The Ontario Securities Commission

OSC Bulletin

December 23, 2011

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The Ontario Securities Commission administers the
Securities Act of Ontario (R.S.O. 1990, c. S.5) and the
Commodity Futures Act of Ontario (R.S.O. 1990, c. C.20)

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1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

December 23, 2011

CURRENT PROCEEDINGS

BEFORE

ONTARIO SECURITIES COMMISSION

- -

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

The Harry S. Bray Hearing Room
Ontario Securities Commission
Cadillac Fairview Tower
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20 Queen Street West
Toronto, Ontario
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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

January 3-10, 2012 10:00 a.m.	**Simply Wealth Financial Group Inc., Naida Allarde, Bernardo Giangrosso, K&S Global Wealth Creative Strategies Inc., Kevin Persaud, Maxine Lobban and Wayne Lobban** s. 127 and 127.1 C. Johnson in attendance for Staff Panel: JDC
January 9, 2012 10:00 a.m.	**Maple Leaf Investment Fund Corp., Joe Henry Chau (aka: Henry Joe Chau, Shung Kai Chow and Henry Shung Kai Chow), Tulsiani Investments Inc., Sunil Tulsiani and Ravinder Tulsiani** s. 127 A. Perschy/C. Rossi in attendance for Staff Panel: CP/PLK
January 11, 2012 10:00 a.m.	**Global Consulting and Financial Services, Crown Capital Management Corporation, Canadian Private Audit Service, Executive Asset Management, Michael Chomica, Peter Siklos (Also Known As Peter Kuti), Jan Chomica, and Lorne Banks** s. 127 H. Craig/C. Rossi in attendance for Staff Panel: CP

January 11, 2012 10:00 a.m.	**Marlon Gary Hibbert, Ashanti Corporate Services Inc., Dominion International Resource Management Inc., Kabash Resource Management, Power to Create Wealth Inc. and Power to Create Wealth Inc. (Panama)** s. 127 J. Lynch/S. Chandra in attendance for Staff Panel: JDC
January 12-13, 2012 10:00 a.m.	**Richvale Resource Corp., Marvin Winick, Howard Blumenfeld, John Colonna, Pasquale Schiavone, and Shafi Khan** s. 127(7) and 127(8) J. Feasby in attendance for Staff Panel: EPK
January 12, March 28-30, and April 3, 2012 10:00 a.m. January 16 and March 26, 2012 11:00 a.m.	**Shaun Gerard McErlean, Securus Capital Inc., and Acquiesce Investments** s. 127 M. Britton in attendance for Staff Panel: VK/JDC
January 16, 2012 10:00 a.m.	**North American Financial Group Inc., North American Capital Inc., Alexander Flavio Arconti, and Luigino Arconti** s. 127 M. Vaillancourt in attendance for Staff Panel: JEAT
January 18-23, 2012 10:00 a.m.	**Peter Beck, Swift Trade Inc. (continued as 7722656 Canada Inc.), Biremis, Corp., Opal Stone Financial Services S.A., Barka Co. Limited, Trieme Corporation and a limited partnership referred to as "Anguilla LP"** s. 127 B. Shulman in attendance for Staff Panel: JEAT
January 20, 2012 10:00 a.m.	**L. Jeffrey Pogachar, Paola Lombardi, Alan S. Price, New Life Capital Corp., New Life Capital Investments Inc., New Life Capital Advantage Inc., New Life Capital Strategies Inc., 1660690 Ontario Ltd., 2126375 Ontario Inc., 2108375 Ontario Inc., 2126533 Ontario Inc., 2152042 Ontario Inc., 2100228 Ontario Inc., and 2173817 Ontario Inc.** s. 127 M. Britton in attendance for Staff Panel: EPK/PLK
January 23-26, January 30 and February 1-8, 2012 10:00 a.m.	**Global Energy Group, Ltd., New Gold Limited Partnerships, Christina Harper, Vadim Tsatskin, Michael Schaumer, Elliot Feder, Oded Pasternak, Alan Silverstein, Herbert Groberman, Allan Walker, Peter Robinson, Vyacheslav Brikman, Nikola Bajovski, Bruce Cohen and Andrew Shiff** s. 37, 127 and 127.1 H. Craig in attendance for Staff Panel: PLK/MCH/JNR
January 24, 2012 10:00 a.m.	**Majestic Supply Co. Inc., Suncastle Developments Corporation, Herbert Adams, Steve Bishop, Mary Kricfalusi, Kevin Loman and CBK Enterprises Inc.** s. 37, 127 and 127.1 D. Ferris in attendance for Staff Panel: EPK/PLK

January 26-27, 2012 10:00 a.m.	**Empire Consulting Inc. and Desmond Chambers** s. 127 D. Ferris in attendance for Staff Panel: EPK
January 30, 2012 10:00 a.m.	**Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Ciavarella and Michael Mitton** s. 127 H. Craig in attendance for Staff Panel: JEAT
January 31, 2012 3:00 p.m.	**Bruce Carlos Mitchell** s. 127 C. Johnson in attendance for Staff Panel: TBA
February 1, 2012 10:00 a.m.	**Ciccone Group, Medra Corp. (a.k.a. Medra Corporation), 990509 Ontario Inc., Tadd Financial Inc., Cachet Wealth Management Inc., Vincent Ciccone (a.k.a. Vince Ciccone), Darryl Brubacher, Andrew J Martin, Steve Haney, Klaudiusz Malinowski, and Ben Giangrosso** s. 127 M. Vaillancourt in attendance for Staff Panel: PLK
February 1-3, February 7-10 February 15-17 and February 22-23, 2012 10:00 a.m. February 6, 13 and 21, 2012 11:00 a.m.	**Irwin Boock, Stanton Defreitas, Jason Wong, Saudia Allie, Alena Dubinsky, Alex Khodjiaints Select American Transfer Co., Leasesmart, Inc., Advanced Growing Systems, Inc., International Energy Ltd., Nutrione Corporation, Pocketop Corporation, Asia Telecom Ltd., Pharm Control Ltd., Cambridge Resources Corporation, Compushare Transfer Corporation, Federated Purchaser, Inc., TCC Industries, Inc., First National Entertainment Corporation, WGI Holdings, Inc. and Enerbrite Technologies Group** s. 127 and 127.1 H. Craig in attendance for Staff Panel: VK
February 2-3, 2012 10:00 a.m.	**Zungui Haixi Corporation, Yanda Cai and Fengyi Cai** s. 127 J. Superina in attendance for Staff Panel: CP
February 15-17, 2012 10:00 a.m.	**Maitland Capital Ltd., Allen Grossman, Hanoch Ulfan, Leonard Waddingham, Ron Garner, Gord Valde, Marianne Hyacinthe, Dianna 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: EPK

March 5-12 and March 14-21, 2012 10:00 a.m.	**Ameron Oil and Gas Ltd., MX-IV Ltd., Gaye Knowles, Giorgio Knowles, Anthony Howorth, Vadim Tsatskin, Mark Grinshpun, Oded Pasternak, and Allan Walker** s. 127 H. Craig/C. Rossi in attendance for Staff Panel: CP
March 8, 2012 10:00 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
March 12, March 14-26, and March 28, 2012 10:00 a.m.	**David M. O'Brien** s. 37, 127 and 127.1 B. Shulman in attendance for Staff Panel: EPK
March 27, 2012 10:00 a.m. June 18 and June 20-22, 2012 10:00 a.m.	**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: PLK
April 2-5, April 9, April 11-23 and April 25-27, 2012 10:00 a.m.	**Bernard Boily** s. 127 and 127.1 M. Vaillancourt/U. Sheikh in attendance for Staff Panel: TBA
April 18, 2012 10:00 a.m.	**Sextant Capital Management Inc., Sextant Capital GP Inc., Otto Spork, Robert Levack and Natalie Spork** s. 127 T. Center in attendance for Staff Panel: JDC
April 30-May 7, May 9-18 and May 23-25, 2012 10:00 a.m.	**Rezwealth Financial Services Inc., Pamela Ramoutar, Justin Ramoutar, Tiffin Financial Corporation, Daniel Tiffin, 2150129 Ontario Inc., Sylvan Blackett, 1778445 Ontario Inc. and Willoughby Smith** s. 127(1) and (5) A. Heydon in attendance for Staff Panel: CP
May 9-18 and May 23-25, 2012 10:00 a.m.	**Crown Hill Capital Corporation and Wayne Lawrence Pushka** s. 127 A. Perschy in attendance for Staff Panel: EPK
June 4, June 6-18, and June 20-26, 2012 10:00 a.m.	**Peter Sbaraglia** s. 127 J. Lynch in attendance for Staff Panel: TBA
June 22, 2012 10:00 a.m.	**New Hudson Television Corporation, New Hudson Television L.L.C. & James Dmitry Salganov** s. 127 C. Watson in attendance for Staff Panel: TBA

September 4-10, September 12-14, September 19-24, and September 26 – October 5, 2012 10:00 a.m.	**Portus Alternative Asset Management Inc., Portus Asset Management Inc., Boaz Manor, Michael Mendelson, Michael Labanowich and John Ogg** s. 127 H Craig in attendance for Staff Panel: TBA
September 21, 2012 10:00 a.m.	**Oversea Chinese Fund Limited Partnership, Weizhen Tang and Associates Inc., Weizhen Tang Corp., and Weizhen Tang** s. 127 and 127.1 H. Craig in attendance for Staff Panel: TBA
TBA	**Yama Abdullah Yaqeen** s. 8(2) J. Superina in attendance for Staff Panel: TBA
TBA	**Microsourceonline Inc., Michael Peter Anzelmo, Vito Curalli, Jaime S. Lobo, Sumit Majumdar and Jeffrey David Mandell** s. 127 J. Waechter in attendance for Staff Panel: TBA
TBA	**Frank Dunn, Douglas Beatty, Michael Gollogly** s. 127 K. Daniels in attendance for Staff Panel: TBA
TBA	**MRS Sciences Inc. (formerly Morningside Capital Corp.), Americo DeRosa, Ronald Sherman, Edward Emmons and Ivan Cavric** s. 127 and 127(1) D. Ferris in attendance for Staff Panel: TBA
TBA	**Gold-Quest International, 1725587 Ontario Inc. carrying on business as Health and Harmoney, Harmoney Club Inc., Donald Iain Buchanan, Lisa Buchanan and Sandra Gale** s. 127 H. Craig in attendance for Staff Panel: TBA
TBA	**Lyndz Pharmaceuticals Inc., James Marketing Ltd., Michael Eatch and Rickey McKenzie** s. 127(1) and (5) J. Feasby/C. Rossi in attendance for Staff Panel: TBA
TBA	**M P Global Financial Ltd., and Joe Feng Deng** s. 127 (1) M. Britton in attendance for Staff Panel: TBA
TBA	**Shane Suman and Monie Rahman** s. 127 and 127(1) C. Price in attendance for Staff Panel: TBA

TBA

Gold-Quest International, Health and Harmoney, Iain Buchanan and Lisa Buchanan

s. 127

H. Craig in attendance for Staff

Panel: TBA

TBA

Brilliante Brasilcan Resources Corp., York Rio Resources Inc., Brian W. Aidelman, Jason Georgiadis, Richard Taylor and Victor York

s. 127

H. Craig in attendance for Staff

Panel: TBA

TBA

Abel Da Silva

s. 127

C. Watson in attendance for Staff

Panel: TBA

TBA

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

s. 127

T. Center/D. Campbell in attendance for Staff

Panel: TBA

TBA

Merax Resource Management Ltd. carrying on business as Crown Capital Partners, Richard Mellon and Alex Elin

s. 127

T. Center in attendance for Staff

Panel: TBA

TBA

Alexander Christ Doulis (aka Alexander Christos Doulis, aka Alexandros Christodoulidis) and Liberty Consulting Ltd.

s. 127

S. Horgan in attendance for Staff

Panel: TBA

TBA

Uranium308 Resources Inc., Michael Friedman, George Schwartz, Peter Robinson, and Shafi Khan

s. 127

H. Craig/C.Rossi in attendance for Staff

Panel: TBA

TBA

Paul Donald

s. 127

C. Price in attendance for Staff

Panel: TBA

TBA

Axcess Automation LLC, Axcess Fund Management, LLC, Axcess Fund, L.P., Gordon Alan Driver, David Rutledge, 6845941 Canada Inc. carrying on business as Anesis Investments, Steven M. Taylor, Berkshire Management Services Inc. carrying on business as International Communication Strategies, 1303066 Ontario Ltd. Carrying on business as ACG Graphic Communications, Montecassino Management Corporation, Reynold Mainse, World Class Communications Inc. and Ronald Mainse

s. 127

Y. Chisholm in attendance for Staff

Panel: TBA

TBA

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

s. 37, 127 and 127.1

C. Price in attendance for Staff

Panel: TBA

TBA

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

s. 127(1) and 127(5)

C. Watson in attendance for Staff

Panel: TBA

TBA

Lehman Brothers & Associates Corp., Greg Marks, Kent Emerson Lounds and Gregory William Higgins

s. 127

C. Rossi in attendance for Staff

Panel: TBA

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

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

Sino-Forest Corporation, Allen Chan, Albert Ip, Alfred C.T. Hung, George Ho and Simon Yeung

s. 127

A. Perschy/H. Craig in attendance for Staff

Panel: TBA

TBA

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: TBA

TBA

Vincent Ciccone and Medra Corp.

s. 127

M. Vaillancourt in attendance for Staff

Panel: TBA

TBA **FactorCorp Inc., FactorCorp Financial Inc. and Mark Twerdun**

s. 127

C. Price in attendance for Staff

Panel: CP

TBA **New Found Freedom Financial, Ron Deonarine Singh, Wayne Gerard Martinez, Pauline Levy, David Whidden, Paul Swaby and Zompas Consulting**

s. 127

A. Heydon 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 **2196768 Ontario Ltd carrying on business as Rare Investments, Ramadhar Dookhie, Adil Sunderji and Evgueni Todorov**

s. 127

D. Campbell in attendance for Staff

Panel: TBA

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

s. 127

H. Craig/C. Watson in attendance for Staff

Panel: TBA

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

s. 127

M. Vaillancourt in attendance for Staff

Panel: TBA

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

s. 127 and 127.1

D. Ferris in attendance for Staff

Panel: VK/MCH

TBA **American Heritage Stock Transfer Inc., American Heritage Stock Transfer, Inc., BFM Industries Inc., Denver Gardner Inc., Sandy Winick, Andrea Lee McCarthy, Kolt Curry and Laura Mateyak**

s. 127

J. Feasby in attendance for Staff

Panel: TBA

TBA **Systematech Solutions Inc., April Vuong and Hao Quach**

s. 127

S. Schumacher 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

ADJOURNED SINE DIE

LandBankers International MX, S.A. De C.V.; Sierra Madre Holdings MX, S.A. De C.V.; L&B LandBanking Trust S.A. De C.V.; Brian J. Wolf Zacarias; Roger Fernando Ayuso Loyo, Alan Hemingway, Kelly Friesen, Sonja A. McAdam, Ed Moore, Kim Moore, Jason Rogers and Dave Urrutia

Hollinger Inc., Conrad M. Black, F. David Radler, John A. Boultbee and Peter Y. Atkinson

1.1.2 Notice of Correction – MBS Group (Canada) Ltd. et al.

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

AND

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

MBS Group (Canada) Ltd. et al., (2011), 34 O.S.C.B. 12032. On page 12032, the final paragraph of the Order reads:

IT IS FURTHER ORDERED that a pre-hearing conference is scheduled for January 13, 2011 at 10:00 a.m. at the offices of the Commission at which time the Commission will set dates for the hearing on the merits in this matter.

This should read instead:

IT IS FURTHER ORDERED that a pre-hearing conference is scheduled for January 13, 2012 at 10:00 a.m. at the offices of the Commission at which time the Commission will set dates for the hearing on the merits in this matter.

1.1.3 Notice of Ministerial Approval of Memorandum of Understanding between the OSC and FINRA

NOTICE OF MINISTERIAL APPROVAL OF MEMORANDUM OF UNDERSTANDING BETWEEN THE OSC AND FINRA

On December 13, 2011, the Minister of Finance approved, pursuant to section 143.10 of the *Securities Act* (Ontario), the Memorandum of Understanding (MOU) between the Ontario Securities Commission and the United States Financial Industry Regulatory Authority, Inc. (FINRA). The MOU is intended to facilitate the exchange of information with respect to regulated entities that operate across our respective borders, with a focus on enforcement-related matters.

The MOU came into effect in Ontario on December 13, 2011. The MOU signed by the OSC and FINRA was published in the Bulletin on November 18, 2011. (See (2011) 34 OSCB 11500.)

Questions may be referred to:

Jean-Paul Bureaud
Manager
Office of Domestic and International Affairs
Tel: 416-593-8131
E-mail: jbureaud@osc.gov.on.ca

December 23, 2011

1.2 Notices of Hearing

1.2.1 Phoenix Credit Risk Management Consulting Inc. et al. – ss. 127, 127.1

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

AND

**IN THE MATTER OF
PHOENIX CREDIT RISK MANAGEMENT CONSULTING INC., PHOENIX PENSION SERVICES INC., PHOENIX CAPITAL RESOURCES INC., RATHORE & ASSOCIATES ASSET MANAGEMENT LTD., 2195043 ONTARIO INC., JAWAD RATHORE, VINCENZO PETROZZA AND OMAR MALONEY**

**NOTICE OF HEARING
(Sections 127 and 127.1 of the Securities Act)**

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 "Securities Act") at the offices of the Commission located at 20 Queen Street West, Toronto, 17th Floor, commencing on Monday, December 19, 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 of the proceeding entered into between Staff of the Commission and Phoenix Credit Risk Management Consulting Inc., Phoenix Pension Services Inc., Phoenix Capital Resources Inc., Rathore & Associates Asset Management Ltd., 2195043 Ontario Inc., Jawad Rathore, Vincenzo Petrozza and Omar Maloney (the "Settlement Agreement"), and to make an order approving the sanctions set out in the Settlement Agreement;

BY REASON OF the allegations set out in the Statement of Allegations dated December 15, 2011 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 at the hearing;

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

DATED at Toronto this 15th day of December 2011.

"John Stevenson"
Secretary to the Commission

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

AND

**IN THE MATTER OF
PHOENIX CREDIT RISK MANAGEMENT CONSULTING INC., PHOENIX PENSION SERVICES INC., PHOENIX CAPITAL RESOURCES INC., RATHORE & ASSOCIATES ASSET MANAGEMENT LTD., 2195043 ONTARIO INC., JAWAD RATHORE, VINCENZO PETROZZA AND OMAR MALONEY**

STATEMENT OF ALLEGATIONS OF STAFF OF THE ONTARIO SECURITIES COMMISSION

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

Overview

1. Between January 1, 2007 and June 30, 2009 (the "Relevant Time"), Jawad Rathore ("Rathore") and Vincenzo Petrozza ("Petrozza") were the sole officers and directors of Phoenix Credit Risk Management Consulting Inc. ("Phoenix CRMC") and Phoenix Capital Resources Inc. ("Phoenix Capital Resources").

2. During the Relevant Time, Rathore was the sole officer and director of Phoenix Pension Services Inc. ("Phoenix Pension") and Rathore & Associates Asset Management Ltd. ("R&A").

3. During the Relevant Time, Rathore and Petrozza had signing authority on the bank account of 2195043 Ontario Inc. ("2195043"). Rathore's wife and Petrozza's wife were each directors and shareholders of 2195043.

4. Phoenix CRMC, Phoenix Pension, Phoenix Capital Resources, R&A and 2195043 are collectively referred to herein as the "Companies." The Companies and Rathore, Petrozza and Omar Maloney ("Maloney") are collectively referred to herein as the "Respondents."

5. The Companies are Ontario corporations, with the following incorporation dates:

   – R&A: November 21, 2001;

   – Phoenix Pension: July 12, 2002;

   – Phoenix CRMC: May 30, 2003;

   – Phoenix Capital Resources: February 8, 2006; and

   – 2195043: January 9, 2009.

