriter(s) or Distributor(s):**

TD SECURITIES INC.  
SCOTIA CAPITAL INC.  
CIBC WORLD MARKETS INC.  
NATIONAL BANK FINANCIAL INC.  
CANACCORD GENUITY CORP.  
HSBC SECURITIES (CANADA) INC.  
DUNDEE SECURITIES LTD.  
BEACON SECURITIES LTD.

**Promoter(s):**

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**Project #1793178**

**Issuer Name:**

Horizons AlphaPro Income Plus ETF  
Horizons AlphaPro Tactical Bond ETF  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Long Form Prospectuses dated August 25, 2011

NP 11-202 Receipt dated August 29, 2011

**Offering Price and Description:**

Advisor Class units

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

ALPHAPRO MANAGEMENT INC

**Project #1791406**

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**Issuer Name:**

Huldra Silver Inc.  
Principal Regulator - British Columbia

**Type and Date:**

Preliminary Short Form Prospectus dated August 24, 2011  
NP 11-202 Receipt dated August 25, 2011

**Offering Price and Description:**

\$9,288,763

6,476,880 Common Shares and 6,476,880 Warrants on Exercise of 6,476,880 Special Warrants;  
2,073,366 Common Shares on Exercise of 2,073,366 Flow-Through Special Warrants;  
500,189 NFT Broker Warrants on Exercise of 500,189 Special Broker Warrants;  
169,070 Broker Warrants on Exercise of 169,070 FT Special Broker Warrants;  
647,688 Special Warrant Shares and 647,688 Warrants that may be issued as Penalty Securities;  
50,019 NFT Broker Warrants and 16,907 FT Broker Warrants that may be issued as Penalty Securities and 50,019 Broker Shares and 50,019 Broker Warrants on exercise of 50,019 NFT Broker Warrants that may be issued as Broker Penalty Securities

Price: \$1.05 per Special Warrant

Price: \$1.20 per Flow-Through Special Warrant

**Underwriter(s) or Distributor(s):**

National Bank Financial Inc.

Pope & Company Limited

**Promoter(s):**

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**Project #1790495**

**Issuer Name:**

LNG Energy Ltd.  
Principal Regulator - British Columbia

**Type and Date:**

Preliminary Short Form Prospectus dated August 29, 2011  
NP 11-202 Receipt dated August 29, 2011

**Offering Price and Description:**

\$ \* - \* Common Shares  
PRICE: \$ \* PER COMMON SHARE

**Underwriter(s) or Distributor(s):**

PARADIGM CAPITAL INC.  
CANACCORD GENUITY CORP.  
FRASER MACKENZIE LTD.  
GMP SECURITIES L.P.

**Promoter(s):**

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**Project #1794164**

**Issuer Name:**

Mackenzie All-Sector Canadian Balanced Fund  
Mackenzie All-Sector Canadian Equity Fund  
Mackenzie Cundill American Class  
Mackenzie Cundill Canadian Balanced Fund  
Mackenzie Cundill Canadian Security Class  
Mackenzie Cundill Canadian Security Fund  
Mackenzie Cundill Emerging Markets Value Class  
Mackenzie Cundill Global Balanced Fund  
Mackenzie Cundill Global Dividend Fund  
Mackenzie Cundill International Class  
Mackenzie Cundill Recovery Fund  
Mackenzie Cundill Value Class  
Mackenzie Cundill Value Fund  
Mackenzie Cundill World Fund  
Mackenzie Focus All-Canadian Class  
Mackenzie Focus Canada Fund  
Mackenzie Focus Class  
Mackenzie Focus Far East Class  
Mackenzie Focus Fund  
Mackenzie Focus International Class  
Mackenzie Focus Japan Class  
Mackenzie Founders Fund  
Mackenzie Founders Global Equity Class  
Mackenzie Founders Income & Growth Fund  
Mackenzie Growth Fund  
Mackenzie Ivy All-Canadian Class  
Mackenzie Ivy American Class  
Mackenzie Ivy Canadian Fund  
Mackenzie Ivy Enterprise Class  
Mackenzie Ivy Enterprise Fund  
Mackenzie Ivy European Class  
Mackenzie Ivy European Fund  
Mackenzie Ivy Foreign Equity Class  
Mackenzie Ivy Foreign Equity Fund  
Mackenzie Ivy Global Balanced Fund  
Mackenzie Ivy Growth & Income Fund  
Mackenzie Maxxum All-Canadian Dividend Class  
Mackenzie Maxxum All-Canadian Equity Class  
Mackenzie Maxxum Canadian Balanced Fund  
Mackenzie Maxxum Canadian Equity Growth Fund  
Mackenzie Maxxum Dividend Class  
Mackenzie Maxxum Dividend Fund  
Mackenzie Maxxum Dividend Growth Fund