6. During the Relevant Time, Maloney was an employee of Phoenix CRMC.

7. Prior to the Relevant Time, Phoenix Pension provided consulting services regarding funds in locked-in retirement accounts, including assisting individuals in unlocking or accessing funds in their retirement accounts to repay debts.

8. During the Relevant Time, Phoenix CRMC provided consulting services regarding funds in locked-in retirement accounts, including assisting individuals in unlocking or accessing funds in their retirement accounts to repay debts. Many clients of Phoenix CRMC were referred to it by collection agencies.

9. During the Relevant Time, Phoenix Capital Resources offered short term bridge loans to individuals who were unlocking funds in their retirement accounts to repay debt.

10. During the Relevant Time, Phoenix Pension, R&A and 2195043 received payments in respect of the Respondents' referral of clients of Phoenix CRMC to purchase shares in Great Pacific International Inc. ("GPI") and/or OSE Corp. ("OSE").

11. None of the Respondents were registered with the Commission during the Relevant Time.

GPI and OSE

12. During the Relevant Time, GPI and OSE were both reporting issuers listed on the TSX Venture Exchange ("TSXV") carrying on business as oil and gas companies.

13. During the Relevant Time, Thalbinder Poonian ("Poonian") was the President and a director of GPI and owned and/or controlled shares of GPI and OSE.

14. The Respondents were introduced to Poonian by a registered representative who was employed by an investment dealer registered with the Investment Dealers Association (as it then was).

The Phoenix Investors

15. Some Phoenix CRMC clients had amounts remaining in their accounts after unlocking their retirement funds and repaying debts.

16. During the Relevant Time, Rathore and Maloney, with and through Phoenix CRMC, recommended to many of those clients the purchase of shares of GPI and OSE. Many of those clients subsequently purchased shares of GPI and/or OSE (the "Phoenix Investors").

17. In many cases, the Respondents (other than Petrozza) told Phoenix Investors that the future

value and price of GPI, OSE or both, would increase.

18. The Phoenix Investors purchased their shares in GPI and/or OSE in accounts held at registered investment dealers. Some of the accounts were with full service investment dealers and some were with discount brokerage firms. If a Phoenix Investor did not have a trading account, Phoenix CRMC offered to assist the client in opening an account at an investment dealer and in many cases did so.

19. The Phoenix Investors were, in some cases, referred to representatives of GPI and OSE, including Poonian, who gave them information regarding GPI and OSE. Sometimes one of the Respondents (other than Petrozza), or an employee of one of the Companies, participated in those calls.

20. In order to effect many of the purchases, one of the Respondents (other than Petrozza), or an employee of one of the Companies participated in a three-way telephone call with the Phoenix Investor and a representative of the Phoenix Investor's investment dealer. Purchases were occasionally effected by the Phoenix Investors directly.

21. The Phoenix Investors thereby acquired shares of GPI, OSE, or both.

22. During the Relevant Time, the Phoenix Investors purchased approximately 11 million GPI shares and approximately 4.9 million OSE shares.

23. The Phoenix Investors invested a total of approximately $16.5 million in GPI and OSE.

24. In many cases, the shares purchased by the Phoenix Investors through the TSXV were sold by Poonian personally, or persons and companies related to and/or controlled or directed by him (the "Poonian Sellers"). Poonian effected these sales by specifying to the Respondents the timing and price of purchases by the Phoenix Investors.

25. Pursuant to an agreement with Poonian, certain of the Respondents, directly or indirectly, received compensation for referring investors to GPI and OSE from persons and companies related to, directed by and/or associated with Poonian. The compensation was typically a percentage of the amounts invested in GPI and OSE by the Phoenix Investors.

26. During the Relevant Time, approximately $3 million in compensation was paid to Phoenix Pension, R&A and 2195043 for the sale of GPI and OSE shares to the Phoenix Investors.

27. The Respondents did not disclose to the Phoenix Investors that they received compensation for referring Phoenix Investors to GPI and/or OSE.

28. During the Relevant Time, certain of the Companies caused approximately $261,787.55 in cheques to be issued to or for the benefit of several Phoenix Investors. Some of the cheques contained the notation "Dividends." During the Relevant Time, GPI and OSE did not declare dividends.

29. During the Relevant Time, certain of the Companies also made payments to or for the direct benefit of Phoenix Investors in the amount of approximately $10,500.00.

30. As outlined above, during the Relevant Time, Phoenix Capital Resources offered short term bridge loans to individuals who were unlocking funds in their retirement accounts to repay debt. These funds were advanced either directly to Phoenix Investors or to third party collection agencies as payments towards debts owing by Phoenix Investors. Debts owing to Phoenix Capital Resources by Phoenix Investors in the amount of approximately $22,500.00 as a result of such loans have been unconditionally forgiven by the Respondents.

Conduct Contrary to the *Securities Act* and Contrary to the Public Interest

31. The Respondents' activities in respect of GPI and OSE constituted trading in securities without registration in respect of which no exemption was available, contrary to section 25 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "*Securities Act*").

32. In their roles as directors and officers, including de facto directors and officers, Rathore and Petrozza authorized, permitted or acquiesced in the non-compliance of the Companies with Ontario securities law and, accordingly, failed to comply with Ontario securities law contrary to section 129.2 of the *Securities Act*.

33. The Respondents, except Petrozza, gave undertakings as to the future value or price of GPI and OSE with the intention of effecting trades in those securities, contrary to section 38(2) of the *Securities Act*.

34. The Respondents engaged in conduct contrary to the public interest by:

    a. failing to do adequate due diligence with respect to Poonian, the Poonian Sellers, GPI and OSE, before recommending shares of those companies to Phoenix Investors;

b. receiving compensation from Poonian or from others associated or related to him for referring Phoenix Investors;

c. failing to advise the Phoenix Investors that they received compensation for referring the Phoenix Investors to purchase GPI and/or OSE; and

d. describing payments to Phoenix Investors as dividends when they were not.

DATED at Toronto, the 15th day of December, 2011.

1.2.2 Systematech Solutions Inc. et al. – ss. 127(7), 127(8)

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

AND

IN THE MATTER OF
SYSTEMATECH SOLUTIONS INC.,
APRIL VUONG AND HAO QUACH

NOTICE OF HEARING
(Subsections 127(7) and 127(8))

WHEREAS on December 15, 2011, the Ontario Securities Commission (the "Commission") issued a Temporary Order pursuant to subsections 127(1) and 127(5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") that the Respondents cease all trading and that all trading in the securities of Systematech Solutions Inc. cease;

TAKE NOTICE THAT the Commission will hold a Hearing (the "Hearing") pursuant to subsections 127(7) and (8) of the Act at the offices of the Commission at 20 Queen Street West, 17th Floor Hearing Room on December 22, 2011 at 10:00 a.m. or as soon thereafter as the Hearing can be held;

TO CONSIDER whether, in the opinion of the Commission, it is in the public interest for the Commission:

(i) to extend the Temporary Order, pursuant to subsections 127(7) and (8) of the Act, until January 31, 2012 or until such further time as is ordered by the Commission; and

(ii) to make such further orders as the Commission considers appropriate.

BY REASON OF the recitals set out in the Temporary Order and such allegations and evidence as counsel may advise and the Commission may permit;

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

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

DATED at Toronto this 15th day of December, 2011

"Daisy Aranha"
Per: John Stevenson
Secretary to the Commission

1.3 News Releases

1.3.1 Phoenix Credit Risk Management Consulting Inc. and Others Settle with Ontario Securities Commission

FOR IMMEDIATE RELEASE
December 20, 2011

PHOENIX CREDIT RISK MANAGEMENT CONSULTING INC. AND OTHERS SETTLE WITH ONTARIO SECURITIES COMMISSION

TORONTO – The Ontario Securities Commission approved a settlement agreement yesterday between Staff and Phoenix Credit Risk Management Consulting Inc., Phoenix Pension Services Inc., Phoenix Capital Resources Inc., Rathore & Associates Asset Management Ltd., 2195043 Ontario Inc., Jawad Rathore ("Rathore"), Vincenzo Petrozza ("Petrozza") and Omar Maloney ("Maloney") (the "Respondents").

The Respondents admitted that their conduct relating to shares of Great Pacific International Inc. ("GPI") and OSE Corp. ("OSE") constituted unregistered trading in securities. The Respondents, except Petrozza, gave undertakings as to the future value or price of GPI and OSE in order to effect trades in those securities, and Petrozza and Rathore, in their roles as directors and officers, authorized, permitted or acquiesced in the non-compliance with Ontario securities law of the corporate respondents.

The Respondents engaged in conduct contrary to the public interest by failing to do adequate due diligence before recommending GPI and OSE shares to investors, receiving compensation in return for referring investors to GPI and/or OSE and failing to inform investors of the compensation. The Respondents also described payments to investors as dividends when they were not.

Under the settlement agreement, a total of $2,955,212.45 will be disgorged. The Respondents will also pay an administrative penalty of $250,000.00 and costs of $100,000.00 and will be subject to 15 year bans on trading and acquiring securities, subject to certain exceptions for the individuals. Rathore, Petrozza and Maloney are also prevented from acting as directors and officers of any registrant, investment fund manager or issuer that distributes securities under a prospectus or prospectus exemption, subject to certain exceptions.

A copy of the Settlement Agreement and Order of the Commission in this matter are available on the OSC website at www.osc.gov.on.ca.

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.

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1.4 Notices from the Office of the Secretary

1.4.1 Phoenix Credit Risk Management Consulting Inc. et al.

FOR IMMEDIATE RELEASE
December 15, 2011

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

AND

IN THE MATTER OF
PHOENIX CREDIT RISK MANAGEMENT CONSULTING INC., PHOENIX PENSION SERVICES INC., PHOENIX CAPITAL RESOURCES INC., RATHORE & ASSOCIATES ASSET MANAGEMENT LTD., 2195043 ONTARIO INC., JAWAD RATHORE, VINCENZO PETROZZA AND OMAR MALONEY

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 Phoenix Credit Risk Management Consulting Inc., Phoenix Pension Services Inc., Phoenix Capital Resources Inc., Rathore & Associates Asset Management Ltd., 2195043 Ontario Inc., Jawad Rathore, Vincenzo Petrozza and Omar Maloney.

The hearing will be held on December 19, 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 December 15, 2011 and Statement of Allegations of Staff of the Ontario Securities Commission dated December 15, 2011 are available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
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1.4.2 North American Financial Group Inc. et al.

FOR IMMEDIATE RELEASE
December 16, 2011

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

AND

IN THE MATTER OF
NORTH AMERICAN FINANCIAL GROUP INC.,
NORTH AMERICAN CAPITAL INC.,
ALEXANDER FLAVIO ARCONTI, AND
LUIGINO ARCONTI

TORONTO – The Commission issued an Order today in the above named matter which provides that the Temporary Order as further amended is extended to January 17, 2012; and the hearing in this matter be adjourned to Monday, January 16, 2012 at 10:00 a.m. or to such other date or time as set by the Office of the Secretary and agreed to by the parties.

A copy of the Order dated December 16, 2011 is available at **www.osc.gov.on.ca**.

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1.4.3 Lehman Brothers & Associates Corp. et al.

FOR IMMEDIATE RELEASE
December 19, 2011

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

AND

IN THE MATTER OF
LEHMAN BROTHERS & ASSOCIATES CORP.,
GREG MARKS, KENT EMERSON LOUNDS AND
GREGORY WILLIAM HIGGINS

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

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

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1.4.4 Phoenix Credit Risk Management Consulting Inc. et al.

FOR IMMEDIATE RELEASE
December 19, 2011

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

AND

IN THE MATTER OF
PHOENIX CREDIT RISK MANAGEMENT CONSULTING INC., PHOENIX PENSION SERVICES INC., PHOENIX CAPITAL RESOURCES INC., RATHORE & ASSOCIATES ASSET MANAGEMENT LTD., 2195043 ONTARIO INC., JAWAD RATHORE, VINCENZO PETROZZA AND OMAR MALONEY

TORONTO – Following a hearing held today, the Commission issued an Order in the above named matter approving the Settlement Agreement reached between Staff of the Commission and Phoenix Credit Risk Management Consulting Inc., Phoenix Pension Services Inc., Phoenix Capital Resources Inc., Rathore & Associates Asset Management Ltd., 2195043 Ontario Inc., Jawad Rathore, Vincenzo Petrozza and Omar Maloney.

A copy of the Order dated December 19, 2011 and Settlement Agreement dated December 15, 2011 are available at **www.osc.gov.on.ca**.

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1.4.5 Shallow Oil & Gas Inc. et al.

FOR IMMEDIATE RELEASE
December 19, 2011

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

AND

IN THE MATTER OF
SHALLOW OIL & GAS INC., ERIC O'BRIEN, ABEL DA SILVA, GURDIP SINGH GAHUNIA also known as MICHAEL GAHUNIA, ABRAHAM HERBERT GROSSMAN also known as ALLEN GROSSMAN, MARCO DIADAMO, GORD McQUARRIE, KEVIN WASH, and WILLIAM MANKOFSKY

TORONTO – The Commission issued an Order in the above named matter which provides that the hearing on the merits shall commence on June 18, 2012, and shall continue on June 20, 21, and 22, 2012, or such further or other dates as may be agreed to by the parties and fixed by the Office of the Secretary; and that the matter is adjourned to March 27, 2012 at 9:00 a.m. for a pre-hearing conference.

A copy of the Order dated December 15, 2011 is available at **www.osc.gov.on.ca**.

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1.4.6 Systematech Solutions Inc. et al.

FOR IMMEDIATE RELEASE
December 19, 2011

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

AND

IN THE MATTER OF
SYSTEMATECH SOLUTIONS INC.,
APRIL VUONG AND HAO QUACH

NOTICE OF HEARING
(Subsections 127(7) and 127(8))

TORONTO – The Office of the Secretary issued a Notice of Hearing on December 15, 2011 setting the matter down to be heard on December 22, 2011 at 10:00 a.m. to consider whether it is in the public interest for the Commission:

(1) to extend the Temporary Order pursuant to subsections 127(7) and (8) of the Act until the conclusion of the hearing, or until such further time as considered necessary by the Commission; and

(2) to make such further orders as the Commission considers appropriate.

A copy of the Notice of Hearing dated December 15, 2011 and Temporary Order dated December 15, 2011 are available at **www.osc.gov.on.ca**.

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1.4.7 Global Energy Group, Ltd. et al.

FOR IMMEDIATE RELEASE
December 19, 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, 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

TORONTO – The Commission issued an Order in the above named matter which provides that the Temporary Order is extended against Rash until October 22, 2012; and that the hearing is adjourned to October 19, 2012, at 10:00 a.m., without prejudice to either Staff or Rash to apply for a variation of the Temporary Order under section 144 of the Act.

A copy of the Order dated December 15, 2011 is available at **www.osc.gov.on.ca**.

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1.4.8 Vincent Ciccone and Medra Corp.

FOR IMMEDIATE RELEASE
December 19, 2011

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

AND

IN THE MATTER OF
VINCENT CICCONE AND MEDRA CORP.

TORONTO – The Commission issued an Order in the above named matter which provides that this matter is adjourned to a confidential pre-hearing conference to be held on February 1, 2012 at 10:30 a.m. or to such other date or time as set by the Office of the Secretary and agreed to by the parties.

A copy of the Order dated December 16, 2011 is available at **www.osc.gov.on.ca**.

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1.4.9 New Hudson Television Corporation et al.

FOR IMMEDIATE RELEASE
December 19, 2011

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

AND

IN THE MATTER OF
NEW HUDSON TELEVISION CORPORATION,
NEW HUDSON TELEVISION L.L.C. &
JAMES DMITRY SALGANOV

TORONTO – The Commission issued an Order today in the above named matter which provides that pursuant to subsection 127(8) of the Act, Amended Temporary Order is extended to June 25, 2012; and that the hearing to consider any further extension of the Amended Temporary Order will be held on June 22, 2012 at 10:00 a.m., or such other date and time as set by the Office of the Secretary.

A copy of the Order dated December 19, 2011 is available at **www.osc.gov.on.ca**.

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1.4.10 Bernard Boily

FOR IMMEDIATE RELEASE
December 20, 2011

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

AND

IN THE MATTER OF
BERNARD BOILY

TORONTO – The Commission issued an Order in the above named matter which provides that this matter is adjourned to a confidential pre-hearing conference to be held on January 30, 2012 at 2:00 p.m.

A copy of the Order dated December 13, 2011 is available at **www.osc.gov.on.ca**.

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1.4.11 Global Energy Group, Ltd. et al.

FOR IMMEDIATE RELEASE
December 20, 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 SCHAUMER, ELLIOT FEDER,
ODED PASTERNAK, ALAN SILVERSTEIN,
HERBERT GROBERMAN, ALLAN WALKER,
PETER ROBINSON, VYACHESLAV BRIKMAN,
NIKOLA BAJOVSKI, BRUCE COHEN AND
ANDREW SHIFF

TORONTO – Take notice that the hearing on the merits in the above named matter scheduled to commence on January 18, 2012 at 10:00 a.m. has been revised to commence on January 23, 2012 at 10:00 a.m. and continue on January 24, 25, 26 and 30, 2012 and February 1, 2, 3, 6, 7 and 8, 2012.

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Brookfield Renewable Energy Partners L.P.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions, s. 9.1 – issuer is a real estate investment trust which holds all of its properties through limited partnership – entity holds units in limited partnership which are exchangeable into and in all material respects the economic equivalent to the issuer's publicly traded units – issuer may include entity's indirect interest in issuer when calculating market capitalization for the purposes of using the 25% market capitalization exemption for certain related party transactions.

Applicable Legislative Provisions

Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions, ss. 5.5(a), 5.7(a), 9.1.

December 15, 2011

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(THE "JURISDICTION")

AND

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

AND

IN THE MATTER OF
BROOKFIELD RENEWABLE ENERGY
PARTNERS L.P. (THE "FILER")

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the "**Legislation**") exempting the Filer, pursuant to section 9.1 of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("MI **61-101**"), from the requirements of section 5.4 of MI 61-101 (the "**Formal Valuation Requirement**") and the requirements of section 5.6 of MI 61-101 (the "**Minority Approval Requirement**") in each case relating to any related party transaction of the Filer entered into indirectly through Brookfield Renewable Energy L.P. ("**BRELP**") or any other subsidiary entity of BRELP, if that transaction would qualify for the transaction size exemptions set out in sections 5.5(a) and 5.7(a) of MI 61-101 if the indirect limited partnership interest of the Filer, which is held in the form of redeemable-exchangeable limited partnership units of BRELP, were included in the calculation of the Filer's market capitalization (collectively, the "**Requested Relief**").

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 Quebec.

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, MI 11-102 and MI 61-101 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 Bermuda exempted limited partnership that was established on June 27, 2011.

2. BRELP is a Bermuda exempted limited partnership that was established on June 27, 2011.

3. The Filer is a reporting issuer in the Jurisdictions.

4. The Filer is, to the best of its knowledge, not in default of any requirement of Canadian securities laws.

5. The limited partnership units ("**LP Units**") of BREP are listed on the Toronto Stock Exchange under the symbol "BEP". The Filer also intends to apply to have the LP Units listed for trading on the New York Stock Exchange.

6. 2288509 Ontario Inc., a corporation incorporated under the laws of Ontario, acts as the general partner of the Filer. The general partner of the Filer holds a 0.01% general partnership interest in the Filer. The general partner of the Filer is a wholly-owned subsidiary of Brookfield Renewable Power Inc. ("**BRPI**"). Prior to the end of its first fiscal period, the Filer expects that a Bermuda company, also wholly-owned by BRPI, will become the general partner of the Filer.

7. The Filer has entered into a management agreement with certain affiliates of BRPI (collectively, the "**Manager**") to provide the Filer, BRELP and specified subsidiary entities of BRELP with management and other services.

8. The LP Units are non-voting limited partnership units and the Filer's general partner controls the Filer.

9. BREP Holding L.P. ("**BRELP GP LP**"), a Bermuda exempted limited partnership, acts as the general partner of BRELP. BRELP GP LP holds an approximate 1% general partnership interest in BRELP. 2288508 Ontario Inc., a corporation incorporated under the laws of Ontario, acts as the general partner of BRELP GP LP. The general partner of BRELP GP LP is a wholly-owned subsidiary of BRPI. Prior to the end of its first fiscal period, the Filer expects that a Bermuda company, also wholly-owned by BRPI, will become the general partner of BRELP GP LP. The general partner of BRELP GP LP is controlled by the Filer, through its general partner, pursuant to the Voting Agreement described below.

10. The Filer's sole asset is an approximate 50.1% limited partnership interest in BRELP, with the remaining limited partnership interest held by BRPI, directly or indirectly. The limited partnership units (the "**Redeemable Partnership Units**") held by BRPI are subject to a redemption-exchange mechanism pursuant to which the holders may acquire LP Units in exchange for their BRELP limited partnership units on a one for one basis. The Redeemable Partnership Units effectively represent an ownership in the Filer rather than BRELP.

11. At any time after two years from November 28, 2011, BRPI has the right to require BRELP to redeem all or a portion of the Redeemable Partnership Units for cash. It may exercise its right of redemption by delivering a notice of redemption to BRELP and the Filer. After presentation for redemption, BRPI will receive, subject to the Filer's rights described below, for each Redeemable Partnership Unit that is presented, cash in an amount equal to the market value of one LP Unit multiplied by the number of Redeemable Partnership Units to be redeemed (as determined by reference to the five day volume weighted average of the trading price of LP Units and subject to certain customary adjustments). Upon its receipt of the redemption notice, the Filer will have a right of first refusal entitling it, at its sole discretion, to elect to acquire all (but not less than all) of the Redeemable Partnership Units so presented to BRELP in exchange for LP Units, on a one for one basis (subject to certain customary adjustments). BRPI would hold an aggregate interest in the Filer equal to approximately 73% (including BRPI's general partnership interests) if it exercised its redemption right in full and the Filer exercised its right of first refusal and, provided BRPI exercised its redemption right in full, the Filer would have a 100% limited partnership interest in BRELP.

12. The Redeemable Partnership Units are, in all material respects, economically equivalent to the LP Units.

13. The Filer and BRPI entered into a voting agreement (the "**Voting Agreement**") pursuant to which BRPI agreed that any voting rights with respect to the general partner of BRELP GP LP, BRELP GP LP and BRELP will be voted in accordance with the direction of the Filer with respect to (A) the election of directors of the general partner of BRELP GP LP and (B) the approval or rejection of the following matters relating to any such entity, as applicable: (i) any sale of

all or substantially all of its assets, (ii) any merger, amalgamation, consolidation, business combination or other material corporate transaction, except in connection with any internal reorganization that does not result in a change of control, (iii) any plan or proposal for a complete or partial liquidation or dissolution, or any reorganization or any case, proceeding or action seeking relief under any existing laws or future laws relating to bankruptcy or insolvency, (iv) any amendment to the limited partnership agreement of BRELP GP LP or BRELP or (v) any commitment or agreement to do any of the foregoing. As a result, the Filer will consolidate BRELP (and all of BRELP's assets) in its financial statements.

14. It is anticipated that the Filer may enter into transactions with certain related parties, including its general partner, BRELP GP LP and its general partner, the Manager and BRPI and its affiliates other than the Filer and its related entities (collectively, "**Brookfield**") either directly, or indirectly through BRELP and its direct and indirect wholly-owned subsidiaries.

15. If Part 5 of MI 61-101 applies to a related party transaction by an issuer and the transaction is not otherwise exempt:

    (a) the issuer must obtain a formal valuation of the transaction in a form satisfying the requirements of MI 61-101 by an independent valuator; and

    (b) the issuer must obtain approval of the transaction by disinterested holders of the affected securities of the issuer (together, requirements (a) and (b) are referred to as the "**Minority Protections**").

16. A related party transaction that is subject to MI 61-101 may be exempt from the Minority Protections if at the time the transaction is agreed to, neither the fair market value of the subject matter of, nor the fair market value of the consideration for, the transaction, exceeds 25% of the issuer's market capitalization (the "**Transaction Size Exemption**").

17. The Filer may not be entitled to rely on the Transaction Size Exemption available under the Legislation because the definition of "market capitalization" in the Legislation does not contemplate securities of another entity that are exchangeable into equity securities of the issuer.

18. The Redeemable Partnership Units represent part of the equity value of the Filer and provide the holders of the Redeemable Partnership Units with economic rights which are, as nearly as possible except for tax implications, equivalent to the LP Units. Taken together, the effect of BRPI's redemption right and the Filer's right of first refusal is that Brookfield will receive LP Units, or the value of such units, at the election of the Filer. Moreover, the economic interests that underlie the Redeemable Partnership Units are identical to those underlying the LP units; namely, the assets and operations held directly or indirectly by the Filer's related entities.

19. If the Redeemable Partnership Units are not included in the market capitalization of the Filer, the equity value of the Filer will be understated by the value of BRPI's limited partnership interest in BRELP (approximately $3.3 billion or 48.9%). As a result, related party transactions by the Filer that are entered into directly or indirectly through BRELP may be subject to the Minority Protections in circumstances where the fair market value of the transactions are effectively less than 25% of the fully diluted market capitalization of the Filer.

20. Section 1.4 of MI 61-101 treats an operating entity of an "income trust", as such term is defined in National Policy 41-201 *Income Trusts and Other Indirect Offerings* (*NP 41-201*), on a consolidated basis with its parent trust entity for the purpose of determining which entities are related parties of the issuer and what transactions MI 61-101 should apply to. Section 1.2 of NP 41-201 provides that references to an "income trust" refer to a trust or other entity (including corporate and non-corporate entities) that issues securities which provide for participation by the holder in net cash flows generated by an underlying business owned by the trust or other entity. Accordingly, it is consistent that securities of the operating entity, such as the Redeemable Partnership Units, be treated on a consolidated basis for the purposes of determining the market value of the Filer under MI 61-101.

21. The inclusion of the Redeemable Partnership Units when determining the Filer's market capitalization is consistent with the logic of including unlisted equity securities of the issuer which are convertible into listed securities of the issuer in determining an issuer's market capitalization in that both are securities that are considered part of the equity value of the issuer whose value is measured on the basis of the listed securities into which they are convertible or exchangeable.

Decision

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

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

1. the transaction would qualify for the Transaction Size Exemption contained in the Legislation if the Redeemable Partnership Units were considered an outstanding class of equity securities of the Filer that were convertible into LP Units;

2. there be no material change to the terms of the Redeemable Partnership Units, including the exchange rights associated therewith, as described above; and

3. any annual information form or equivalent of the Filer that is required to be filed in accordance with applicable securities laws contain the following disclosure, with any immaterial modifications as the context may require:

> "Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("*MI 61-101*") provides a number of circumstances in which a transaction between an issuer and a related party may be subject to valuation and minority approval requirements. An exemption from such requirements is available when the fair market value of the transaction is not more than 25% of the market capitalization of the issuer. Brookfield Renewable Energy Partners L.P. ("*BREP*") has been granted exemptive relief from the requirements of MI 61-101 that, subject to certain conditions, permits it to be exempt from the minority approval and valuation requirements for transactions that would have a value of less than 25% of BREP's market capitalization, if the indirect equity interest in BREP, which is held in the form of redeemable-exchangeable limited partnership units of Brookfield Renewable Energy L.P. ("*BRELP*"), is included in the calculation of BREP's market capitalization. As a result, the 25% threshold, above which the minority approval and valuation requirements apply, is increased to include the approximately 48.9% indirect interest in BREP held in the form of exchangeable limited partnership units of BRELP."

"Naizam Kanji"
Deputy Director, Corporate Finance
Ontario Securities Commission

2.1.2 Resverlogix Corp. et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Issuer to enter into equity distribution agreement with Canadian agent (which is registered as an investment dealer in Canada) to sell common shares by way of at-the-market distributions through the facilities of the TSX (or other Canadian marketplaces) using the shelf procedures in Part 9 of National Instrument 44-102 Shelf Distributions – Issuer granted exemption from the prospectus delivery requirement and prospectus form requirements, subject to conditions – Decision document contains clause providing for post-decision confidentiality not to exceed 90 days.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 71(1), 71(2), 147.
National Instrument 44-101 Short Form Prospectus Distributions, Part 8.
Form 44-101F1 Short Form Prospectus, Item 20.
National Instrument 44-102 Shelf Distributions, Part 9, Part 11 and section 2.1 of Appendix A.

Citation: Resverlogix Corp., Re, 2011 ABASC 479

September 14, 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
RESVERLOGIX CORP.
(THE ISSUER)

AND

JONESTRADING CANADA INC.
(THE AGENT)

AND

JONESTRADING INSTITUTIONAL SERVICES LLC
(JT US)

AND

MCNICOLL, LEWIS & VLAK LLC (MLV) and, together with
JT US, (the US Agents and, together with the Issuer
and the Agent, the Filers)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Makers**) has received an application from the Filers for a decision under the securities legislation of the Jurisdictions (the **Legislation**) for the following relief (the **Exemption Sought**):

(a) that the requirement that a dealer, not acting as agent of the purchaser, who receives an order or subscription for a security offered in a distribution to which the prospectus requirement applies, send or deliver to the purchaser or its agent the latest prospectus (including the applicable prospectus supplement(s) in the case of a base shelf prospectus) and any amendment to the prospectus (the **Delivery Requirement**) does not apply to the Agent or any other Toronto Stock Exchange (**TSX**) participating organization or other registered investment dealer marketplace participant acting as selling agent for the Agent (each such other organization or marketplace participant, a **Selling Agent**) in connection with any at the market distributions (**ATM Distributions**) within the meaning of National Instrument 44-102 *Shelf Distributions* (**NI 44-102**) made by the Issuer pursuant to the equity distribution agreement (the **Equity Distribution Agreement**) between the Issuer, the US Agents and the Agent; and

(b) that the requirements (collectively, the **Form Requirements**) to include in a prospectus supplement:

(i) a certificate of the Issuer in the form specified in section 2.1 of Appendix A to NI 44-102; and

(ii) a statement respecting purchasers' statutory rights of withdrawal and remedies for rescission or damages in substantially the form prescribed in Item 20 of Form 44-101F1 *Short Form Prospectus* (the **Statement of Purchasers' Rights**);

do not apply to a prospectus supplement of the Issuer to be filed in respect of the sale of common shares (**ATM Share**s) of the Issuer pursuant to ATM Distributions under the Equity Distribution Agreement (the **Prospectus Supplement**) provided that the alternative form of certificate and disclosure regarding a purchaser's statutory rights described below are included in the Prospectus Supplement.

The Decision Makers have also received a request from the Filers for a decision that the application and this decision be kept confidential and not made public until the earliest of (i) the date on which the Issuer, the US Agents and the Agent enter into the Equity Distribution Agreement, (ii) the date on which the Filers advise the Decision Makers that there is no longer any need for the Application and this decision to remain confidential, (iii) the date on which a Filer publicly announces the proposed transaction and (iv) the date that is 90 days after the date of this decision (the **Confidentiality Sought**).

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

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

(b) the Filers have provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, 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 Filers:

Resverlogix Corp.

1. The Issuer is incorporated under the *Business Corporations Act* (Alberta). The head office of the Issuer is located in Calgary, Alberta.

2. The Issuer is a reporting issuer under the securities legislation of British Columbia, Alberta, Ontario and Québec and is not in default of securities legislation in any jurisdiction.

3. As at 14 June 2011 there were 59,277,907 common shares of the Issuer (**Common Shares**) outstanding and listed and posted for trading on the TSX.

JonesTrading Canada Inc.

4. The Agent, a wholly-owned subsidiary of JT US, is a corporation incorporated under the laws of British Columbia with its head office in Toronto, Ontario.

5. The Agent is registered as an investment dealer under the securities legislation of each of the provinces of Canada, a member of the Investment Industry Regulatory Organization of Canada and a participating organization of the TSX. The Agent is not in default of securities legislation in any jurisdiction.

JonesTrading Institutional Services LLC

6. JT US is a limited liability company incorporated under the laws of Delaware with its head office in Westlake Village, California.

McNicoll, Lewis & Vlak LLC

7. MLV is a limited liability company incorporated under the laws of Delaware with its head office in New York City, New York.

8. Each US Agent is a broker-dealer licensed under the US *Securities Exchange Act of 1934*, as amended, and a member of the Financial Industry Regulatory Authority, Inc. Neither US Agent is a registered dealer in any jurisdiction nor is in default of securities legislation in any jurisdiction. Neither US Agent will sell any Common Shares to purchasers in Canada.

Proposed ATM Distribution and US Private Placements

9. The Issuer proposes to enter into the Equity Distribution Agreement with the Agent and the US Agents providing for: (i) the sale from time to time by the Issuer through the Agent, as agent, of ATM Shares pursuant to ATM Distributions under the shelf procedures prescribed by Part 9 of NI 44-102; and (ii) the solicitation by the US Agents, as agents, of offers to purchase Common Shares on a private placement basis at a fixed price to purchasers in the United States (the **US Private Placements**) pursuant to an exemption from registration under the US *Securities Act of 1933*, as amended. Under the terms of the Equity Distribution Agreement the Issuer will be required to obtain representations from each purchaser in a US Private Placement that it is not a resident of Canada and that it is purchasing the Common Shares for investment purposes and not with a view to distribution to residents of Canada.

10. Prior to making any ATM Distributions, the Issuer will have filed a shelf prospectus (**Shelf Prospectus**) and a Prospectus Supplement in each of the provinces of Canada to qualify the sale of ATM Shares under the Equity Distribution Agreement. The Prospectus Supplement will describe the Equity Distribution Agreement and otherwise supplement the disclosure in the Shelf Prospectus.

11. The Issuer will file prospectus supplement(s) to the Shelf Prospectus in each of the provinces of Canada describing the terms of the US Private Placements. Purchasers of Common Shares under the US Private Placements will receive a US offering memorandum consisting of the Shelf Prospectus and a prospectus supplement describing the terms of the US Private Placement including that resale of Common Shares is subject to restrictions under US federal securities law.

12. If the Equity Distribution Agreement is entered into, the Issuer will terminate its current standby equity distribution agreement dated 26 March 2010. In addition, the Issuer will issue a news release to announce the Equity Distribution Agreement and will file a copy of the agreement on SEDAR. The news release will state that the Shelf Prospectus and the Prospectus Supplement have been filed on SEDAR, and specify where and how purchasers may obtain copies. A copy of the news release will also be posted on the Issuer's website. The news release will serve as the news release contemplated by section 3.2 of NI 44-102 for an expected distribution of equity securities under an unallocated shelf in connection with the distribution of ATM Shares.

13. The Equity Distribution Agreement will limit the number of ATM Shares that the Issuer may issue and sell pursuant to any ATM Distribution thereunder to an amount not to exceed 10% of the aggregate market value of the then outstanding Common Shares calculated in accordance with section 9.2 of NI 44-102.

14. The Issuer will sell ATM Shares in Canada through methods constituting ATM Distributions, including sales made on the TSX or any other Canadian "marketplace" (within the meaning of National Instrument 21-101 *Marketplace Operation*) on which the ATM Shares are listed or quoted or otherwise traded (a **Marketplace**), through the Agent (as agent) directly or through a Selling Agent.

15. The Agent will act as the sole underwriter on behalf of the Issuer in connection with the sale of ATM Shares on a Marketplace pursuant to the Equity Distribution Agreement, and will be the only person or company paid an underwriting fee or commission by the Issuer in connection with such sales. The Agent will sign an underwriter's certificate in the Prospectus Supplement.

16. The Agent will effect ATM Distributions on a Marketplace, either itself or through a Selling Agent. If sales are effected through a Selling Agent, the Selling Agent will be paid a customary seller's commission for effecting the trades. A purchaser's rights and remedies under the Legislation against the Agent, as underwriter of an ATM Distribution through a Marketplace, will not be affected by a decision to effect the sale directly or through a Selling Agent.

17. The number of ATM Shares sold on Marketplaces pursuant to an ATM Distribution on any trading day will not exceed 25% of the trading volume of the Common Shares on Marketplaces on that day.

18. The Equity Distribution Agreement will provide that, at the time of each sale of ATM Shares pursuant to an ATM Distribution, the Issuer will represent to the Agent that the Shelf Prospectus, as supplemented by the Prospectus Supplement and any applicable amendment or supplement to the Shelf Prospectus or the Prospectus Supplement (together, the **Prospectus**), contains full, true and plain disclosure of all material facts relating to the Issuer and the ATM Shares being distributed. The Issuer will therefore be unable to proceed with sales pursuant to an ATM Distribution when it is in possession of undisclosed information that would constitute a material fact or a material change in respect of the ATM Shares.

19. If after the Issuer delivers a notice to the Agent directing the Agent to sell ATM Shares on the Issuer's behalf pursuant to the Equity Distribution Agreement (a **Sell Notice**), the sale of the ATM Shares specified in the Sell Notice, taking into consideration prior sales, would constitute a material fact or material change, the Issuer would be required to suspend sales under the Equity Distribution Agreement until either (i) it had filed a material change report or amended the Prospectus, or (ii) circumstances had changed so that the sales would no longer constitute a material fact or material change.

20. In determining whether the sale of the number of ATM Shares specified in a Sell Notice would constitute a material fact or material change, the Issuer will take into account a number of factors including, without limitation: (i) the parameters of the Sell Notice, including the number of ATM Shares proposed to be sold and any price or timing restrictions that the Issuer may impose with respect to the particular ATM Distribution, (ii) the percentage of outstanding ATM Shares represented by the number of ATM Shares proposed to be sold pursuant to the Sell Notice, (iii) trading volume and volatility of the ATM Shares, (iv) recent developments in the business, affairs and capital structure of the Issuer, and (v) prevailing market conditions generally.

21. The Agent will monitor closely the market's reaction to trades made on Marketplaces pursuant to an ATM Distribution in order to evaluate the likely market impact of future trades. The Agent has experience and expertise in managing sell orders to limit downward pressure on trading prices. If the Agent has concerns as to whether a particular sell order placed by the Issuer may have a significant effect on the market price of the ATM Shares, the Agent will recommend against effecting the trade at that time. It is in the interest of both the Issuer and the Agent to minimize the market impact of sales under an ATM Distribution.

22. The underwriter's certificate to be signed by the Agent and included in the Prospectus Supplement will be in the form specified in section 2.2 of Appendix B to NI 44-102.

Disclosure of Shares Sold

23. For each month during which ATM Shares are distributed on Marketplaces by the Issuer pursuant to ATM Distributions under the Prospectus, the Issuer will file on SEDAR, within seven calendar days after the end of such month, a report disclosing the number and average price of ATM Shares so distributed during that month, as well as total gross proceeds, commission and net proceeds.

24. The Issuer will also disclose the number and average price of ATM Shares sold pursuant to ATM Distributions under the Prospectus, as well as total gross proceeds, commission and net proceeds, in the ordinary course in its annual and interim financial statements and management's discussion and analysis filed on SEDAR.

Prospectus Delivery Requirement

25. Pursuant to the Delivery Requirement, a dealer effecting a trade of ATM Shares on behalf of the Issuer as part of an ATM Distribution is required to deliver a copy of the prospectus (including the applicable prospectus supplement(s) in the case of a base shelf prospectus) to the purchaser within prescribed time limits.

26. The delivery of a prospectus is not practicable in the circumstances of an ATM Distribution because the Agent or Selling Agent, as applicable, effecting the trade will not know the purchaser's identity.