Mackenzie Maxxum Monthly Income Fund  
Mackenzie Saxon Balanced Class  
Mackenzie Saxon Balanced Fund  
Mackenzie Saxon Dividend Income Class  
Mackenzie Saxon Dividend Income Fund  
Mackenzie Saxon Explorer Class  
Mackenzie Saxon Microcap Fund  
Mackenzie Saxon Small Cap Class  
Mackenzie Saxon Small Cap Fund  
Mackenzie Saxon Stock Class  
Mackenzie Saxon Stock Fund  
Mackenzie Saxon U.S. Equity Fund  
Mackenzie Sentinel Bond Fund  
Mackenzie Sentinel Canadian Short-Term Yield Class  
Mackenzie Sentinel Cash Management Fund  
Mackenzie Sentinel Corporate Bond Fund  
Mackenzie Sentinel Diversified Income Fund  
Mackenzie Sentinel Global Bond Fund  
Mackenzie Sentinel Income Fund  
Mackenzie Sentinel Managed Return Class  
Mackenzie Sentinel Money Market Fund  
Mackenzie Sentinel North American Corporate Bond Class  
Mackenzie Sentinel Real Return Bond Fund  
Mackenzie Sentinel Registered North American Corporate Bond Fund  
Mackenzie Sentinel Registered Strategic Income Fund  
Mackenzie Sentinel Short-Term Government Bond Fund  
Mackenzie Sentinel Short-Term Income Fund  
Mackenzie Sentinel Strategic Income Class  
Mackenzie Sentinel U.S. Short-Term Yield Class  
Mackenzie Universal Africa & Middle East Class  
Mackenzie Universal All-Canadian Growth Class  
Mackenzie Universal American Growth Class  
Mackenzie Universal Canadian Balanced Fund  
Mackenzie Universal Canadian Growth Fund  
Mackenzie Universal Canadian Resource Fund  
Mackenzie Universal Canadian Shield Fund  
Mackenzie Universal Canadian Value Class  
Mackenzie Universal Emerging Markets Class  
Mackenzie Universal Global Growth Class  
Mackenzie Universal Global Growth Fund  
Mackenzie Universal Global Infrastructure Fund  
Mackenzie Universal Gold Bullion Class  
Mackenzie Universal Health Sciences Class  
Mackenzie Universal International Stock Class  
Mackenzie Universal International Stock Fund  
Mackenzie Universal North American Growth Class  
Mackenzie Universal Precious Metals Fund  
Mackenzie Universal Sustainable Opportunities Class  
Mackenzie Universal Technology Class  
Mackenzie Universal U.S. Blue Chip Class  
Mackenzie Universal U.S. Dividend Income Fund  
Mackenzie Universal U.S. Emerging Growth Class  
Mackenzie Universal U.S. Growth Leaders Class  
Mackenzie Universal U.S. Growth Leaders Fund  
Mackenzie Universal World Precious Metals Class  
Mackenzie Universal World Real Estate Class  
Mackenzie Universal World Resource Class  
Symmetry Equity Class  
Symmetry Fixed Income Class  
Symmetry One Balanced Portfolio Class  
Symmetry One Conservative Portfolio Class  
Symmetry One Growth Portfolio Class

Symmetry One Moderate Growth Portfolio Class  
Symmetry One Registered Balanced Portfolio Fund  
Symmetry One Registered Conservative Portfolio Fund  
Symmetry One Registered Growth Portfolio Fund  
Symmetry One Registered Moderate Growth Portfolio Fund  
Symmetry Registered Fixed Income Fund  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Simplified Prospectuses dated August 24, 2011  
NP 11-202 Receipt dated August 24, 2011

**Offering Price and Description:**

Series A, AR, E, E6, F, F6 J, J6, O, O6 and T6 Securities

**Underwriter(s) or Distributor(s):**

Quadrus Investment Services Ltd.