27. Although purchasers under an ATM Distribution would not physically receive a printed prospectus, the Shelf Prospectus and the Prospectus Supplement (together with all documents incorporated by reference) will be filed and readily available to all purchasers electronically via SEDAR. Moreover, the Issuer will issue a news release that specifies where and how copies of the Shelf Prospectus and the Prospectus Supplement can be obtained.

28. The liability of an issuer or an underwriter (and others) for misrepresentation in a prospectus pursuant to the civil liability provisions of the Legislation will not be affected by the grant of an exemption from the Delivery Requirement, because a purchaser of the securities offered by a prospectus during the period of distribution has a right of action for damages or rescission without regard as to whether the purchaser relied on the misrepresentation or in fact received a copy of the prospectus.

Withdrawal Right

29. Pursuant to the Legislation, an agreement to purchase securities is not binding on the purchaser if a dealer receives, not later than midnight on the second day exclusive of Saturdays, Sundays and holidays, after receipt by the purchaser of the latest prospectus or any amendment to the prospectus, a notice in writing that the purchaser does not intend to be bound by the agreement of purchase (the **Withdrawal Right**).

30. The Withdrawal Right is not workable in the context of an ATM Distribution because a prospectus will not be delivered to purchasers.

Right of Action for Non-Delivery

31. Pursuant to the Legislation, a purchaser of a security to whom a prospectus was required to be sent or delivered in compliance with the Delivery Requirement, but was not so sent or delivered, has a right of action for rescission or damages against the dealer who did not comply with the Delivery Requirement (the **Right of Action for Non-Delivery**).

32. The Right of Action for Non-Delivery is not workable in the context of an ATM Distribution because a prospectus will not be delivered to purchasers.

Prospectus Form Requirements

33. Exemptive relief from the Form Requirements is required with respect to the Issuer's forward-looking certificate in the Prospectus Supplement to reflect that no pricing supplement will be filed subsequent to the Prospectus Supplement. Accordingly, the Issuer will file the Prospectus Supplement with the following forward-looking issuer certificate which will supersede and replace, solely in regard to ATM Distributions contemplated by the Prospectus Supplement, the forward-looking issuer certificate contained in the Shelf Prospectus:

> *This short form prospectus, as supplemented by the foregoing, together with the documents incorporated in this prospectus by reference as of the date of a particular distribution of securities offered by this prospectus, will, as of that date, constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus, as required by the securities legislation of each of the provinces of Canada.*

34. Exemptive relief from the Form Requirements is required to reflect the relief from the Delivery Requirement. Accordingly, the Issuer will include the following statement in the Prospectus Supplement in place of the statement prescribed by the Form Requirements:

> *Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities and with remedies for rescission or, in some jurisdictions, revision of the price, or damages if the prospectus, prospectus supplements relating to securities purchased by a purchaser and any amendment are not delivered to the purchaser, provided that the remedies are exercised by the purchaser within the time limit prescribed by securities legislation. However, purchasers of ATM Shares under an at-the-market distribution by the Issuer will not have the right to withdraw from an agreement to purchase the ATM Shares and will not have remedies for rescission or, in some jurisdictions, revision of the price, or damages for non-delivery, because the prospectus, prospectus supplements relating to securities purchased by a purchaser and any amendment will not be delivered as permitted under a decision dated ●, 2011*

and granted pursuant to National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions.

Securities legislation in certain of the provinces of Canada also provides purchasers with remedies for rescission or, in some jurisdictions, revision of the price, or damages, if the prospectus, prospectus supplements relating to securities purchased by a purchaser and any amendment contain a misrepresentation, provided that the remedies are exercised by the purchaser within the time limit prescribed by securities legislation. Any remedies under securities legislation that a purchaser of ATM Shares under an at-the-market distribution by the Issuer may have against the Issuer or the Agent for rescission or, in some jurisdictions, revision of the price, or damages if the prospectus, prospectus supplements relating to the ATM Shares purchased by a purchaser and any amendment contain a misrepresentation remain unaffected by the non-delivery and the decision referred to above.

Purchasers should refer to the applicable provisions of the securities legislation and the decision referred to above for the particulars of their rights or consult with a legal advisor.

35. The modified disclosure of purchasers' rights set forth in paragraph 34 above will be explicitly presented in the Prospectus Supplement and, solely in regard to ATM Distributions contemplated by the Prospectus Supplement, supersede and replace the statement of purchasers' rights contained in the Shelf Prospectus.

Decision

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

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

(a) as it relates to the Delivery Requirements, the representations made in paragraphs 12, 14, 15, 16, 17, 18, 19 and 21 are complied with;

(b) as it relates to the Form Requirements, the disclosure described in paragraphs 23, 33, 34 and 35 is made; and

(c) this decision will terminate 25 months after the issuance of a receipt for filing the Shelf Prospectus under the Legislation.

The further decision of the principal regulator and the securities regulatory authority or regulator in Ontario is that the Confidentiality Sought is granted.

For the Commission:

"Glenda Campbell, QC"
Vice-Chair

"Stephen Murison"
Vice-Chair

2.1.3 Microsemi Semicondcutor Corp. (formerly Zarlink Semiconductor 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 under applicable securities laws – requested relief granted.

Applicable Legislative Provisions

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

December 9, 2011

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

AND

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

AND

IN THE MATTER OF
MICROSEMI SEMICONDCUTOR CORP.
(FORMERLY ZARLINK SEMICONDUCTOR INC.)
(the Filer)

DECISION

Background

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

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions for a co-ordinated review application:

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

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

Interpretation

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

Representations

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

1. The Filer was a corporation incorporated under the *Canada Business Corporations Act* and has been continued under the *Business Corporations Act* (British Columbia) on November 9, 2011.

2. The Filer's former head and registered office was located at 400 March Road, Ottawa, Ontario, K2K 3H4 and is now located at One Enterprise, Aliso Viejo, California, 92656, United States.

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

4. Pursuant to:

   (a) offers to purchase dated August 17, 2011, as amended by the notice of variation and extension dated September 22, 2011 and the notice of extension dated October 12, 2011, made by 0916573 B.C. ULC (the **Offeror**), an indirect wholly-owned subsidiary of Microsemi Corporation, to purchase all of the outstanding common shares (the **Zarlink Shares**) and all of the outstanding 6% unsecured, subordinated convertible debentures (the **Zarlink Debentures**) of the Filer which expired 5:00 p.m. (Toronto time) on October 24, 2011, and

   (b) the subsequent compulsory acquisitions of Zarlink Shares (carried out pursuant to section 206 of the *Canada Business Corporations Act*) and Zarlink Debentures (carried out under the provisions of the trust indenture dated July 30, 2008 between the Filer and Computershare Trust Company of Canada),

   the Offeror is now the registered and beneficial owner of all of the issued and outstanding Zarlink Shares and Zarlink Debentures.

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

6. The Zarlink Shares and the Zarlink Debentures were previously listed on the Toronto Stock

Exchange and were delisted effective October 28, 2011.

7. No securities of the Filer are traded on a "marketplace", as such term is defined in National Instrument 21-101 *Marketplace Operation*.

8. The Filer is applying for a decision that it is not a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer.

9. A "notice of Voluntary Surrender of Reporting Issuer Status" was filed with the British Columbia Securities Commission pursuant to BC Instrument 11-502 Voluntary Surrender of Reporting Issuer Status, and the Filer ceased to be a reporting issuer in British Columbia on November 10, 2011.

10. The Filer is in default of filing its interim financial statements, accompanying management's discussion and analysis and related certifications for the interim period ended September 30, 2011 and therefore is not eligible to use the simplified procedure under CSA Staff Notice 12-307 *Applications for a Decision that an Issuer is not a Reporting Issuer* in order to apply for the Exemptive Relief Sought.

11. The Filer has no current intention to seek public financing by way of an offering of its securities in a jurisdiction in Canada.

12. Upon the granting of the Exemptive Relief Sought, the Filer will no longer be a reporting issuer or the equivalent in any jurisdiction in Canada.

Decision

Each of the Decision Makers is satisfied that the decision meets the test 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 Exemptive Relief Sought is granted.

"Paulette L. Kennedy"
Commissioner
Ontario Securities Commission

"Vern Krisna"
Commissioner
Ontario Securities Commission

2.1.4 Falcon Trust

Headnote

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

Applicable Legislative Provisions

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

December 20, 2011

Falcon Trust
c/o CIBC Mellon Trust Company, Corporate Trust Department
320 Bay Street
P.O. Box 1
Toronto, Ontario M5H 4A6

Dear Sirs/Mesdames:

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

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

As the Applicant has represented to the Decision Makers that:

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

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

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

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

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

"Jo-Anne Matear"
Manager, Corporate Finance
Ontario Securities Commission

2.2 Orders

2.2.1 North American Financial Group Inc. et al. – ss. 127(7), 127(8)

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

AND

IN THE MATTER OF
NORTH AMERICAN FINANCIAL GROUP INC.,
NORTH AMERICAN CAPITAL INC.,
ALEXANDER FLAVIO ARCONTI, AND
LUIGINO ARCONTI

ORDER
(Subsections 127(7) & 127(8))

WHEREAS on November 10, 2010, pursuant to subsections 127(1) and 127(5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), the Ontario Securities Commission (the "Commission") made an order against North American Financial Group Inc. ("NAFG"), North American Capital Inc. ("NAC"), Alexander Flavio Arconti ("Flavio") and Luigino Arconti ("Gino");

AND WHEREAS by Commission Order dated November 10, 2010, the Commission made the following temporary order (the "Temporary Order"):

1. pursuant to clause 2 of subsection 127(1) of the Act, that all trading in the securities of NAFG and NAC shall cease;

2. pursuant to clause 2 of subsection 127(1) of the Act, that NAFG, NAC, Flavio and Gino cease trading in all securities; and

3. that pursuant to clause 3 of subsection 127(1) of the Act, that the exemptions contained in Ontario securities law do not apply to NAFG, NAC, Flavio or Gino;

AND WHEREAS on November 10, 2010, pursuant to subsection 127(6) of the Act, the Commission ordered that the Temporary Order shall expire on the 15th day after its making unless extended by order of the Commission;

AND WHEREAS by Commission Order dated November 23, 2010, the Temporary Order was amended such that Flavio and Gino may trade in securities for their own accounts or their parents' accounts or for the accounts of their registered retirement savings plan or registered income fund (as defined in the *Income Tax Act* (Canada)) provided that they trade through accounts opened in their parents' names or either of their names only;

AND WHEREAS the Temporary Order as amended has been extended from time to time;

AND WHEREAS by Order dated March 25, 2011, the Temporary Order was further amended to permit NAFG and its officers and directors to issue convertible debentures in accordance with a Proposal made under the *Bankruptcy and Insolvency Act* in the matter of NAFG (the "Temporary Order as further amended");

AND WHEREAS the Temporary Order as further amended has been extended from time to time;

AND WHEREAS by Order dated November 2, 2011, the Temporary Order as further amended was extended to December 19, 2011 and the hearing was adjourned to December 16, 2011;

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

AND WHEREAS the parties to this proceeding consent to the making of this order;

IT IS ORDERED that the Temporary Order as further amended is extended to Tuesday, January 17, 2012;

IT IS FURTHER ORDERED that the hearing in this matter be adjourned to Monday, January 16, 2012 at 10:00 a.m. or to such other date or time as set by the Office of the Secretary and agreed to by the parties.

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

"James E. A. Turner"

2.2.2 Phoenix Credit Risk Management Consulting Inc. et al. – ss. 127. 127.1

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

AND

IN THE MATTER OF
PHOENIX CREDIT RISK MANAGEMENT CONSULTING INC., PHOENIX PENSION SERVICES INC., PHOENIX CAPITAL RESOURCES INC., RATHORE & ASSOCIATES ASSET MANAGEMENT LTD., 2195043 ONTARIO INC., JAWAD RATHORE, VINCENZO PETROZZA AND OMAR MALONEY

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

WHEREAS on December 15, 2011, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "*Securities Act*") in respect of Phoenix Credit Risk Management Consulting Inc., Phoenix Pension Services Inc., Phoenix Capital Resources Inc., Rathore & Associates Asset Management Ltd., 2195043 Ontario Inc. (the "Companies"), Jawad Rathore ("Rathore"), Vincenzo Petrozza ("Petrozza") and Omar Maloney ("Maloney") (collectively, the "Respondents");

AND WHEREAS on December 15, 2011, Staff of the Commission ("Staff") filed a Statement of Allegations in respect of the same matter;

AND WHEREAS the Respondents and Staff entered into a Settlement Agreement (the "Settlement Agreement") in which they agreed to a settlement of the proceeding commenced by the Notice of Hearing dated December 15, 2011, subject to the approval of the Commission;

AND UPON reviewing the Settlement Agreement, the Notice of Hearing and the Statement of Allegations, and upon hearing submissions from counsel for Staff and counsel for the Respondents;

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

IT IS ORDERED THAT:

1. the Settlement Agreement is approved;

2. the Respondents shall jointly and severally pay an administrative penalty of $250,000.00 to be allocated to or for the benefit of third parties in accordance with section 3.4(2)(b) of the *Securities Act* to be paid in quarterly instalments over a period of 4 years from the date the Settlement Agreement is approved;

3. the Respondents shall jointly and severally pay the costs of Staff's investigation in the amount of $100,000.00 within a period of 1 year from the date the Settlement Agreement is approved;

The Companies

4. the Companies shall jointly and severally disgorge to the Commission the amount of $2,705,212.45 to be allocated to or for the benefit of third parties under section 3.4(2)(b) of the *Securities Act*, with payment of $250,000.00 to be made by certified cheque at the time of the settlement hearing and the remaining $2,455,212.45 to be paid in quarterly instalments over a period of 4 years from the date the Settlement Agreement is approved;

5. the Companies shall cease trading in securities for 15 years;

6. the Companies shall cease acquisitions of securities for a period of 15 years;

7. any exemptions in Ontario securities law shall not apply to the Companies for a period of 15 years;

Rathore

8. Rathore shall resign all positions he holds as a director or officer, and for 15 years shall be prohibited from becoming or acting as a director or officer of any:

   (a) registrant under the *Securities Act*;

   (b) investment fund manager; or

   (c) issuer that distributes securities under a prospectus or prospectus exemption under the *Securities Act*

   except Rathore will be permitted to become, or act as or continue to act as a director or officer of:

      A) any issuer that distributes, issues or trades in securities evidencing indebtedness secured or to be secured by a mortgage or charge on real property in Canada or that provides promissory notes or enters into loan agreements incidental thereto in accordance with local provincial legislative requirements ("Mortgage Instruments"); or

      B) any non-reporting issuer that has no more than five beneficial owners and does not distribute securities of the issuer other than to family, friends and business associates of the beneficial owners (a "Closely Held Private Company");

9. any exemptions in Ontario securities law shall not apply to Rathore for a period of 15 years, except those exemptions used in respect of the trading in or acquisition of Mortgage Instruments or securities of a Closely Held Private Company;

10. Rathore shall not trade in or acquire securities for 15 years, except:

   (a) Rathore may trade in or acquire securities in his personal registered retirement savings plan ("RRSP") accounts and/or tax-free savings accounts ("TFSA") and/or for any registered education savings plan ("RESP") accounts for which he is the sponsor; and

   (b) Rathore may trade in or acquire Mortgage Instruments or securities of a Closely Held Private Company;

   and for greater certainty, nothing in this paragraph shall prevent any issuer which Rathore controls, any issuer of which Rathore is a director, officer and/or shareholder and/or any issuer to which Rathore, either directly or indirectly through a corporation, provides services, from trading in or acquiring Mortgage Instruments or securities of a Closely Held Private Company;

11. Rathore shall disgorge to the Commission the amount of $100,000.00 to be allocated to or for the benefit of third parties under section 3.4(2)(b) of the *Securities Act*, with payment of $25,000.00 to be made by certified cheque at the time of the settlement hearing and the remaining $75,000.00 to be paid in quarterly instalments over a period of 1 year from the date the Settlement Agreement is approved;

Petrozza

12. Petrozza shall resign all positions he holds as a director or officer, and for 15 years shall be prohibited from becoming or acting as a director or officer of any:

   (a) registrant under the *Securities Act*;

   (b) investment fund manager; or

   (c) issuer that distributes securities under a prospectus or prospectus exemption under the *Securities Act*

   except Petrozza will be permitted to become, or act as or continue to act as a director or officer of:

      A) any issuer that distributes, issues or trades in Mortgage Instruments; or

      B) any Closely Held Private Company;

13. any exemptions in Ontario securities law shall not apply to Petrozza for a period of 15 years, except those exemptions used in respect of the trading in or acquisition of Mortgage Instruments or securities of a Closely Held Private Company;

14. Petrozza shall not trade in or acquire securities for 15 years, except:

    (a) Petrozza may trade in or acquire securities in his personal RRSP accounts and/or TFSA accounts and/or for any RESP accounts for which he is the sponsor; and

    (b) Petrozza may trade in or acquire Mortgage Instruments or securities of a Closely Held Private Company;

    and for greater certainty, nothing in this paragraph shall prevent any issuer which Petrozza controls, any issuer of which Petrozza is a director, officer and/or shareholder and/or any issuer to which Petrozza, either directly or indirectly through a corporation, provides services, from trading in or acquiring Mortgage Instruments or securities of a Closely Held Private Company;

15. Petrozza shall disgorge to the Commission the amount of $100,000.00 to be allocated to or for the benefit of third parties under section 3.4(2)(b) of the *Securities Act*, with payment of $25,000.00 to be made by certified cheque at the time of the settlement hearing and the remaining $75,000.00 to be paid in quarterly instalments over a period of 1 year from the date the Settlement Agreement is approved;

Maloney

16. Maloney shall resign all positions he holds as a director or officer, and for 15 years shall be prohibited from becoming or acting as a director or officer of any:

    (a) registrant under the *Securities Act*;

    (b) investment fund manager; or

    (c) issuer that distributes securities under a prospectus or prospectus exemption under the *Securities Act*

    except Maloney will be permitted to become, or act as or continue to act as a director or officer of:

        A) any issuer that distributes, issues or trades in Mortgage Instruments; or

        B) any Closely Held Private Company;

17. any exemptions in Ontario securities law shall not apply to Maloney for a period of 15 years, except those exemptions used in respect of the trading in or acquisition of Mortgage Instruments or securities of a Closely Held Private Company;

18. Maloney shall not trade in or acquire securities for 15 years, except:

    (a) Maloney may trade in or acquire securities in his personal RRSP accounts and/or TFSA accounts and/or for any RESP accounts for which he is the sponsor; and

    (b) Maloney may trade in or acquire Mortgage Instruments or securities of a Closely Held Private Company;

    and for greater certainty, nothing in this paragraph shall prevent any issuer which Maloney controls, any issuer of which Maloney is a director, officer and/or shareholder and/or any issuer to which Maloney, either directly or indirectly through a corporation, provides services, from trading in or acquiring Mortgage Instruments or securities of a Closely Held Private Company;

19. Maloney shall disgorge to the Commission the amount of $50,000.00 to be allocated to or for the benefit of third parties under section 3.4(2)(b) of the *Securities Act*, with payment of $20,000.00 to be made by certified cheque at the time of the settlement hearing and the remaining $30,000.00 to be paid in quarterly instalments over a period of 1 year from the date the Settlement Agreement is approved; and

20. in the event that any of the payments set out in paragraphs 2, 3, 4, 11, 15 or 19 above are not made in full, the provisions of paragraphs 5, 6, 7 8, 9, 10, 12, 13, 14, 16, 17 and 18 shall continue in force in respect of each Respondent which has failed to make payment, until such payments are made in full without any limitation as to time period.