**Promoter(s):**

MACKENZIE FINANCIAL CORPORATION

Project #1789999

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**Issuer Name:**

Uranerz Energy Corporation  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Prospectus - MJDS dated August 25, 2011  
NP 11-202 Receipt dated August 26, 2011

**Offering Price and Description:**

\$100,000,000

Common Shares

Debt Securities

Warrants

Subscription Receipts

Units

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

Project #1791478

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**Issuer Name:**

Acadian Core International Equity Fund  
Integra Balanced Fund  
Integra Bond Fund  
Integra Canadian Value Growth Fund  
Integra International Equity Fund  
Integra Newton Global Equity Fund  
Integra Short Term Investment Fund  
Integra U.S. Value Growth Fund  
Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectuses dated August 23, 2011  
NP 11-202 Receipt dated August 24, 2011

**Offering Price and Description:**

Mutual Fund Units

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

Project #1776127

**Issuer Name:**

Acuity Conservative Asset Allocation Fund  
Principal Regulator - Ontario

**Type and Date:**

Amendment #5 dated August 19, 2011 to Final Simplified  
Prospectus and Annual Information Form dated August 18,  
2010

NP 11-202 Receipt dated August 26, 2011

**Offering Price and Description:**

Mutual Fund Series, Series F, Series O, Series T and  
Series V Units @ Net Asset Value

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

ACUITY FUNDS LTD.

Project #1606775

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**Issuer Name:**

Avion Gold Corporation  
Principal Regulator - Ontario

**Type and Date:**

Final Short Form Prospectus dated August 24, 2011  
NP 11-202 Receipt dated August 24, 2011

**Offering Price and Description:**

\$50,094,000.00 - 24,200,000 Common Shares

Price: \$2.07 per Offered Share

**Underwriter(s) or Distributor(s):**

National Bank Financial Inc.

Canaccord Genuity Corp.

BMO Nesbitt Burns Inc.

Cormark Securities Inc.

Desjardins Securities Inc.

NCP Northland Capital Partners Inc.

Mackie Research Capital Corporation

**Promoter(s):**

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Project #1787437

**Issuer Name:**

Axiom All Equity Portfolio  
 Axiom Balanced Growth Portfolio  
 Axiom Balanced Income Portfolio  
 Axiom Canadian Growth Portfolio  
 Axiom Diversified Monthly Income Portfolio  
 Axiom Foreign Growth Portfolio  
 Axiom Global Growth Portfolio  
 Axiom Long-Term Growth Portfolio  
 Renaissance Asian Fund  
 Renaissance Canadian All-Cap Equity Fund  
 Renaissance Canadian Balanced Fund  
 Renaissance Canadian Bond Fund  
 Renaissance Canadian Core Value Fund  
 Renaissance Canadian Dividend Fund  
 Renaissance Canadian Growth Fund  
 Renaissance Canadian Monthly Income Fund  
 Renaissance Canadian Small-Cap Fund  
 Renaissance Canadian T-Bill Fund  
 Renaissance China Plus Fund  
 Renaissance Corporate Bond Capital Yield Fund  
 Renaissance Corporate Bond Fund  
 Renaissance Diversified Income Fund  
 Renaissance Emerging Markets Fund  
 Renaissance European Fund  
 Renaissance Global Bond Fund  
 Renaissance Global Focus Currency Neutral Fund  
 Renaissance Global Focus Fund  
 Renaissance Global Growth Currency Neutral Fund  
 Renaissance Global Growth Fund  
 Renaissance Global Health Care Fund  
 Renaissance Global Infrastructure Currency Neutral Fund  
 Renaissance Global Infrastructure Fund  
 Renaissance Global Markets Fund  
 Renaissance Global Real Estate Currency Neutral Fund  
 Renaissance Global Real Estate Fund  
 Renaissance Global Resource Fund  
 Renaissance Global Science & Technology Fund  
 Renaissance Global Small-Cap Fund  
 Renaissance Global Value Fund  
 Renaissance High-Yield Bond Fund  
 Renaissance International Dividend Fund  
 Renaissance International Equity Currency Neutral Fund  
 Renaissance International Equity Fund  
 Renaissance Millennium High Income Fund  
 Renaissance Money Market Fund  
 Renaissance Optimal Global Equity Currency Neutral Portfolio  
 Renaissance Optimal Global Equity Portfolio  
 Renaissance Optimal Income Portfolio  
 Renaissance Optimal Inflation Opportunities Portfolio  
 Renaissance Real Return Bond Fund  
 Renaissance Short-Term Income Fund  
 Renaissance U.S. Equity Fund  
 Renaissance U.S. Equity Growth Currency Neutral Fund  
 Renaissance U.S. Equity Growth Fund  
 Renaissance U.S. Equity Value Fund  
 Renaissance U.S. Money Market Fund  
 Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectuses dated August 23, 2011  
 NP 11-202 Receipt dated August 25, 2011

**Offering Price and Description:**

Class A, F, O, PremiumT4, T6, T8, Select, Select-T4, Select-T6, Select-T8, Elite, Elite-T4, Elite-T6, and Elite-T8 units @ Net Asset Value

**Underwriter(s) or Distributor(s):**

CIBC Asset Management Inc.

**Promoter(s):**

CIBC Asset Management Inc

**Project #1773857**

**Issuer Name:**

Harbour Voyageur Corporate Class (formerly Harbour All Cap Corporate Class)

Principal Regulator - Ontario

**Type and Date:**

Amendment #2 dated August 16, 2011 to Final Simplified Prospectus and Annual Information Form dated July 27, 2011

NP 11-202 Receipt dated August 26, 2011

**Offering Price and Description:**

-

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

CI Investments Inc.

**Project #1769246**

**Issuer Name:**

BMG BullionFund

BMG Gold BullionFund

Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectuses dated August 24, 2011

NP 11-202 Receipt dated August 29, 2011

**Offering Price and Description:**

Class A and Class F Units @ Net Asset Value

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

Bullion Management Services Inc.

**Project #1769357**

**Issuer Name:**

DevCorp Capital Inc.

Principal Regulator - Alberta

**Type and Date:**

Final CPC Prospectus dated August 24, 2011

NP 11-202 Receipt dated August 26, 2011

**Offering Price and Description:**

\$300,000.00 - 3,000,000 Common Shares Price: \$0.10 per Common Share

**Underwriter(s) or Distributor(s):**

MACQUARIE PRIVATE WEALTH INC.

**Promoter(s):**

Sidney Dutchak

**Project #1755407**

**Issuer Name:**

Exemplar Canadian Income Fund  
Exemplar Global Infrastructure Fund  
Exemplar Leaders Fund (formerly, Northern Rivers  
Conservative Growth Fund)  
Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectuses dated August 24, 2011  
NP 11-202 Receipt dated August 29, 2011

**Offering Price and Description:**

Series A and Series F Units @ Net Asset Value

**Underwriter(s) or Distributor(s):**

Blumont Capital Corporation

**Promoter(s):**

Blumont Capital Corporation

**Project #1775304**

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**Issuer Name:**

Frontenac Mortgage Investment Corporation  
Principal Jurisdiction - Ontario

**Type and Date:**

Final Long Form Prospectus dated August 25, 2011  
NP 11-202 Receipt dated August 26, 2011

**Offering Price and Description:**

Common Shares @ Net Asset Value

**Underwriter(s) or Distributor(s):**

**Promoter(s):**

W.A. Robinson & Associates Ltd.

**Project #1775677**

---

**Issuer Name:**

Front Street Flow-Through 2011-II Limited Partnership  
Principal Regulator - Ontario

**Type and Date:**

Final Long Form Prospectus dated August 25, 2011  
NP 11-202 Receipt dated August 29, 2011

**Offering Price and Description:**

\$30,000,000 - (Maximum Offering - 1,200,000 Units) @  
\$25.00 per Unit

\$10,000,000 - (Minimum Offering - 400,000 Units) @  
\$25.00 per Unit

**Underwriter(s) or Distributor(s):**

NATIONAL BANK FINANCIAL INC.  
CIBC WORLD MARKETS INC.  
RBC DOMINION SECURITIES INC.  
MACQUARIE CAPITAL MARKETS CANADA LTD.  
TUSCARORA CAPITAL INC.  
DUNDEE SECURITIES LTD.  
MANULIFE SECURITIES INCORPORATED  
SHERBROOKE STREET CAPITAL (SSC) INC.

**Promoter(s):**

FSC GP I Corp.  
Front Street Capital 2004

**Project #1777219**

---

**Issuer Name:**

Hydro One Inc.  
Principal Regulator - Ontario

**Type and Date:**

Final Shelf Prospectus dated August 23, 2011  
NP 11-202 Receipt dated August 24, 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:**

IA Clarington Target Click 2015 Fund  
IA Clarington Target Click 2020 Fund  
IA Clarington Target Click 2025 Fund  
IA Clarington Target Click 2030 Fund  
Principal Regulator - Quebec

**Type and Date:**

Amendment #1 dated August 18, 2011 to Final Simplified  
Prospectuses and Annual Information Form dated May 25,  
2011

NP 11-202 Receipt dated August 25, 2011

**Offering Price and Description:**

Series A and F @ Net Asset Value

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

IA Clarington Investments Inc.