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

"Christopher Portner"

2.2.3 Shallow Oil & Gas Inc. et al. – ss. 127(1), 127(8)

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

AND

IN THE MATTER OF
SHALLOW OIL & GAS INC.,
ERIC O'BRIEN, ABEL DA SILVA,
GURDIP SINGH GAHUNIA also known as
MICHAEL GAHUNIA, ABRAHAM HERBERT
GROSSMAN also known as ALLEN GROSSMAN,
MARCO DIADAMO, GORD McQUARRIE,
KEVIN WASH, and WILLIAM MANKOFSKY

ORDER
(Subsections 127(1) & 127(8))

WHEREAS on January 16, 2008, the Ontario Securities Commission ("the Commission") issued a Temporary Order pursuant to subsections 127(1) and (5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") that: (i) all trading in securities by Shallow Oil & Gas Inc. ("Shallow Oil") shall cease and that all trading in Shallow Oil securities shall cease; and (ii) Eric O'Brien ("O'Brien"), Abel Da Silva ("Da Silva"), Gurdip Singh Gahunia, also known as Michael Gahunia ("Gahunia"), and Abraham Herbert Grossman, also known as Allen Grossman ("Grossman"), cease trading in all securities (the "Temporary Order");

AND WHEREAS on January 16, 2008, the Commission ordered that the Temporary Order shall expire on the 15th day after its making unless extended by order of the Commission;

AND WHEREAS on January 18, 2008, the Commission issued a Notice of Hearing to consider, among other things, the extension of the Temporary Order, such hearing to be held on January 30, 2008 commencing at 2:00 p.m.;

AND WHEREAS hearings to extend the Temporary Order were held on January 30 and 31, and March 31, 2008. The Temporary Order was extended by the Commission on each date;

AND WHEREAS on June 11, 2008, the Commission issued a Notice of Hearing for June 18, 2008 to consider, among other things:

(a) the issuance of a temporary cease trade order against Diadamo, McQuarrie, Wash, and Mankofsky; and,

(b) the extension of the original Temporary Order dated January 16, 2008.

AND WHEREAS on June 18, 2008, a hearing was held commencing at 10:00 a.m. and Staff and Grossman appeared, presented evidence and made submissions, and Diadamo, McQuarrie, and Mankofsky appeared before the panel of the Commission and made submissions as to the issuance of a temporary cease trade order against them;

AND WHEREAS on June 18, 2008, the panel of the Commission considered the evidence and submissions of Staff and Grossman, and the submissions of Diadamo, McQuarrie, and Mankofsky;

AND WHEREAS on June 19, 2008, a panel of the Commission ordered, pursuant to subsection 127(8) of the Act, that the Temporary Order as against Shallow Oil, O'Brien, Da Silva, and Grossman be extended until the conclusion of the hearing on the merits in this matter;

AND WHEREAS on June 19, 2008, a panel of the Commission ordered, pursuant to subsection 127(8) of the Act, that the Temporary Order as against Gahunia be extended until November 26, 2008;

AND WHEREAS on June 19, 2008, a panel of the Commission ordered, pursuant to subsection 127(5) of the Act, that Diadamo, McQuarrie, Wash, and Mankofsky cease trading in any securities (the "Second Temporary Order"), with the following exception:

> Diadamo shall be permitted to trade in securities that are listed on a public exchange recognized by the Commission and only in his own existing trading accounts. Furthermore, any such trading by Diadamo shall be for his sole benefit and only through a dealer registered with the Commission.

AND WHEREAS on June 19, 2008, a panel of the Commission ordered, pursuant to subsection 127(8) of the Act, that the Second Temporary Order be extended until November 26, 2008 and that the hearing with respect to the Second Temporary Order in this matter be adjourned to November 25, 2008, at 2:30 p.m.;

AND WHEREAS on November 25, 2008, a hearing was held and the panel of the Commission ordered, pursuant to subsection 127(8) of the Act, that:

– the Temporary Order is extended as against Gahunia until the conclusion of the hearing on the merits in this matter and the Second Temporary Order is extended as against Diadamo, McQuarrie, Wash, and Mankofsky until the conclusion of the hearing on the merits in this matter; and,

– the hearing with respect to the Notice of Hearing dated June 11, 2008 and Staff's Statement of Allegations dated June 10, 2008 is adjourned to June 4, 2009 at 10:00 a.m. for a status hearing.

AND WHEREAS on May 12, 2009, the Commission approved a settlement agreement between McQuarrie and Staff of the Commission, and on July 24,

2009, the Commission approved a settlement agreement between Mankofsky and Staff of the Commission;

AND WHEREAS on June 4th and September 10th, 2009, and January 12th, 2010 status hearings were held before the Commission and, on each date, a panel of the Commission ordered that the hearing with respect to the Notice of Hearing dated June 11, 2008 and Staff's Statement of Allegations dated June 10, 2008 be adjourned;

AND WHEREAS on June 28th, 2010, a status hearing was held commencing at 10:00 a.m. and Staff appeared before the panel of the Commission and provided the panel of the Commission with a status update with respect to this matter;

AND WHEREAS on June 28th, 2010, none of the respondents attended and a panel of the Commission considered the submissions of Staff;

AND WHEREAS on June 28th, 2010, the Commission ordered that the hearing with respect to the Notice of Hearing dated June 11, 2008 and Staff's Statement of Allegations dated June 10, 2008 be adjourned to February 11, 2011 at 10:00 a.m. for the purpose of a status hearing;

AND WHEREAS on February 11, 2011, a status hearing was held and Staff appeared before the panel of the Commission and provided the panel of the Commission with a status update with respect to this matter;

AND WHEREAS on February 11, 2011, none of the respondents attended and a panel of the Commission considered the submissions of Staff;

AND WHEREAS on February 11, 2011, the Commission ordered that the hearing with respect to the Notice of Hearing dated June 11, 2008 and Staff's Statement of Allegations dated June 10, 2008 be adjourned to May 24, 2011 at 2:30 p.m., for the purpose of a status hearing and to consider setting dates for the hearing on the merits in this matter;

AND WHEREAS on May 24, 2011, a status hearing was held, and Staff and Diadamo attended and no other respondents attended, although properly served with notice of the hearing;

AND WHEREAS on May 24, 2011, Staff appeared before the panel of the Commission and provided the panel of the Commission with a status update with respect to this matter;

AND WHEREAS on May 24, 2011, scheduling of the hearing on the merits was discussed, and Diadamo consented to setting the dates for the hearing on the merits;

AND WHEREAS on May 24, 2011, it was ordered that the hearing on the merits shall commence on September 6, 2011, and shall continue on September 7, 9, and 12, 2011;

AND WHEREAS on May 24, 2011, it was further ordered that the parties attend before the Commission on July 26, 2011 at 2:00 p.m. for a pre-hearing conference;

AND WHEREAS on July 26, 2011, Staff appeared before the Commission for the pre-hearing conference, and no one appeared on behalf of the Respondents;

AND WHEREAS the Commission was satisfied that all parties had been properly served with notice of the hearing;

AND WHEREAS on July 26, 2011, it was ordered that the hearing be adjourned to August 16, 2011 at 3:30 p.m. for the purpose of continuing the pre-hearing conference;

AND WHEREAS on August 16, 2011, Staff appeared before the Commission for the pre-hearing conference, and no one appeared on behalf of the Respondents, although properly served with notice of the hearing;

AND WHEREAS on August 16, 2011, Staff informed the panel that Da Silva and O'Brien will be sentenced on October 19, 2011 in the related section 122 proceedings before the Ontario Court of Justice, and Staff requested that the hearing on the merits be adjourned until after the sentencing decision is rendered in the section 122 proceedings;

AND WHEREAS on August 16, 2011, it was ordered that the dates set down for the hearing on the merits be vacated;

AND WHEREAS on August 16, 2011, it was further ordered that the hearing be adjourned to November 4, 2011 at 10:00 a.m. for the purpose of continuing the pre-hearing conference;

AND WHEREAS on November 4, 2011, Staff appeared before the Commission for the pre-hearing conference, and no one appeared on behalf of the Respondents, although properly served with notice of the hearing;

AND WHEREAS Staff informed the panel that the sentencing hearing for Shallow Oil, Da Silva and O'Brien in the related section 122 proceedings before the Ontario Court of Justice was adjourned to November 15, 2011;

AND WHEREAS Staff requested that the pre-hearing conference be adjourned to December 15, 2011, pending the sentencing decision for Shallow Oil, Da Silva and O'Brien to be rendered in the section 122 proceedings;

AND WHEREAS on November 4, 2011, it was ordered that the hearing be adjourned to December 15, 2011 at 9:30 a.m. for the purpose of continuing the pre-hearing conference;

AND WHEREAS on December 15, 2011, Staff appeared before the Commission for the pre-hearing conference, and no one appeared on behalf of the Respondents, although properly served with notice of the hearing;

AND WHEREAS Staff informed the panel that Da Silva and O'Brien had been sentenced in the related section 122 proceedings before the Ontario Court of Justice on November 15, 2011;

AND WHEREAS Staff requested that the Commission set dates for the hearing on the merits in this matter;

IT IS ORDERED that the hearing on the merits shall commence on June 18, 2012, and shall continue on June 20, 21, and 22, 2012, or such further or other dates as may be agreed to by the parties and fixed by the Office of the Secretary;

IT IS FURTHER ORDERED that the matter is adjourned to March 27, 2012 at 9:00 a.m. for a pre-hearing conference.

DATED at Toronto this 15th day of December, 2011.

"Paulette L. Kennedy"

2.2.4 Systematech Solutions Inc. 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
SYSTEMATECH SOLUTIONS INC.,
APRIL VUONG AND HAO QUACH

TEMPORARY ORDER
Subsections 127(1) & 127(5)

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

1. Systematech Solutions Inc. ("Systematech") is an Ontario corporation located in Mississauga and has never been a reporting issuer or registered with the Commission in any capacity;

2. April Vuong ("Vuong") is an Ontario resident, a director and officer of Systematech, and is not registered with the Commission in any capacity;

3. Hao Quach ("Quach") is an Ontario resident, a director and officer of Systematech, and is not registered with the Commission in any capacity;

4. Staff of the Commission are conducting an investigation into the activities of Systematech, Vuong and Quach;

5. Vuong has been soliciting investors to provide funds to Systematech for Vuong to trade in securities for the investors' benefit;

6. Ontario investors have provided funds to Systematech;

7. Systematech, Vuong and Quach may have distributed securities in the form of promissory notes without filing a preliminary prospectus or a prospectus and without the Director issuing a receipt in respect of Systematech, contrary to subsection 53(1) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act");

8. No exemptions to the prospectus requirements apply to the distribution of Systematic promissory notes;

9. Systematech, Vuong and Quach may have traded in securities and, in the case of Vuong, may have advised clients, without the necessary registration or an appropriate registration exemption, contrary to section 25 of the Act;

10. Systematech, Vuong and Quach may have perpetrated a fraud on Ontario investors, contrary to section 126.1 of the Act;

11. Vuong and Quach may have authorized, permitted or acquiesced in breaches of Ontario securities law by Systematech, contrary to section 129.2 of the Act;

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 subsection 127(5) of the Act;

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

AND WHEREAS by Commission Order made July 14, 2011, pursuant to section 3.5(3) of the Act, any one of Howard I. Wetston, James E. A. Turner, Kevin J. Kelly, James D. Carnwath, Mary G. Condon, Paulette L. Kennedy, Vern Krishna, Christopher Portner and Edward P. Kerwin, acting alone, is authorized to make Orders under section 127 of the Act;

IT IS ORDERED pursuant to clause 2 of subsection 127(1) of the Act that all trading in securities by Systematech, Vuong and Quach shall cease;

IT IS FURTHER ORDERED pursuant to clause 2 of subsection 127(1) of the Act that all trading in securities of Systematech shall cease;

IT IS FURTHER ORDERED pursuant to subsection 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 15th day of December, 2011

"Howard I. Wetston"

2.2.5 Global Energy Group, Ltd. et al. – ss. 127(7), 127(8)

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

AND

IN THE MATTER OF
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

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

WHEREAS on July 10, 2008, the Ontario Securities Commission (the "Commission") issued a temporary order, pursuant to subsections 127(1) and (5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), that all trading by Global Energy Group, Ltd. ("Global Energy") and the New Gold Limited Partnerships (the "New Gold Partnerships") (together, the "Corporate Respondents") and their officers, directors, employees and/or agents in securities of the New Gold Partnerships shall cease (the "First Temporary Order");

AND WHEREAS on July 10, 2008, the Commission ordered that the First Temporary Order shall expire on the 15th day after its making unless extended by order of the Commission;

AND WHEREAS on July 15, 2008, the Commission issued a Notice of Hearing to consider, among other things, the extension of the First Temporary Order, such hearing to be held on July 23, 2008 at 11:00 a.m.;

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

AND WHEREAS a hearing was held on July 23, 2008 at 11:00 a.m. at which Staff and counsel for Global Energy appeared but no counsel appeared for the New Gold Partnerships;

AND WHEREAS on July 23, 2008, the First Temporary Order was continued until August 6, 2008 and the hearing in this matter was adjourned until August 5, 2008 at 3:00 p.m. on consent of Staff and counsel for Global Energy;

AND WHEREAS a hearing was held on August 5, 2008 at 3:00 p.m. at which Staff and counsel for Global Energy appeared but no counsel appeared for the New Gold Partnerships;

AND WHEREAS on August 5, 2008, the First Temporary Order was continued until December 4, 2008 and the hearing in this matter was adjourned until December 3, 2008 at 10:00 a.m. on consent of Staff and counsel for Global Energy;

AND WHEREAS on December 3, 2008, on the basis of the record for the written hearing and on consent of Staff and counsel for Global Energy, a Panel of the Commission ordered that the First Temporary Order be extended until June 11, 2009 and that the hearing in this matter be adjourned to June 10, 2009, at 10:00 a.m.;

AND WHEREAS on June 10, 2009, Staff advised the Commission that Victor Tsatskin, a.k.a. Vadim Tsatskin ("Tsatskin"), an agent of Global Energy, would not be attending the hearing and was not opposed to Staff's request for the extension of the First Temporary Order and no counsel had communicated with Staff on behalf of the New Gold Partnerships;

AND WHEREAS on June 10, 2009, on hearing the submissions of Staff, a Panel of the Commission ordered that the First Temporary Order be extended until October 9, 2009 and that the hearing in this matter be adjourned to October 8, 2009, at 10:00 a.m.;

AND WHEREAS on October 8, 2009, on hearing the submissions of Staff, a Panel of the Commission ordered that the First Temporary Order be extended until March 11, 2010 and that the hearing in this matter be adjourned to March 10, 2010, at 10:00 a.m.;

AND WHEREAS on March 10, 2010, on hearing the submissions of Staff, a Panel of the Commission ordered that the First Temporary Order be extended until July 12, 2010 and that the hearing in this matter be adjourned to July 9, 2010, at 11:30 a.m.;

AND WHEREAS on April 7, 2010, the Commission issued a temporary cease trade order pursuant to subsections 127(1) and 127(5) of the Act ordering the following (the "Second Temporary Order"):

i) Christina Harper ("Harper"), Howard Rash ("Rash"), Michael Schaumer ("Schaumer"), Elliot Feder ("Feder"), Tsatskin, Oded Pasternak ("Pasternak"), Alan Silverstein ("Silverstein"), Herbert Groberman ("Groberman"), Allan Walker ("Walker"), Peter Robinson ("Robinson"), Vyacheslav Brikman ("Brikman"), Nikola Bajovski ("Bajovski"), Bruce Cohen ("Cohen") and Andrew Shiff ("Shiff") (collectively, the "Individual Respondents"), shall cease trading in all securities; and

ii) that any exemptions contained in Ontario securities law do not apply to the Individual Respondents;

AND WHEREAS, on April 7, 2010, the Commission ordered that the Second Temporary Order shall expire on the 15th day after its making unless extended by order of the Commission;

AND WHEREAS on April 14, 2010, the Commission issued a Notice of Hearing to consider, among other things, the extension of the Second Temporary Order, to be held on April 20, 2010 at 3:00 p.m.;

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

AND WHEREAS on April 20, 2010, a hearing was held before the Commission and none of the Individual Respondents appeared before the Commission to oppose Staff's request for the extension of the Second Temporary Order;

AND WHEREAS on April 20, 2010, the Commission was satisfied that Staff had served or made reasonable attempts to serve each of the Individual Respondents with copies of the Second Temporary Order, the Notice of Hearing, and the Evidence Brief of Staff as evidenced by the Affidavit of Kathleen McMillan, sworn on April 20, 2010, and filed with the Commission;

AND WHEREAS on April 20, 2010, the Commission considered the evidence and submissions before it and the Commission was of the opinion that: in the absence of a continuing cease-trade order, the length of time required to conclude a hearing could be prejudicial to the public interest; and, it was in the public interest to extend the Second Temporary Order;

AND WHEREAS on April 20, 2010, pursuant to subsections 127(7) and (8) of the Act, the Second Temporary Order was extended to June 15, 2010 and the hearing in this matter was adjourned to June 14, 2010, at 10:00 a.m.;

AND WHEREAS on June 14, 2010, a hearing was held before the Commission and the Commission ordered that the Second Temporary Order be extended until September 1, 2010 and the hearing be adjourned to September 1, 2010, at 1:00 p.m.;

AND WHEREAS on June 14, 2010, on hearing the submissions of Staff, a Panel of the Commission ordered that the First Temporary Order be extended until September 1, 2010 and that the hearing in this matter be adjourned to September 1, 2010, at 1:00 p.m.;

AND WHEREAS on September 1, 2010, the Commission considered the evidence and submissions before it and the Commission was of the opinion that in the absence of a continuing cease-trade order, the length of time required to conclude a hearing could be prejudicial to the public interest;

AND WHEREAS on September 1, 2010, pursuant to subsections 127(7) and 127(8) of the Act, the First Temporary Order and Second Temporary Order were extended to November 9, 2010 and the hearing in this matter was adjourned to November 8, 2010 at 10:00 a.m.;

AND WHEREAS on September 1, 2010, it was further ordered pursuant to subsections 127(1) and (2) of the Act that, notwithstanding the Second Temporary Order, Feder is permitted to trade securities in an account in his own name or in an

account of his registered retirement savings plans (as defined in the *Income Tax Act* (Canada)) in which he has the sole legal and beneficial ownership, provided that:

(i) the securities traded are listed and posted for trading on the Toronto Stock Exchange, the New York Stock Exchange or NASDAQ (or their successor exchanges) which is a reporting issuer; and

(ii) he carries out any permitted trading through a dealer registered with the Commission (which dealer must be given a copy of this order) and through accounts opened in his name only (the "Amended Second Temporary Order").