**Project #1731759**

---

**Issuer Name:**

IA Clarington Canadian Income Fund  
IA Clarington Dividend Income Fund  
Principal Jurisdiction - Quebec

**Type and Date:**

Amendment #1 dated July 29, 2011 to Final Simplified  
Prospectuses and Annual Information Form dated July 12,  
2011

NP 11-202 Receipt dated August 25, 2011

**Offering Price and Description:**

-

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

IA Clarington Investments Inc.

**Project #1732084**

---

**Issuer Name:**

Manitoba Telecom Services Inc.

**Type and Date:**

Final Shelf Prospectus dated August 23, 2011

Received on August 24, 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**

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**Issuer Name:**

RBC Private Asian Equity Pool

RBC Private Canadian Bond Pool

RBC Private Canadian Corporate Bond Pool (formerly,

RBC Private Corporate Bond Pool)

RBC Private Canadian Dividend Pool

RBC Private Canadian Equity Pool

RBC Private Canadian Growth and Income Equity Pool

RBC Private Canadian Mid Cap Equity Pool

RBC Private Canadian Value Equity Pool

RBC Private Core Canadian Equity Pool

RBC Private EAFE Equity Pool

RBC Private European Equity Pool

RBC Private Global Bond Pool

RBC Private Global Dividend Growth Pool

RBC Private Income Pool

RBC Private International Equity Pool

RBC Private O'Shaughnessy Canadian Equity Pool

RBC Private O'Shaughnessy U.S. Growth Equity Pool

RBC Private O'Shaughnessy U.S. Value Equity Pool

RBC Private Overseas Equity Pool

RBC Private Short-Term Income Pool

RBC Private U.S. Equity Pool

RBC Private U.S. Growth Equity Pool

RBC Private U.S. Large Cap Equity Currency Neutral Pool

RBC Private U.S. Large Cap Equity Pool

RBC Private U.S. Mid Cap Equity Pool

RBC Private U.S. Small Cap Equity Pool

RBC Private U.S. Value Equity Currency Neutral Pool

RBC Private U.S. Value Equity Pool

RBC Private World Equity Pool

Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectuses dated August 19, 2011

NP 11-202 Receipt dated August 24, 2011

**Offering Price and Description:**

Series O, Series F and Series T Units @ Net Asset Value

**Underwriter(s) or Distributor(s):**

RBC Global Asset Management Inc.

The Royal Trust Company

**Promoter(s):**

-

**Project #1774157**

**Issuer Name:**

Rockstar Capital Corp.

Principal Regulator - Ontario

**Type and Date:**

Final CPC Prospectus dated August 23, 2011

NP 11-202 Receipt dated August 24, 2011

**Offering Price and Description:**

Minimum Offering: \$400,000.00 or 4,000,000 Common

Shares; Maximum Offering: \$600,000 or 6,000,000.00

Common Shares Price: \$0.10 per Common Share

**Underwriter(s) or Distributor(s):**

CANACCORD GENUITY CORP.

**Promoter(s):**

JESSE KAPLAN

**Project #1777117**

---

**Issuer Name:**

Russell Diversified Monthly Income Class Portfolio

Russell Income Essentials Class Portfolio (formerly Russell

Retirement Essentials Class Portfolio)

Russell Canadian Dividend Class

Russell Income Essentials Portfolio (formerly Russell

Retirement Essentials Portfolio)

Principal Regulator - Ontario

**Type and Date:**

Amendment #1 dated August 16, 2011 to Final Simplified  
Prospectuses and Annual Information Form dated June 29,  
2011

NP 11-202 Receipt dated August 26, 2011

**Offering Price and Description:**

Series B, E, E-5, E-6, E-7, F, F-5, F-6, F-7, I-5, I-6, I-7 @  
Net Asset Value

**Underwriter(s) or Distributor(s):**

Russell Investments Canada Limited

**Promoter(s):**

-

**Project #1751755**

**Issuer Name:**

Stone & Co. Dividend Growth Class Canada  
Stone & Co. Europlus Dividend Growth Fund  
Stone & Co. Flagship Global Growth Fund  
Stone & Co. Flagship Growth & Income Fund Canada  
Stone & Co. Flagship Money Market Fund Canada  
Stone & Co. Flagship Stock Fund Canada  
Stone & Co. Growth Industries Fund  
Stone & Co. Resource Plus Class  
Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectuses dated August 25, 2011  
NP 11-202 Receipt dated August 29, 2011

**Offering Price and Description:**

Series A, Series B, Series C, Series F, Series L, Series AA,  
Series BB, Series CC, Series FF, Series T8A, Series T8B  
and Series T8C Units and  
Series A, Series B, Series C, Series F, Series L, Series  
T8A, Series T8B and Series T8C Shares @ Net Asset  
Value

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

Stone & Co. Limited  
Project #1774094

---

**Issuer Name:**

Timbercreek Mortgage Investment Corporation  
Principal Regulator - Ontario

**Type and Date:**

Amendment #1 dated August 19, 2011 to Final Shelf  
Prospectus dated December 30, 2009  
NP 11-202 Receipt dated August 26, 2011

**Offering Price and Description:**

\$250,000,000 of Class A Shares

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

Timbercreek Asset Management Inc.  
Project #1516628

---

**Issuer Name:**

Ultra Green Packaging Ltd.  
Principal Jurisdiction - Ontario

**Type and Date:**

Preliminary Long Form Prospectus dated April 29, 2011  
Withdrawn on August 26, 2011

**Offering Price and Description:**

Minimum Offering: C\$5,000,000 or \* Units  
Maximum Offering: C\$15,000,000 or \* Units  
Price: \$ \* per Unit

**Underwriter(s) or Distributor(s):**

Kingsdale Capital Markets Inc.

**Promoter(s):**

Ultra Green Package, Inc.  
Project #1737489

---

**Issuer Name:**

Vertex Value Fund  
Vertex Enhanced Income Fund  
Vertex Growth Fund  
Principal Jurisdiction - British Columbia

**Type and Date:**

Final Simplified Prospectuses dated August 26, 2011  
NP 11-202 Receipt dated August 26, 2011

**Offering Price and Description:**

-

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

Project #1778306

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## Chapter 12

# Registrations

### 12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Name Change	From: Greenrock Asset Management Ltd. To: Greenrock Capital Partners Inc.	Exempt Market Dealer	August 15, 2011
New Registration	Aberdeen Asset Management Canada Limited	Portfolio Manager	August 24, 2011
New Registration	4Front Capital Partners Inc.	Exempt Market Dealer	August 25, 2011
Change in Registration Category	Marvin & Palmer Associates Inc.	From: Portfolio Manager To: Portfolio Manager and Exempt Market Dealer	August 26, 2011
Change in Registration Category	Joel Raby Asset Management Inc.	From: Exempt Market Dealer To: Portfolio Manager and Exempt Market Dealer	August 30, 2011
Consent to Suspension (Pending Surrender)	Morgan Bay Capital Inc.	Portfolio Manager	August 30, 2011

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## Chapter 25

# Other Information

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### 25.1 Exemptions

#### 25.1.1 Lakeview Disciplined Leadership Canadian Equity Fund et al.

##### Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Exemption from general instruction 8 of the Form to include fund codes in the Fund Facts document.

##### Applicable Legislative Provisions

National Instrument 81-101 Mutual Fund Prospectus Disclosure, Part 6.  
General instruction 8 to Form 81-101F3 Contents of Fund Facts Document.

July 26, 2011

CI Investments Inc.  
2 Queen Street East  
Twentieth Floor  
Toronto, Ontario M5C 3G7

Attention: Chris von Boetticher

Dear Sirs/Mesdames:

**Re: Lakeview Disciplined Leadership Canadian Equity Fund (Class A, F and I units)**  
**Lakeview Disciplined Leadership U.S. Equity Fund (Class A, F and I units)**  
**Lakeview Disciplined Leadership High Income Fund (Class A, F and I units)**

**Exemptive Relief Application under Part 6 of National Instrument 81-101**  
***Mutual Fund Prospectus Disclosure* (NI 81 101)**  
**Application No. 2011/0540; SEDAR Project No. 1767124**

By letter dated June 28, 2011 (the Application), the Funds applied to the Director of the Ontario Securities Commission (the Director) under Part 6 of NI 81-101 for relief from General Instruction 8 to Form 81-101F3 *Contents of Fund Facts* (the Form), which prohibits an issuer including any information not specifically prescribed by the Form to include fund codes in the Fund Facts document.

This letter confirms that, based on the information and representations made in the Application, and for the purposes described in the Application, the Director intends to grant the requested exemption to be evidenced by the issuance of a receipt for the Fund's prospectus, subject to the condition that the prospectus be filed no later than July 30, 2011.