AND WHEREAS on November 5, 2010, the Commission approved a settlement agreement between Staff and Robinson;

AND WHEREAS on November 8, 2010, Staff, Schaumer, Shiff, Silverstein, counsel for Rash, and counsel for Pasternak, Walker and Brikman, attended the hearing; and whereas Harper and Groberman had each advised Staff that they would not be attending the hearing; and whereas no person attended on behalf of the Corporate Respondents; and whereas Tsatskin, Bajovski and Cohen did not appear;

AND WHEREAS on November 8, 2010, counsel for Feder removed himself from the record due to a conflict of interest, and new counsel for Feder advised the Commission that he would need to satisfy himself that he was able to represent Feder, and would advise Staff accordingly as soon as possible;

AND WHEREAS on November 8, 2010, the Commission considered the evidence and submissions before it and the Commission was of the opinion that it was in the public interest that the First Temporary Order and the Amended Second Temporary Order be extended to December 8, 2010 and the hearing in this matter be adjourned to December 7, 2010 at 2:30 p.m.;

AND WHEREAS on December 7, 2010, Staff, Schaumer, Silverstein, counsel for Pasternak, Walker and Brikman, and an agent for new counsel for Feder attended the hearing; and whereas no person appeared on behalf of the Corporate Respondents; and whereas Harper, Rash, Tsatskin, Groberman, Bajovski, Cohen and Shiff did not appear;

AND WHEREAS on December 7, 2010, the Commission was satisfied that all of the Respondents had been properly served with notice of the hearing;

AND WHEREAS on December 7, 2010, Staff requested the extension of the First Temporary Order against the Corporate Respondents and the Amended Second Temporary Order against the Individual Respondents, and Schaumer, Silverstein, and counsel for Pasternak, Walker and Brikman consented to the extension of the Amended Second Temporary Order;

AND WHEREAS on December 7, 2010, an agent for new counsel for Feder informed the Commission that he did not have instructions as to whether Feder consented to an extension of the Amended Second Temporary Order;

AND WHEREAS on December 7, 2010, Staff informed the Commission that depending on settlement efforts, Staff might seek to bring an application to hold the next hearing in this matter in writing;

AND WHEREAS on December 7, 2010, the Commission directed that the First Temporary Order against the Corporate Respondents, and the Amended Second Temporary Order against the Individual Respondents, be consolidated into a single temporary order (the "Temporary Order");

AND WHEREAS on December 7, 2010, the Commission considered the evidence and submissions before it and the Commission was of the opinion that it was in the public interest that pursuant to subsections 127(7) and 127(8) of the Act, the Temporary Order be extended to March 3, 2011, without prejudice to Feder to bring a motion if he opposes the extension and that the hearing in this matter be adjourned to February 16, 2011 at 2:00 p.m.;

AND WHEREAS on February 16, 2011, Staff, Schaumer, Shiff, counsel for Feder attended the hearing; and whereas no person appeared on behalf of the Corporate Respondents; and whereas counsel for Pasternak, Walker and Brikman; Harper, Rash, Tsatskin, Groberman, Bajovski and Cohen did not appear;

AND WHEREAS on February 16, 2011, Staff requested the extension of the Temporary Order against the Individual Respondents and Corporate Respondents; and Schaumer and Shiff consented to the extension of the Temporary Order;

AND WHEREAS on February 16, 2011, counsel for Feder consented to the extension of the Temporary Order of December 7, 2010, save and except for the exceptions outlined in this order;

AND WHEREAS on February 16, 2011, the Commission considered the evidence and submissions before it and the Commission was of the opinion that it was in the public interest to adjourn the hearing to May 3, 2011 at 10:00 a.m. and further extended the Temporary Order until May 4, 2011;

AND WHEREAS on February 16, 2011, it was further ordered pursuant to subsections 127(7) and (8) of the Act, that the Temporary Order be extended to May 4, 2011, save and except that:

(a) Feder is permitted to trade securities in an account in his own name or in an account of his registered retirement savings plan (as defined in the Income Tax Act (Canada)) in which Feder has the sole legal and beneficial ownership, provided that:

(i) the securities traded are listed and posted for trading on the Toronto Stock Exchange, the New York Stock Exchange, or NASDAQ (or their successor exchanges) which is a reporting issuer; and

(ii) that Feder carries out any permitted trading through a dealer registered with the Commission (which dealer must be given a copy of this order) and through accounts opened in Feder's name only; and

(b) Feder is permitted to contact the existing shareholders of (i) Genesis Rare Diamonds (Ontario) Ltd. (ii) Kimberlite Diamond Corporation and (iii) their subsidiaries, none of which is a reporting issuer, or their counsel and to discuss/explore the potential for the sale of Feder's shares in those corporations to any or all of their existing shareholders and/or the purchase of Feder's shares in those corporations by the respective corporations for cancellation, provided that Feder's shares are not actually sold and/or purchased without Feder first obtaining a further exemption/order from the Commission that permits such sale(s) and/or purchase(s);

AND WHEREAS on May 3, 2011, Staff, Schaumer, Shiff, and Silverstein attended the hearing; no one appeared on behalf of the Corporate Respondents; and counsel for Pasternak, Walker and Brikman; counsel for Rash; Tsatskin, Harper, Groberman, Bajovski and Cohen did not appear;

AND WHEREAS on May 3, 2011, Staff requested an extension of the Temporary Order against the Individual Respondents and Corporate Respondents; and Schaumer, Shiff and Silverstein did not object to an extension of the Temporary Order;

AND WHEREAS on May 3, 2011, the Commission considered the evidence and submissions before it and the Commission was of the opinion that it was in the public interest to extend the Temporary Order against all named Respondents, except Rash, to the conclusion of the hearing on the merits; to extend the Temporary Order against Rash until July 12, 2011, and to adjourn the hearing to July 11, 2011 at 10:00 a.m., at which time Rash will have the opportunity to make submissions regarding any further extension of the Temporary Order against him;

AND WHEREAS on July 11, 2011, Staff, Harper and Shiff attended the hearing and no one appeared on behalf of the Corporate Respondents, Pasternak, Walker, Brikman, Feder; Tsatskin, Schaumer, Silverstein, Groberman, Bajovski or Cohen;

AND WHEREAS on July 11, 2011, Staff informed the Commission that Rash had recently retained new counsel in a related matter, and that Rash's new counsel had advised Staff that he would not be attending the hearing;

AND WHEREAS on July 11, 2011, Staff requested a further extension of the Temporary Order against Rash;

AND WHEREAS on July 11, 2011, the Commission considered the evidence and submissions before it and the Commission was of the opinion that it was in the public interest to extend the Temporary Order against Rash to September 27, 2011, and to adjourn the hearing to September 26, 2011, at 10:00 a.m., at which time Rash would have the opportunity to make submissions regarding any further extension of the Temporary Order against him;

AND WHEREAS on September 1, 2011, the Commission approved settlement agreements between Staff and each of Pasternak, Walker and Brikman;

AND WHEREAS on September 26, 2011, Staff, Harper, Schaumer, Silverstein and Shiff attended the hearing and no one appeared on behalf of the Corporate Respondents, Feder, Rash, Tsatskin, Groberman, Bajovski or Cohen;

AND WHEREAS on September 26, 2011, Staff requested a further extension of the Temporary Order against Rash;

AND WHEREAS on September 26, 2011, the Commission ordered that the Temporary Order be extended against Rash until November 29, 2011, and that the hearing be adjourned to November 28, 2011, at 10:00 a.m.;

AND WHEREAS on November 28, 2011, Staff and Shiff attended the hearing and no one appeared on behalf of the Corporate Respondents or any of the other Individual Respondents;

AND WHEREAS the Commission was satisfied that the Corporate Respondents and the Individual Respondents had been properly served with notice of the hearing;

AND WHEREAS on November 28, 2011, Staff requested a further extension of the Temporary Order against Rash;

AND WHEREAS on November 28, 2011, the Commission ordered that the Temporary Order be extended against Rash until December 16, 2011, and that the hearing be adjourned to December 15, 2011, at 9:30 a.m.;

AND WHEREAS on November 29, 2011, the Commission approved settlement agreements between Staff and each of Silverstein and Schaumer;

AND WHEREAS on December 15, 2011, Staff attended the hearing and no one appeared on behalf of the Corporate Respondents or the Individual Respondents;

AND WHEREAS the Commission was satisfied that the Corporate Respondents and the Individual Respondents had been properly served with notice of the hearing;

AND WHEREAS Staff requested a further extension of the Temporary Order against Rash;

AND WHEREAS on December 15, 2011, the Commission considered the evidence and submissions before it and the Commission was of the opinion that it was in the public interest to make this order;

IT IS ORDERED that the Temporary Order is extended against Rash until October 22, 2012, and that the hearing is adjourned to October 19, 2012, at 10:00 a.m., without prejudice to either Staff or Rash to apply for a variation of the Temporary Order under section 144 of the Act.

DATED at Toronto this 15th day of December, 2011.

“Christopher Portner”

2.2.6 Acadian Energy 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, 144.

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

AND

IN THE MATTER OF
ACADIAN ENERGY INC.

ORDER
(Section 144)

WHEREAS the securities of Acadian Energy Inc. (the **Applicant**) are subject to a temporary cease trade order made by the Director dated August 4, 2011 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 August 16, 2011 under paragraph 2 of subsection 127(1) of the Act (together, the **Cease Trade Order**) directing that trading in and acquisitions of the securities of the Applicant cease until the Cease Trade Order is revoked by the Director;

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 made an application to the Ontario Securities Commission (the **Commission**) for a revocation of the Cease Trade Order pursuant to subsection 144(1) of the Act;

AND UPON the Applicant representing to the Commission that:

1. The Applicant was incorporated as York Ridge Lifetech Inc. under the *Business Corporations Act* (Ontario) on March 28, 2007 and filed articles of amendment with the Ministry of Government Services (Ontario) changing its name to Acadian Energy Inc. on March 16, 2011.

2. The Applicant is a reporting issuer or the equivalent under the securities legislation of the provinces of Ontario, Alberta and British Columbia (the **Reporting Jurisdictions**). The Applicant is not a reporting issuer in any other jurisdiction in Canada.

3. The Applicant is authorized to issue two classes of shares designed as common shares and Class A Restricted Voting Shares of which 2,505,748 common shares and 3,539,157 Class A Restricted Voting Shares are issued and outstanding.

4. The Applicant's common shares are listed for trading on the TSX Venture Exchange Inc. (**TSX-V**) under the symbol "ACX". The TSX-V halted trading of the Applicant's shares on August 4, 2011. The Applicant's securities are not listed or quoted on any other exchange or market in Canada or elsewhere.

5. The Cease Trade Order was issued as a result of the Applicant's failure to file audited annual financial statements for the year ended December 31, 2010, interim financial statement for the three-month period ended March 31, 2011, management's discussion and analysis (**MD&A**) relating to the interim financial statements for the three-month period ended March 31, 2011 and certificates of the foregoing filings as required by National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (**NI 52-109**) (collectively, the **Required Documents**).

6. The Applicant is also subject to a cease trade order issued by the British Columbia Securities Commission dated August 5, 2011 (the **B.C. CTO**) for failure to file the Required Documents. The Applicant has concurrently applied for a revocation of the B.C. CTO.

7. On November 8, 2011, the Applicant filed the Required Documents with the Commission.

8. On November 8, 2011, the Applicant also filed interim financial statements, MD&A and corresponding certificates of interim filings for the six-month period ended June 30, 2011.

9. On November 30, 2011, the Applicant filed interim financial statement for the nine-month period ended September 30, 2011, related MD&A and certificates as required by NI 52-109.

10. On December 1, 2011, the Applicant filed amended and restated MD&A for the financial periods ended March 31, 2011 and June 30, 2011.

11. As a result, the Applicant has filed all outstanding continuous disclosure documents that are required to be filed under Ontario securities law.

12. The Applicant is not in default of any requirements of the Cease Trade Order or the Act or the rules and regulations made pursuant thereto.

13. The Applicant has paid all outstanding participation fees and late fees that are required to be paid to the Commission.

14. The Applicant has provided an undertaking to the securities regulatory authorities in the Reporting Jurisdictions to hold an annual general meeting within two months after the date on which the Applicant files its annual financial statements for the year ended December 31, 2011.

15. The Applicant has paid all outstanding activity, participation and late filing fees that are required to be paid.

16. There have been no material changes to the Applicant's business or operations since the date of the Cease Trade Order, and there are currently no such material changes planned.

17. The Applicant's SEDAR profile and SEDI issuer profile supplement are current and accurate.

18. 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.

19. 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 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 Cease Trade Order;

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

DATED at Toronto this 6th day of December, 2011.

"Naizam Kanji"
Deputy Director, Corporate Finance Branch
Ontario Securities Commission

2.2.7 Vincent Ciccone and Medra Corp. – Rule 6.7 of the OSC Rules of Procedure

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

AND

IN THE MATTER OF
VINCENT CICCONE AND MEDRA CORP.

ORDER
(Pre-Hearing Conference – Rule 6.7 of the Ontario Securities Commission Rules of Procedure)

WHEREAS on October 3, 2011, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing (the "Notice of Hearing") pursuant to section 127 of the Securities Act, R.S.O. 1990, c. S.5, as amended (the "Act"), accompanied by a Statement of Allegations dated September 30, 2011 filed by Staff of the Commission ("Staff") with respect to Vincent Ciccone ("Ciccone") and Medra Corp. ("Medra") (the "Statement of Allegations");

AND WHEREAS on November 1, 2011, the Commission ordered that the matter be adjourned to a confidential pre-hearing conference to be held on December 16, 2011 at 10:00 a.m.;

AND WHEREAS on December 16, 2011, counsel for Staff and counsel for the Respondent, Ciccone appeared before the Commission for a pre-hearing conference and no one appeared on behalf of Medra;

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

IT IS ORDERED THAT this matter is adjourned to a confidential pre-hearing conference to be held on February 1, 2012 at 10:30 a.m. or to such other date or time as set by the Office of the Secretary and agreed to by the parties.

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

"James E.A. Turner "

2.2.8 New Hudson Television Corporation et al. – ss. 127(1), 127(8)

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

AND

IN THE MATTER OF
NEW HUDSON TELEVISION CORPORATION,
NEW HUDSON TELEVISION L.L.C. &
JAMES DMITRY SALGANOV

TEMPORARY ORDER
(Subsections 127(1) & 127(8))

WHEREAS on June 8, 2011, the Ontario Securities Commission (the "Commission") issued a temporary cease trade order pursuant to subsections 127(1) and 127(5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") ordering: that all trading in New Hudson Television Corporation ("NHTV Corp.") securities and New Hudson Television L.L.C. ("NHTV LLC") securities shall cease; that NHTV Corp. and NHTV LLC and their representatives cease trading in all securities; and that any exemptions contained in Ontario securities law do not apply to NHTV Corp. and NHTV LLC (the "Temporary Order");

AND WHEREAS on June 8, 2011, the Commission ordered that the Temporary Order shall expire on the fifteenth day after its making unless extended by order of the Commission;

AND WHEREAS on June 16, 2011, the Commission issued a Notice of Hearing to consider, among other things, the extension of the Temporary Order, to be held on June 22, 2011 at 9:00 a.m. (the "Notice of Hearing");

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

AND WHEREAS Staff of the Commission ("Staff") have served NHTV Corp., NHTV LLC and James Dmitry Salganov ("Salganov") (collectively, the "Respondents") with copies of the Temporary Order and the Notice of Hearing, as evidenced by the Affidavit of Charlene Rochman, sworn on June 20, 2011, and filed with the Commission;

AND WHEREAS on June 22, 2011, Staff appeared before the Commission, but no one attended on behalf of any of the Respondents;

AND WHEREAS on June 22, 2011, Staff informed the Commission that Salganov is the sole Director of NHTV Corp. and NHTV LLC and that he consented to a further extension of the Temporary Order in an email dated June 20, 2011;

AND WHEREAS on June 22, 2011, Staff sought to amend the Temporary Order to include Salganov, thereby making Salganov subject to the Temporary Order;

AND WHEREAS on June 22, 2011 it was ordered that:

(i) the Temporary Order was amended to provide that pursuant to clause 2 of subsection 127(1) of the Act, James Dmitry Salganov shall cease trading in securities of NHTV Corp. and NHTV LLC;

(ii) pursuant to subsection 127(8) of the Act, the Temporary Order as amended by (i), above (the "Amended Temporary Order") was extended to December 20, 2011; and

(iii) the hearing to consider any further extension of the Amended Temporary Order would be held on December 19, 2011 at 9:00 a.m.;

AND WHEREAS on December 19, 2011, Staff appeared before the Commission to request an extension of the Amended Temporary Order, but no one attended on behalf of any of the Respondents;

AND WHEREAS Staff informed the Commission that the Respondents consent to a further extension of the Amended Temporary Order for six months;

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

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

IT IS HEREBY ORDERED THAT:

(i) pursuant to subsection 127(8) of the Act, Amended Temporary Order is extended to June 25, 2012; and

(ii) the hearing to consider any further extension of the Amended Temporary Order will be held on June 22, 2012 at 10:00 a.m., or such other date and time as set by the Office of the Secretary.

Dated at Toronto this 19th day of December, 2011.

"Mary G. Condon"

2.2.9 MBS Group (Canada) Ltd. 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
MBS GROUP (CANADA) LTD.,
BALBIR AHLUWALIA
AND MOHINDER AHLUWALIA**

**TEMPORARY ORDER
(Subsections 127(1) & 127(5))**

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

1. MBS Group (Canada) Ltd. ("MBS Group") is a corporation incorporated pursuant to the laws of Ontario;

2. Mohinder Ahluwalia ("Mohinder") is a resident of Ontario and a director of MBS Group;

3. Balbir Ahluwalia ("Balbir") is a resident of Ontario and a director of MBS Group;

4. From approximately June 2004 to June 2007 (the "Material Time"), MBS Group, Balbir and Mohinder, collectively the "Respondents", directly and/or through representatives, distributed, offered for sale, and sold shares in The Electrolinks Corporation ("Electrolinks") to members of the public in Ontario;

5. During the Material Time, the Respondents engaged in and held themselves out as engaging in the business of trading in securities;

6. During the Material Time, Electrolinks was not a reporting issuer and the Electrolinks securities were not qualified by a prospectus;

7. None of the Respondents have ever been registered with the Commission in any capacity;

AND WHEREAS on June 30, 2011, the Commission issued a Notice of Hearing accompanied by Staff's Statement of Allegations, alleging the following:

(i) that the Respondents traded in securities without being registered to trade in securities, contrary to subsection 25(1) of *Securities Act*, R.S.O. 1990, c. S.5, as amended, ("the Act") and contrary to the public interest;

(ii) that the actions of the Respondents related to the sale of securities of Electrolinks constituted distributions of securities of Electrolinks where no preliminary prospectus and prospectus were issued nor receipted by the Director, contrary to subsection 53(1) of the Act and contrary to the public interest;

(iii) that Balbir being a director and/or officer of MBS Group authorized, permitted or acquiesced in the violations of subsections 25(1) and 53(1) of the Act, as set out above, by MBS Group or by the salespersons, representatives or agents of MBS Group, contrary to section 129.2 of the Act and contrary to the public interest; and

(iv) that Mohinder being a director and/or officer of MBS Group authorized, permitted or acquiesced in the violations of subsections 25(1) and 53(1) of the Act, as set out above, by MBS Group or by the salespersons, representatives or agents of MBS Group, contrary to section 129.2 of the Act and contrary to the public interest;

AND WHEREAS by Notice of Motion dated August 5, 2011, Staff brought a motion for a temporary cease trade and removal of exemptions order on notice to the Respondents;

AND WHEREAS on August 17, 2011, Staff, Balbir and Mohinder attended before the Commission and Balbir and Mohinder consented to the making of a temporary cease trade and removal of exemptions order;

AND WHEREAS the Commission ordered that (i) pursuant to clause 2 of subsection 127(1) of the Act that MBS Group, Mohinder and Balbir cease trading in all securities, with the exception that Mohinder and Balbir are permitted to trade securities in mutual funds through a registered dealer for the account of their own respective registered retirement savings plans (as defined in the *Income Tax Act* (Canada)); and (ii) pursuant to clause 2 of subsection 127(1) of the Act that any exemptions contained in Ontario securities law do not apply to MBS Group, Mohinder and Balbir (the "Temporary Order");

AND WHEREAS the Commission further ordered that the Temporary Order take effect immediately and expire on September 2, 2011 unless extended by order of the Commission and that the hearing to consider an extension of the temporary order be scheduled for September 1, 2011 at 10:00 a.m.;

AND WHEREAS on September 1, 2011, Staff, Balbir and Mohinder attended before the Commission;

AND WHEREAS Balbir consented to the extension of the Temporary Order;

AND WHEREAS Mohinder consented to the extension of the Temporary Order but requested that he be permitted to sell securities which he currently holds;

AND WHEREAS the Commission ordered that the Temporary Order be extended until December 2, 2011 with the exception that Mohinder may direct Mackie Research Capital Corporation to sell securities held in his accounts with them as of September 1, 2011 to liquidate those accounts;

AND WHEREAS the Commission ordered that the hearing to consider a further extension of the Temporary Order be scheduled for December 1, 2011 at 10:00 a.m. at the offices of the Commission;

AND WHEREAS on notice to the parties, the hearing to consider a further extension of the Temporary Order was rescheduled to November 29, 2011 at 10:00 a.m.;

AND WHEREAS on November 29, 2011, Staff, Balbir and Mohinder attended before the Commission;

AND WHEREAS Staff requested that the Commission set dates for the hearing on the merits and that the Temporary Order be extended to the conclusion of the hearing on the merits;

AND WHEREAS Balbir and Mohinder advised the Commission that they were still in the process of retaining counsel and requested additional time to retain counsel to represent them in this matter;

AND WHEREAS Balbir and Mohinder did not oppose an extension of the Temporary Order but requested that they be permitted to trade for their own account, in exchange traded securities, through a registered dealer;

AND WHEREAS Staff did not oppose the request;

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

IT IS HEREBY ORDERED that the Temporary Order is extended until the conclusion of the hearing on the merits with the exception that Balbir and Mohinder are, individually, permitted to trade for their own account, solely through a registered dealer or, as appropriate, a registered dealer in a foreign jurisdiction (which dealer must be given a copy of this Order) in (a) any "exchange-traded security" or "foreign exchange-traded security" within the meaning of National Instrument 21-101 provided that they do not own beneficially or exercise control or direction over more than 5 percent of the voting or equity securities of the issuer(s) of any such securities; or (b) any security issued by a mutual fund that is a reporting issuer;

IT IS FURTHER ORDERED that a pre-hearing conference is scheduled for January 13, 2012 at 10:00 a.m. at the offices of the Commission at which time the Commission will set dates for the hearing on the merits in this matter.