Yours very truly,

"Raymond Chan"  
Manager, Investment Funds Branch

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# Index

<b>4Front Capital Partners Inc.</b>		<b>CanPro Income Fund I, LP</b>	
New Registration.....	9211	Notice from the Office of the Secretary .....	9079
<b>7722656 Canada Inc.</b>		Order – s.127 .....	9111
Notice from the Office of the Secretary .....	9078	<b>Chan, Allen</b>	
Order.....	9108	Order– ss. 127(1), 127(5).....	9103
<b>Aberdeen Asset Management Canada Limited</b>		Order– s. 144(1).....	9105
New Registration.....	9211	Notice from the Office of the Secretary .....	9077
<b>Anchor Securities Limited</b>		<b>Cheng, Man Kin</b>	
News Release – Investor Alert.....	9076	Order .....	9113
OSC Decisions, Orders, and Rulings.....	9129	<b>Cohen, Bruce</b>	
<b>Anguilla LP</b>		Notice of Hearing – ss. 37, 127 .....	9075
Notice from the Office of the Secretary .....	9078	Notice from the Office of the Secretary .....	9079
Order.....	9108	<b>CSA Staff Notice 31-327 – Broker-Dealer Registration in the Exempt Market Dealer Category</b>	
<b>Applied Inventions Management Inc.</b>		Notice .....	9073
Cease Trading Order .....	9131	<b>Elad Canada Inc.</b>	
<b>Applied Inventions Management Inc.</b>		Decision.....	9085
Order– s. 144 .....	9108	<b>Faircourt Asset Management Inc.</b>	
<b>Azeff, Paul</b>		Decision.....	9094
Order.....	9115	<b>Faircourt Split Trust</b>	
<b>Bajovski, Nikola</b>		Decision.....	9094
Notice of Hearing – ss. 37, 127.....	9076	<b>Feder, Elliot</b>	
Notice from the Office of the Secretary .....	9080	Notice of Hearing – ss. 37, 127 .....	9075
<b>Barka Co. Limited</b>		Notice from the Office of the Secretary .....	9079
Notice from the Office of the Secretary .....	9078	<b>Finkelstein, Mitchell</b>	
Order.....	9108	Order .....	9113
<b>Beck, Peter</b>		<b>Gauthier, Normand</b>	
Notice from the Office of the Secretary .....	9078	Notice from the Office of the Secretary .....	9079
Order.....	9108	Order – s.127 .....	9111
<b>Biremis, Corp.</b>		<b>Gentree Asset Management Inc.</b>	
Notice from the Office of the Secretary .....	9078	Notice from the Office of the Secretary .....	9079
Order.....	9108	Order – s.127 .....	9111
<b>Bobrow, Korin</b>		<b>Global Energy Group, Ltd.</b>	
Order.....	9113	Notice of Hearing – ss. 37, 127 .....	9075
<b>Brikman, Vyacheslav</b>		Notice from the Office of the Secretary .....	9079
Notice of Hearing – ss. 37, 127.....	9075	<b>Greenrock Asset Management Ltd.</b>	
Notice from the Office of the Secretary .....	9080	Name Change .....	9211
<b>Brikman, Vyacheslav</b>		<b>Groberman, Herbert</b>	
Notice of Hearing – ss. 37, 127.....	9076	Notice of Hearing – ss. 37, 127 .....	9075
Notice from the Office of the Secretary .....	9079	Notice from the Office of the Secretary .....	9079
<b>C&amp;C Energia Ltd.</b>			
Decision .....	9091		

**Harper, Christina**

Notice of Hearing – ss. 37, 127 .....	9075
Notice from the Office of the Secretary .....	9079

**Heppner, Martin Donald**

News Release – Investor Alert .....	9076
OSC Decisions, Orders, and Rulings .....	9129

**Ho, George**

Order– ss. 127(1), 127(5) .....	9103
Order– s. 144(1) .....	9105
Notice from the Office of the Secretary .....	9077

**Humboldt Capital Corporation**

Decision .....	9097
----------------	------

**Hung, Alfred C.T.**

Order– ss. 127(1), 127(5) .....	9103
Order– s. 144(1) .....	9105
Notice from the Office of the Secretary .....	9077

**Ianno, Anthony**

Notice of Hearing – ss. 127 and 127.1 .....	9076
Notice from the Office of the Secretary .....	9080

**Investis U.S. Inc.**

Decision .....	9084
----------------	------

**Ip, Albert**

Order– ss. 127(1), 127(5) .....	9103
Order– s. 144(1) .....	9105
Notice from the Office of the Secretary .....	9077