DATED at Toronto this 29th day of November, 2011.

"James E. A. Turner"

2.2.10 Bernard Boily – Rule 6.7 of the OSC Rules of Procedure

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

AND

IN THE MATTER OF
BERNARD BOILY

ORDER
(Pre-Hearing Conference – Rule 6.7)

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

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

AND WHEREAS on July 5, 2011, the Commission ordered that the matter be adjourned to a confidential pre-hearing conference to be held on September 13, 2011 and that the following dates be reserved for the hearing on the merits in this matter: April 2, 3, 4, 5, 9, 11, 12, 13, 16, 17, 18, 19, 20, 23, 25, 26 and 27, 2012;

AND WHEREAS on September 13, 2011, the Commission ordered that the matter be adjourned to a confidential pre-hearing conference to be held on November 10, 2011 and that the hearing on the merits in this matter shall commence on April 2, 2012 at 10:00 a.m. and continue on the following dates: April 3, 4, 5, 9, 11, 12, 13, 16, 17, 18, 19, 20, 23, 25, 26 and 27, 2012;

AND WHEREAS on November 10, 2011, the Commission ordered that the matter be adjourned to a confidential pre-hearing conference to be held on December 13, 2011 at 9:00 a.m.;

AND WHEREAS on December 13, 2011, counsel for Staff and the Respondent appeared before the Commission for a pre-hearing conference;

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

IT IS ORDERED that this matter is adjourned to a confidential pre-hearing conference to be held on January 30, 2012 at 2:00 p.m.

DATED at Toronto this 13th day of December, 2011.

"Vern Krishna"

Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions, Orders and Rulings

3.1.1 Lehman Brothers & Associates Corp. 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
LEHMAN BROTHERS & ASSOCIATES CORP.,
GREG MARKS, KENT EMERSON LOUNDS AND
GREGORY WILLIAM HIGGINS

REASONS AND DECISION
(Section 127 of the Act)

Hearing:	June 6 and 8, 2011 July 5, 2011		
Decision:	December 16, 2011		
Panel:	Christopher Portner	–	Commissioner and Chair of the Panel
	C. Wesley M. Scott	–	Commissioner
Appearances:	Carlo Rossi	–	For the Ontario Securities Commission
		–	No one appeared on behalf of any of the Respondents

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REASONS AND DECISION

I. BACKGROUND

A. History of the Proceeding

[1] This was a hearing before the Ontario Securities Commission (the "**Commission**"), pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "**Act**"), to consider whether Lehman Brothers & Associates Corp. ("**Lehman Corp.**"), Greg Marks ("**Marks**") and Kent Emerson Lounds ("**Lounds**") breached the Act and acted contrary to the public interest.

[2] On June 29, 2010, the Commission issued a temporary cease trade order in this matter against Lehman Corp., Marks, Michael (Mike) Lehman (a.k.a. Mike Laymen) ("**Lehman**"), Lounds and Gregory William Higgins ("**Higgins**") (the "**Temporary Order**"). The Commission extended the Temporary Order by orders dated July 12, 2010 and September 10, 2010. The order dated September 10, 2010 also removed Lehman from the Temporary Order. By order dated October 21, 2010, the Commission extended the Temporary Order, as amended, to the conclusion of the hearing on the merits.

[3] The merits proceeding in this matter was commenced against Lehman Corp., Marks, Lounds and Higgins by a Statement of Allegations and Notice of Hearing dated September 3, 2010. The proceeding arose from what Staff of the Commission ("**Staff**") alleges to be a fraudulent advance fee scheme involving securities of TBS New Media Ltd. ("**TBS New Media**") and TBS New Media PLC ("**TBS**").

[4] From December 2008 to May 2009 (the "**Material Time**"), certain TBS investors were solicited by Marks, a representative of Lehman Corp., to sell their shares of TBS. The investors were advised that they would have to pay advance fees in order to complete the sale of their shares. Four investors sent a total of US$146,760 to accounts controlled by either Lounds or Higgins and suffered a complete loss of the amounts paid.

[5] Staff alleges that Lehman Corp., Marks, Lounds and Higgins traded securities without complying with the registration requirement, contrary to subsection 25(1)(a) of the Act and contrary to the public interest. Staff further alleges that their conduct was fraudulent, contrary to subsection 126.1(b) of the Act and contrary to the public interest.

[6] Higgins, who is referred to in the style of cause of the Statement of Allegations and Notice of Hearing in this matter, entered into a settlement agreement with Staff. The Commission approved the settlement on June 7, 2011 ((2011), 34 O.S.C.B. 6566).

[7] The hearing on the merits in relation to Lehman Corp., Marks and Lounds (collectively, the "**Respondents**") commenced on June 6, 2011 (the "**Merits Hearing**"). We heard evidence in this matter on June 6 and 8, 2011 and closing

submissions from Staff on July 5, 2011, and received Staff's written submissions dated June 29, 2011. None of the Respondents appeared in person or by counsel, or provided written submissions.

B. The Respondents

1. Lehman Corp.

[8] Lehman Corp. purported to be a brokerage firm operating from Montreal, Quebec. There is no record of Lehman Corp. having been registered to carry on business in Ontario, Quebec or elsewhere in Canada, nor is there any record of Lehman Corp. having been registered under the Act.

[9] Staff alleges that Lehman Corp. is a fictitious business.

2. Marks

[10] Marks purported to be a representative of Lehman Corp. There is no record of Marks having been registered under the Act.

[11] Staff alleges that Marks is an alias for an unknown individual.

3. Lounds

[12] Lounds is a resident of Ontario. During the Material Time, he was the registered owner of Emerson Global Holdings ("**Emerson**"). There is no record of Lounds having been registered under the Act.

C. Other Related Entities

1. TBS

[13] TBS New Media is a company incorporated pursuant to the laws of Ontario.

[14] TBS was incorporated pursuant to the laws of the United Kingdom. TBS was purportedly created to allow the securities of TBS New Media to be traded on an exchange located in Frankfurt, Germany. Between 2004 and 2008, securities of TBS New Media and TBS were distributed to investors in Ontario and throughout Canada purportedly pursuant to a private placement. Some of the investors who originally acquired securities of TBS New Media were asked to return these securities in exchange for securities of TBS. The three investor witnesses who are described in paragraphs 49 and following of these reasons held shares of TBS.

[15] The principal of TBS is Ari Jonathon Firestone ("**Firestone**"), a resident of Ontario.

2. Emerson

[16] Emerson is registered in Ontario as a sole proprietorship. During the Material Time, Lounds was the registered owner of Emerson.

3. Triad

[17] Triad Holdings ("**Triad**") is registered in Ontario as a sole proprietorship. During the Material Time, the registered owner of Triad was Higgins who is a resident of Ontario.

II. PRELIMINARY ISSUES

A. Failure of the Respondents to Appear

1. Orders Sought by Staff

[18] None of the Respondents appeared at the Merits Hearing in person or by counsel. Staff submits that it has provided notice of the proceeding to Lounds, but was unable to effect service on or locate two of the Respondents, Lehman Corp. and Marks. Staff submits that service on these two Respondents has been rendered impossible by the circumstances in this case, including the lack of a valid address for Lehman Corp. and the steps taken by Marks to conceal his true identity.

[19] Accordingly, Staff seeks the following orders from the Commission:

(a) An order that service of the Notice of Hearing and Statement of Allegations be waived with respect to Lehman Corp. and Marks as Staff has taken all reasonable steps to locate and serve these two Respondents; and

(b) An order that, under the particular circumstances of this case, the posting of the Notice of Hearing and Statement of Allegations on the Commission's website constitutes reasonable notice under subsection 6(1) of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22, as amended (the "**SPPA**").

[20] In support of its requests, Staff relies on the Affidavits of Charlene Rochman ("**Rochman**") sworn June 3 and 7, 2011 and the Affidavit of Service of Daniela De Chellis ("**De Chellis**") sworn July 5, 2011 which detail the steps taken by Staff to locate and serve the Respondents, as well as the evidence adduced at the hearing as part of Staff's case.

[21] Staff refers us to Rule 1.5.3 of the Ontario Securities Commission *Rules of Procedure* (2010), 33 O.S.C.B. 8017 (the "**Commission's Rules**") for the power of the Commission to waive service when service cannot be effected. Staff also refers us to the jurisprudence that deals with the inability to effect service in the civil context, as it is Staff's position that Rule 16.04 of the Ontario *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194 (the "**Rules of Civil Procedure**") is a provision dealing with the inability to effect service that is similar to Rule 1.5.3 of the Commission's Rules. Staff submits that Rule 16.04 of the Rules of Civil Procedure has been considered by the courts in Ontario and urges the Commission to rely on those cases.

[22] In particular, Staff cites *Joe v. Joe* (1984), 46 O.R. (2d) 764 as support for the proposition that "the law does not compel a person to do that which he cannot possibly perform". Staff also proposes the legal test articulated in *Zhang v. Jiang* (2006), 82 O.R. (3d) 306 at para. 18 as the test to be considered by the Commission in determining when service can be substituted or dispensed with: "[s]ervice is impractical when it is 'unable to be carried out or done', which is proven 'by showing that all reasonable steps have been taken to locate the party and to personally serve him or her'".

2. The Law

[23] Subsection 6(1) of the SPPA, which is set out below, requires that "reasonable notice" be given to the parties to a proceeding:

> **Notice of hearing**
>
> **6.**(1) The parties to a proceeding shall be given reasonable notice of the hearing by the tribunal.

[24] Subsection 7(1) of the SPPA, which is set out below, authorizes a tribunal to proceed in the absence of a party when that party has been given notice of the hearing:

> ***Effect of non-attendance at hearing after due notice***
>
> **7.**(1) Where notice of an oral hearing has been given to a party to a proceeding in accordance with this Act and the party does not attend at the hearing, the tribunal may proceed in the absence of the party and the party is not entitled to any further notice in the proceeding.

[25] In the event that a person required to serve a document is unable to effect service, Rule 1.5.3 of the Commission's Rules gives a Panel of the Commission the power to order substituted, validated or waived service as follows:

> **1.5.3 Inability to Effect Service** – (1) If a person required to serve a document is unable to serve it by one of the methods described in Rule 1.5.1, the person may apply to a Panel for an order for substituted, validated or waived service.
>
> **(2) Application for an Order for Substituted, Validated or Waived Service** – The application shall be filed with an affidavit setting out the efforts already made to serve the person and stating:
>
> (a) why the proposed method of substituted service is likely to be successful; or
>
> (b) why a Panel should validate or waive service on that person.
>
> **(3) Substituted, Validated or Waived Service** – A Panel may give directions for substituted service or, where necessary, may validate or waive service if it considers it appropriate.

3. Did Staff satisfy the service requirement?

[26] The facts of this case raise the issue of whether Staff has satisfied the service requirement under the SPPA, particularly as it pertains to Lehman Corp. and Marks who could not be located by Staff. We will address below whether the service requirement has been met with respect to each of the Respondents.

(a) Lehman Corp. and Marks

[27] Based on Staff's affidavit evidence and the oral evidence from the Staff investigator, Stephen Carpenter ("Carpenter"), we are satisfied that Staff has taken the steps outlined below to locate and serve Lehman Corp. and Marks:

(a) Staff conducted corporate profile searches and found no record of Lehman Corp. in databases maintained by the Ontario Ministry of Government Affairs and Industry Canada (Corporations Canada).

(b) The correspondence that investors received from Lehman Corp. lists Lehman's address as: 180 [Intentionally deleted] Avenue, Suite 200, Montreal, Quebec, H3T ***. According to Staff, this is also the last known address for Lehman Corp. and Marks. Staff attempted service at this address and determined that this address does not exist. The postal code, H3T ***, is in fact the postal code for 5174 to 5216A [Intentionally deleted] Avenue. Staff also attempted service at 5180 [Intentionally deleted] Avenue, an address most similar to 180 [Intentionally deleted] Avenue and falling within the ambit of H3T ***, however, Lehman Corp. is unknown at that address.

(c) The correspondence that investors received from Lehman Corp. contains the following information: the Lehman Corp. website is located at www.lehmanbrotherscorp.com and the email by which investors can contact Lehman Corp. is info@lehmanbrotherscorp.com. According to Staff, the foregoing are the last known website and email addresses for Lehman Corp. Staff conducted computer searches and determined that the Lehman Corp. website is no longer accessible, and that the email account is no longer active.

[28] Staff also introduced into evidence a memorandum from the Autorité des Marchés Financiers (the "**AMF**") dated April 14, 2009 which details the investigation undertaken by the AMF with respect to Lehman Corp. (the "**AMF Memorandum**"). The AMF Memorandum states that the AMF was unable to find any registration record for Lehman Corp. or its representatives in any AMF database, the Quebec Registry of Enterprises or the records of Corporations Canada. The AMF Memorandum further discloses that the address found in Lehman Corp.'s promotional materials is not valid or does not exist. The AMF also attempted to locate Lehman Corp. representatives by tracing telephone and fax numbers associated with Lehman Corp., however, the investigation led to commercial addresses in some instances, and hotels in others, none of which related to Lehman Corp.

[29] The AMF came across the name Marks in its investigation of Lehman Corp. According to the AMF Memorandum, a cell phone number that was provided to service providers in connection with Lehman Corp's subscription for telephone services belonged to Marks. The AMF attempted to locate Marks by tracing that cell phone number, however, the investigation led to the address of a hotel in Montreal.

[30] The evidence shows that Lehman Corp. and Marks used false names, telephone numbers and addresses that could not be traced to the true owner, making it impossible for Staff, other regulators or investors to identify or locate Lehman Corp., Marks or other representatives. Accordingly, we find that Staff has taken all steps reasonable in the circumstances to locate and serve Lehman Corp. and Marks.

(b) Lounds

[31] Lounds did not appear at the Merits Hearing. Based on the Affidavit of Rochman sworn June 3, 2011, we find that Lounds was served with notice of the Merits Hearing. Accordingly, we find that we were authorized to proceed in the absence of Lounds in accordance with subsection 7(1) of the SPPA.

[32] After Staff concluded its case on June 8, 2011, a subsequent appearance was scheduled to take place on July 5, 2011 for the Panel to receive submissions from Staff and the Respondents. According to the Affidavit of Service of De Chellis sworn July 5, 2011, Staff served Lounds with notice of the resumption of the Merits Hearing and Staff's written submissions by email on June 29, 2011 at 5:03 p.m. Staff attempted to deliver hard copies of the materials by having a process server attend Lounds's last known address on June 30, 2011 at 5:00 p.m. and on July 2, 2011 at 3:00 p.m., but such copies of the materials were not deliverable at those times. On July 4, 2011, at approximately 3:20 p.m., the process server simply left such copies of the materials at the front door of Lounds's last known address. Lounds did not appear on July 5, 2011.

[33] In paragraph 31 above, we found that Lounds was given notice of the Merits Hearing. Accordingly, we were entitled to proceed on July 5, 2011 without giving Lounds any further notice pursuant to subsection 7(1) of the SPPA.

4. Conclusion

[34] We are satisfied that Staff made all reasonable efforts to serve the Respondents with notice of the Merits Hearing. We also note that the Notice of Hearing and the Statement of Allegations were posted on the Commission's website, as was a Commission order dated October 21, 2010 which set out the dates on which the Merits Hearing was scheduled to take place. We order that, pursuant Rule 1.5.3 of the Commission's Rules, service of the Statement of Allegations and Notice of Hearing on Lehman Corp. and Marks is waived. We further note that, as we found in paragraph 31, Lounds was given notice of the Merits Hearing. We were therefore authorized to proceed in the absence of the Respondents in accordance with subsection 7(1) of the SPPA.

B. Does the Commission have jurisdiction over the Respondents?

[35] In *Gregory & Co. v. Quebec (Securities Commission)*, [1961] S.C.R. 584 ("***Gregory***"), the Supreme Court of Canada considered the circumstances in which a securities commission would have jurisdiction over an individual and his or her conduct. The Court held that "[t]he fact that the securities traded by appellant would be for the account of customers outside of the province … does not … support the submission that appellant was not trading in securities … in the province, within the meaning and for the purposes of [the Quebec securities legislation]" (*Gregory*, *supra*, at pp. 587-588; see also *Re Allen* (2005), 28 O.S.C.B. 8541 at paras. 20-21 ("***Allen***"); and *Re Lett* (2004), 27 O.S.C.B. 3215 ("***Lett***") at para. 69).

[36] In this case, the offers to purchase TBS shares were made to investors outside Ontario. All of the investors whom we find in these reasons to have sent advance fees to the Respondents are residents of Alberta. In addition, Lehman Corp. purported to operate from outside Ontario, namely, from Montreal, Quebec. However, the evidence discloses that some substantial aspects of each transaction occurred within Ontario. Investor funds were sent to accounts located in Toronto on the instructions of Lehman Corp. and Marks. These accounts were opened and maintained by either Lounds or Higgins, both Ontario residents, in the name of Emerson or Triad, both sole proprietorships established and registered in Ontario. The evidence shows that investor funds were withdrawn and disbursed in Toronto for the benefit of these two Ontario residents.

[37] We find that there is a substantial connection to Ontario thereby entitling the Commission to exercise jurisdiction over the Respondents.

III. ISSUES

[38] Staff's evidence raises the following issues:

(a) Did the Respondents engage in unregistered trading, contrary to subsection 25(1)(a) of the Act and contrary to the public interest?

(b) Did the Respondents engage in fraud, contrary to subsection 126.1(b) of the Act and contrary to the public interest?

IV. EVIDENCE

A. Overview

[39] Staff called four witnesses during the hearing, namely, Carpenter and three investors who testified by means of video conference facilities. The three investor witnesses will be referred to individually as Investors One to Three, and collectively as the "**Three Investors**" in these reasons.

[40] Staff also introduced 16 exhibits into evidence through its witnesses.

[41] None of the Respondents attended the hearing or gave any evidence.

B. Staff Investigator

[42] Carpenter is an investigator in the Enforcement Branch of the Commission. He was assigned the file, which was opened as a result of a referral from the Saskatchewan Financial Services Commission, in November 2009.

[43] Carpenter reviewed the documents that were obtained by other Staff investigators who had previously worked on the file, and complaints that were referred to him by other regulatory bodies, including the Manitoba Securities Commission, the AMF and the Investment Industry Regulatory Organization of Canada ("**IIROC**"). As part of the investigation, he obtained section 139 certificates which show that none of the Respondents was registered under the Act during the Material Time. He also conducted corporate and other searches to locate and identify Lehman Corp. and Marks, as discussed in paragraphs 27 to 29 above.