**ISAM (UK) Limited**

Order – s. 80 of CFA .....	9116
----------------------------	------

**ISAM (USA) LLC**

Order – s. 80 of CFA .....	9116
----------------------------	------

**Joel Raby Asset Management Inc.**

Change in Registration Category .....	9211
---------------------------------------	------

**K.J. Harrison & Partners Inc.**

Ruling –s. 74(1) .....	9125
------------------------	------

**Kuszper, Paul**

Notice of Hearing – ss. 127, 127.1 .....	9076
Notice from the Office of the Secretary .....	9079

**Kuszper, Helen**

Notice of Hearing – ss. 127, 127.1 .....	9075
Notice from the Office of the Secretary .....	9078

**Lakeview Disciplined Leadership Canadian Equity Fund**

Exemptions .....	9213
------------------	------

**Lakeview Disciplined Leadership High Income Fund**

Exemptions .....	9213
------------------	------

**Lakeview Disciplined Leadership U.S. Equity Fund**

Exemptions .....	9213
------------------	------

**Manzo, Saverio**

Notice of Hearing – ss. 127 and 127.1 .....	9076
Notice from the Office of the Secretary .....	9080

**Marvin & Palmer Associates Inc.**

Change in Registration Category .....	9211
---------------------------------------	------

**Mercator Minerals Ltd.**

Decision .....	9081
----------------	------

**Miller, Howard Jeffrey**

Order .....	9114
-------------	------

**Morgan Bay Capital Inc.**

Consent to Suspension (Pending Surrender) .....	9211
---	------

**New Gold Limited Partnerships**

Notice of Hearing – ss. 37, 127 .....	9075
Notice from the Office of the Secretary .....	9079

**Newlook Industries Corp.**

Cease Trading Order .....	9131
---------------------------	------

**Newlook Industries Corp.**

Order – s. 144 .....	9114
----------------------	------

**Northcliff Resources Ltd.**

Decision .....	9101
----------------	------

**Opal Stone Financial Services S.A.**

Notice from the Office of the Secretary .....	9075
Order .....	9108

**Pasternak, Oded**

Notice of Hearing – ss. 37, 127 .....	9075
Notice from the Office of the Secretary .....	9079

**Proposed NI 51-103 Ongoing Governance and Disclosure Requirements for Venture Issuers – Consultation Session**

Notice .....	9073
--------------	------

**R.E.A.L. Group Fund LII (Canada) LP**

Notice from the Office of the Secretary .....	9079
Order – s.127 .....	9111

**Rae & Lipskie Investment Counsel Inc.**

Rulings– s. 74(1) .....	9122
-------------------------	------

**RaeLipskie Partners' Equity Fund**

Rulings– s. 74(1) .....	9122
-------------------------	------

**Robinson, Peter**

Notice of Hearing – ss. 37, 127 .....	9075
Notice from the Office of the Secretary .....	9079

**Schaumer, Michael**

Notice of Hearing – ss. 37, 127 .....	9076
Notice from the Office of the Secretary .....	9080

**Shiff, Andrew**

Notice of Hearing – ss. 37, 127 .....	9075
Notice from the Office of the Secretary .....	9079

**Silverstein, Alan**

Notice of Hearing – ss. 37, 127 .....	9075
Notice from the Office of the Secretary .....	9079

**Sino-Forest Corporation**

Notice from the Office of the Secretary .....	9077
Order– ss. 127(1), 127(5).....	9103
Order– s. 144(1).....	9105

**Sitebrand Inc.**

Order – s. 144 .....	9109
----------------------	------

**Sundance Energy Corporation**

Decision .....	9090
----------------	------

**Swift Trade Inc.**

Notice from the Office of the Secretary .....	9078
Order.....	9108

**Technical and Environmental Disclosure to Assist  
Public Mining Companies – Seminar**

Notice.....	9072
-------------	------

**Trieme Corporation**

Notice from the Office of the Secretary .....	9078
Order.....	9108

**Tsatskin, Vadim**

Notice of Hearing – ss. 37, 127 .....	9075
Notice from the Office of the Secretary .....	9079

**Walker, Allan**

Notice of Hearing – ss. 37, 127 .....	9075
Notice from the Office of the Secretary .....	9079

**Walker, Allan**

Notice of Hearing – ss. 37, 127 .....	9075
Notice from the Office of the Secretary .....	9079

**Yeung, Simon**

Notice from the Office of the Secretary .....	9077
Order– ss. 127(1), 127(5).....	9103
Order– s. 144(1).....	9105

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