[44] Carpenter obtained banking records pursuant to summonses issued under section 13 of the Act. More specifically, he caused: the Canadian Imperial Bank of Commerce ("**CIBC**") to produce records relating to two accounts in the name of Emerson (the "**Emerson Canadian CIBC Account**" and the "**Emerson US CIBC Account**", and together, the "**Emerson Accounts**"); the Bank of Nova Scotia to produce records relating to an account in the name of Triad (the "**Triad Scotia Account**"); and the Royal Bank of Canada ("**RBC**") to produce records relating to two accounts in the name of Triad (the "**Triad Canadian RBC Account**" and the "**Triad US RBC Account**", and together, the "**Triad RBC Accounts**"). The Triad Scotia Account and the Triad RBC Accounts will be collectively referred to as the "**Triad Accounts**".

[45] The banking records include account opening documentation, account statements and other supporting documentation for transactions.

[46] During the hearing, Carpenter testified about these documents and the movement of investor funds. His evidence is that four investors sent a total of US$146,760 to the Emerson Accounts and the Triad Accounts, as follows:

(a) A total of US$121,260 of investor funds were sent to the Emerson Accounts, as follows:

(i) The Three Investors sent a total of US$96,460 to the Emerson Canadian CIBC Account; and

(ii) Investor One sent US$24,800 to the Emerson US CIBC Account.

(b) A total of US$25,500 of investor funds were sent to the Triad Accounts, as follows:

(i) An investor who did not testify at the Merits Hearing ("I**nvestor Four**", who will be described in more detail in paragraph 78 below) sent a total of US$8,000 to the Triad Scotia Account; and

(ii) Investor One sent a total of US$17,500 to the Triad Canadian RBC Account.

[47] Relying on the banking records, Carpenter testified that the majority of investor funds transferred to the Emerson Accounts and the Triad Accounts were withdrawn, primarily in cash, by the respective account holder almost immediately following the deposits to such accounts.

[48] During his investigation, Carpenter also conducted compelled examinations of Firestone, Lounds and Higgins as well as voluntary interviews of TBS investors, including Investor Four.

C. The Three Investors

[49] The Three Investors testified about their interaction with the Respondents in relation to the alleged advance fee scheme. They testified that they all dealt almost exclusively with Marks, who held himself out as acting on behalf of Lehman Corp., and were instructed by Marks to wire advance fees to the Emerson Accounts or the Triad Accounts. The advance fees were generally a percentage of the amount that Lehman Corp. would purportedly pay the investors for their TBS shares.

[50] During their testimony, the Three Investors identified packages of documents that they received from the Respondents. Generally speaking, each such package consisted of:

(a) A facsimile transmittal page setting out the name of the sender, Marks, as well as Lehman Corp.'s address, telephone number, facsimile number and website address;

(b) An invoice-type document setting out, among other things, the advance fee requested and the purchase price for the investor's TBS shares (the "**Invoice**");

(c) A document entitled "Pay Order/Fee Protection" purporting to be a binding agreement of Lehman Corp.'s purchase of the investor's TBS shares and the repayment of any advance fees (the "**Agreement**");

(d) A non-disclosure agreement; and

(e) Wiring instructions directing the investor to send his funds to one of the Emerson Accounts or the Triad Accounts.

1. Investor One

[51] Investor One operates a farm in Bashaw, Alberta. He is 76 years old and has a Bachelor of Science degree from the University of Alberta. He described himself as having no investment experience.

[52] Investor One owned 10,000 shares of TBS during the Material Time. He purchased the shares at a price of US$1 per share.

[53] In January 2009, Investor One received a telephone solicitation from an individual who identified himself as Marks and as a representative of Lehman Corp. to sell his shares of TBS. From his conversation with Marks, Investor One understood Lehman Corp. to be a broker operating from Montreal, Quebec. He was told that Lehman Corp. was acting for a company in the United States in the acquisition of TBS, and that the American company was willing to pay a substantial premium for the TBS shares in order to ensure a controlling interest in TBS and the proper management of the company.

[54] Marks offered to purchase Investor One's TBS shares at US$16 per share for a total of US$160,000. He told Investor One that, in order to sell his shares, Investor One must send a security deposit of 5% of the value of the shares, or US$8,000, the purported purpose of which was to guarantee the completion of the transaction by the investor. Marks informed Investor One that the security deposit would be returned to the investor within five or six days, along with the purchase price for the investor's TBS shares. On January 27, 2009, following the telephone conversation, Investor One received a package of documents, described in paragraph 50 above, purporting to confirm the transaction.

[55] In accordance with the wiring instructions provided by Marks, Investor One sent US$8,000 to the Emerson Canadian CIBC Account on January 29, 2009. Investor One was told that Emerson was a Toronto-based trust company, and as Lehman Corp. had no access to such account, his funds would be protected.

[56] Investor One was subsequently solicited by Marks for a number of other advance fees, all of which Marks claimed were necessary for the completion of the transaction and would be refunded to the investor. For example, Investor One was asked to pay non-resident taxes and to purchase 4,500 warrants. On another occasion, Investor One was asked to send additional funds because he purportedly misunderstood the amount of funds required and sent insufficient funds as a result.

[57] Investor One sent eight advance fees, totalling approximately US$114,760, to the Emerson Accounts or the Triad Accounts. They included:

(a) US$8,000, representing a security deposit which was sent to the Emerson Canadian CIBC Account on January 29, 2009;

(b) US$18,480, representing a 11% U.S. non-resident tax which was sent to the Emerson Canadian CIBC Account on April 8, 2009;

(c) US$14,280, representing a further U.S. non-resident tax which was sent to the Emerson Canadian CIBC Account on April 15, 2009;

(d) US$13,400 sent to the Emerson Canadian CIBC Account on April 22, 2009;

(e) US$24,800 sent to the Emerson US CIBC Account on April 28, 2009;

(f) US$18,300 sent to the Emerson Canadian CIBC Account on May 5, 2009;

(g) US$7,200 sent to the Triad Canadian RBC Account on May 15, 2009; and

(h) US$10,300 sent to the Triad Canadian RBC Account on May 21, 2009.

[58] During the Merits Hearing, Investor One described Marks as "putting the screws to [him] a bit, for pressure" (Hearing Transcript, June 8, 2011, p. 18). For example, Investor One testified that for the initial wire transfers, Marks would phone two or three times a day to ensure that payments were wired. As well, when Investor One was away on vacation for two months, Marks left ten to fifteen "urgent" voice messages requesting payment of non-resident taxes, claiming that "we had to get this done because [Investor One] was holding up any settlement that was going to be made to the other shareholders" (Hearing Transcript, June 8, 2011, p. 18).

[59] After the last wire transfer, Investor One had two further conversations with Marks during which Marks reassured Investor One that there would be a complete refund of all moneys he paid. However, Investor One testified that he never received any payments for the sale of his TBS shares and did not receive a refund of the advance fees he paid.

2. Investor Two

[60] Investor Two is a resident of Rimbey, Alberta. He is 56 years old and currently employed in the field of oil field manufacturing. He completed high school and some post-secondary education, and assessed his investment experience as "average" (Hearing Transcript, June 8, 2011, p. 40).

[61] During the Material Time, Investor Two held 20,000 shares of TBS.

[62] Investor Two testified that an individual, who identified himself as Marks and as working for Lehman Corp., telephoned Investor Two about buying Investor Two's shares of TBS. Investor Two believed Lehman Corp. to be a brokerage company. While Investor Two is not certain whether Lehman Corp. was acting on its own behalf or on behalf of another company, he was told that Lehman Corp. was acquiring TBS shares from investors in order to better manage TBS.

[63] Marks offered to pay US$16 per share, or a total of US$320,000, for Investor Two's 20,000 shares of TBS. He told Investor Two that the investor must send a security deposit of 5% of the value of the shares, in order to show that he was committed to the transaction. He advised Investor Two that once the security deposit was sent by the investor, the investor would receive the sale proceeds and a refund of the security deposit. Investor Two expected to receive the entire amount from Lehman Corp. within a day of his payment of the advance fee.

[64] On January 21, 2009, Marks sent Investor Two a package of documents by e-mail, as described in paragraph 50 above, which purported to confirm the transaction.

[65] On January 30, 2009, Investor Two wired US$16,000 to the Emerson Canadian CIBC Account in accordance with the instructions provided by Marks. Investor Two was told that Emerson was a holding company that was gathering all of the TBS shares for Lehman Corp.

[66] Investor Two did not receive any funds as promised by Marks. He contacted and followed-up with Marks about the sale of his TBS shares, but Marks informed him that Lehman Corp. had encountered some problems with the U.S. tax authorities. Marks told Investor Two that Investor Two would have to pay a non-resident tax which would be refunded to him.

[67] Marks initially requested that Investor Two pay a 19.75% non-resident tax in order to complete the transaction. After Investor Two indicated that he would pay the U.S. government directly, Marks claimed that he had negotiated with the U.S. government so that Investor Two would only have to pay an 11% tax, or US$35,200. Investor Two declined to send additional funds to the Emerson Canadian CIBC Account, as directed by Marks, and maintained that he would pay the U.S. government directly.

[68] Marks subsequently contacted Investor Two one more time in an attempt to dissuade Investor Two from paying the U.S. government directly. Marks told the investor that it would take too long and that Lehman Corp. needed Investor Two's shares right away. Investor Two refused, saying that he was not comfortable with spending more money. Since that conversation, Investor Two had tried to contact Marks again, but was unable to speak to Marks or any Lehman Corp. representatives.

[69] Investor Two never transferred his TBS shares to Lehman Corp. He never received consideration for those shares and did not receive a refund of the advance fee he paid.

3. Investor Three

[70] Investor Three is 53 years old and lives in Bonnyville, Alberta. He has a secondary school education and is currently working in the oil field industry. He testified that he has been investing for the past five or six years and considers himself a "pretty experienced" investor who "understand[s] the markets" (Hearing Transcript, June 8, 2011, p. 65).

[71] During the Material Time, Investor Three owned approximately 10,000 shares of TBS which he purchased at US$1 per share.

[72] Investor Three testified that Marks contacted him in 2009 regarding an opportunity to sell his shares of TBS to a company in the United States. Marks told Investor Three that he was acting for Lehman Corp., the Canadian brokerage division of Lehman Brothers Holdings Inc., which was an investment bank in the United States.

[73] Marks offered to buy Investor Three's shares of TBS at US$16 per share, for a total of US$160,000. Marks discussed TBS's business with Investor Three which convinced Investor Three that TBS shares were worth US$16 per share. He asked Investor Three to pay a security deposit of 5% of the value of the shares, or US$8,000, in order to facilitate the transaction and pay for the work that he was doing. Marks explained that once Investor Three sent the security deposit, a payment representing the proceeds of the sale of the investor's shares and a refund of the security deposit would be sent to the investor at the end of the same day. As described in paragraph 50, Investor Three received a package of documents from Marks for the transaction on January 19, 2009.

[74] At Marks's instructions, Investor Three wired US$8,000 to the Emerson Canadian CIBC Account on January 22, 2009.

[75] Having heard nothing from Marks a week after he transferred the security deposit, Investor Three contacted Marks to discuss what happened to the transaction. At first, Marks assured Investor Three that the transaction would take time. However, Marks eventually communicated with Investor Three, both by telephone and in writing, to solicit additional funds. Marks explained that additional funds were required to pay non-resident taxes to the U.S. tax authorities, and in fact, Lehman Corp. was able to negotiate a lower tax rate of 11% rather than 19.75% for Investor Three due to Investor Three's status as a Canadian citizen. Investor Three was directed to wire US$17,600 to the Emerson Canadian CIBC Account.

[76] Although Marks claimed that the non-resident tax would be refunded to Investor Three, Investor Three refused to pay more money. Investor Three testified that Marks subsequently called to demand payment about five or six times, sometimes on the investor's home phone, sometimes on his cell phone and sometimes on his business phone. Investor Three described those phone calls as "rude" and "argumentative" (Hearing Transcript, June 8, 2011, p. 77), and on the last occasion, Investor Three asked Marks to stop contacting him.

[77] Investor Three testified that he never received any payments from the Respondents or anyone else for the sale of his TBS shares and did not receive a refund of the advance fee he paid.

D. Investor Four

[78] Investor Four is a resident of Alberta. He was voluntarily interviewed by Carpenter as part of Staff's investigation, but did not testify at the hearing. Although we would have preferred to hear *viva voce* evidence from this investor, hearsay evidence from Investor Four in the form of a transcript of the interview was admitted into evidence through Carpenter pursuant to section 15 of the SPPA, subject to the weight given to such evidence (*Re Sunwide Finance Inc.* (2009), 32 O.S.C.B. 4671 ("***Sunwide***") at para. 22). Investor Four's statements that he was solicited by Lehman Corp. to send advance fees for the purpose of selling his TBS shares are consistent with the testimony of the Three Investors and corroborated by the banking records that are in evidence as part of Staff's case. The evidence shows that Investor Four transferred an advance fee of US$8,000 to the Triad Scotia Account on March 13, 2009. Investor Four informed Staff that he never received any payments for the sale of his TBS shares and did not receive a refund of the advance fee he paid.

V. ANALYSIS

A. Did the Respondents engage in unregistered trading, contrary to subsection 25(1)(a) of the Act and contrary to the public interest?

1. The Law

[79] Subsection 25(1)(a) of the Act sets out the registration requirement as follows:

> **25. (1) Registration for trading** – No person or company shall,
>
> (a) trade in a security or act as an underwriter unless the person or company is registered as a dealer, or is registered as a salesperson or as a partner or as an officer of a registered dealer and is acting on behalf of the dealer;
>
> …
>
> and the registration has been made in accordance with Ontario securities law and the person or company has received written notice of the registration from the Director and, where the registration is subject to terms and conditions, the person or company complies with such terms and conditions.

[80] Subsection 25(1)(a) refers to a trade in a security. A "trade" or "trading" is defined in subsection 1(1) of the Act as follows:

> **"trade"** or **"trading"** includes,
>
> (a) any sale or disposition of a security for valuable consideration, whether the terms of payment be on margin, instalment or otherwise, but does not include a purchase of a security or, except as provided in clause (d), a transfer, pledge or encumbrance of securities for the purpose of giving collateral for a debt made in good faith,
>
> …

(e) any act, advertisement, solicitation, conduct or negotiation directly or indirectly in furtherance of any of the foregoing;

[81] In *Sunwide*, *supra*, at para. 48, the Commission held that, although a purchase of a security is expressly excluded from the definition of "trade" in the Act, when a respondent solicited the sale of shares and made various misrepresentations to induce the sale, those actions constituted acts in furtherance of a trade and not the mere purchase of a security.

[82] It is not necessary for there to be a completed trade in order for someone to be trading in a security. An act in furtherance of a trade is itself a trade for the purposes of the Act (*Sunwide*, *supra*, at para. 45).

[83] The Commission has also held that solicitation of or direct contact with investors is not required for an act to constitute an act in furtherance of a trade (*Lett*, *supra*, at paras. 48-51 and 64). Accepting investor funds for the purpose of an investment can constitute "trading" within the meaning of the Act (*Allen*, *supra*, at para. 85).

2. Analysis

[84] Although the evidence before us suggests that no transfer of securities actually took place, an act in furtherance of a trade does not require a completed trade of a security. We are also cognizant of the express exclusion of a purchase of a security from the definition of "trade" or "trading" in the Act. However, based on the evidence, we are of the view that the conduct of the Respondents, as in the case of *Sunwide*, was not the mere purchase of securities. We find that the Respondents engaged in acts in furtherance of trading TBS securities for the reasons that follow.

(a) Lehman Corp. and Marks

[85] We heard consistent and credible testimony from the Three Investors, supported by documentary evidence which includes the Invoices, the Agreements and banking records, that Lehman Corp. and Marks solicited investors to sell their TBS shares. The acts of solicitation by Lehman Corp. and Marks included the following:

(a) Marks held himself out to be a representative of Lehman Corp. and telephoned investors about selling their shares of TBS.

(b) Marks offered to purchase TBS shares at US$16 per share which represented a substantial premium over the price of US$1 per share which investors originally paid for the shares.

(c) Marks discussed the purchase of TBS shares by Lehman Corp. with investors, including the reason for the substantial premium and the purpose of Lehman Corp's acquisition of those shares.

(d) Marks told investors that they would have to provide an advance fee representing a refundable security deposit in order to complete the sale of their TBS shares.

(e) Marks directed investors to wire advance fees to the Emerson Accounts or the Triad Accounts, and explained to investors that Emerson and Triad were trust companies holding investor funds in escrow.

(f) Once investors paid the initial security deposit, Marks would approach them again for further advance fees. For example, all of the Three Investors were solicited to pay non-resident taxes. Investor One was also asked to purchase warrants. Marks explained to the Three Investors that the advance fees were necessary to complete the sale of their TBS shares and would be refunded to the investors.

(g) When investors failed to pay advance fees as requested, Marks would make repeated telephone calls requesting payments.

(h) Marks sent packages of documents by facsimile or e-mail to the Three Investors purporting to confirm the sale of their TBS shares and the repayment of the advance fees they had paid. These documents, including facsimile transmittal pages, the Invoices, the Agreements, non-disclosure agreements and wiring instructions, as described in paragraph 50 above, were sent on Lehman Corp's letterhead.

[86] We note that Investor One was solicited by Marks to purchase 4,500 warrants. We have little evidence before us as to the exact terms and nature of the warrants, and it does not appear that these warrants exist. However, we can conclude they were nothing more than an artifice that was intended to induce investors to pay additional fees.

[87] It is clear from the evidence that Marks and Lehman Corp., of which Marks was a representative, actively solicited and induced the sales of TBS shares. Lehman Corp. and Marks solicited investors to sell their TBS shares and to pay advance fees for the purported reason of facilitating those sales. Marks and Lehman Corp. made representations to induce those sales and

sent documents and materials relating to those sales. As in the case of *Sunwide*, we find that the actions of the Respondents were not the mere purchase of securities, but involved a solicitation of the sale of the relevant shares and constituted acts in furtherance of a trade.

[88] Further, we find that the conduct of Marks and Lehman Corp. in their solicitation of TBS investors reveals a pattern of high pressure sales tactics. The evidence shows that:

(a) Investors One and Two were told that they must pay advance fees promptly because they were delaying the acquisition of TBS or payments to other investors. Investor One was told that he was "holding up any settlement that was going to be made to the other shareholders" (Hearing Transcript, June 8, 2011, p. 18). Investor Two was told that Lehman Corp "needed to get the shares sold right away" and that "we needed to do it to stop the thing from getting held up" (Hearing Transcript, June 8, 2011, pp. 55 and 57).

(b) For the initial wire transfers, Marks called Investor One two to three times a day to ensure that funds were wired, and during the two months that Investor One was away on vacation, left him ten to fifteen "urgent" voice messages requesting the payment of non-resident taxes (Hearing Transcript, June 8, 2011, p. 18).

(c) After Investor Three refused to make additional payments, Marks called the investor five to six times on the investor's home phone, cell phone and business phone. Investor Three described the phone calls in the following way: "he was trying to get me and saying you have to give us this money, it'll get this deal through. And I said there's no way I'm giving you any more more money, it's not going to happen" (Hearing Transcript, June 8, 2011, p. 81). He further described these conversations as "rude" and "argumentative" (Hearing Transcript, June 8, 2011, p. 77).

[89] We find the high pressure sales tactics employed by these two Respondents to be egregious and contrary to the public interest.

[90] During the Material Time, neither Lehman Corp. nor Marks was registered under the Act in any capacity. We received no evidence of any available exemption which would allow Lehman Corp. or Marks to trade TBS securities in Ontario.

[91] We find that Lehman Corp. and Marks traded securities without registration and without a registration exemption being available, contrary to subsection 25(1)(a) of the Act and contrary to the public interest.

(b) Lounds

[92] Lounds had little direct contact with investors. However, as noted in paragraph 83 above, solicitation or direct contact with investors is not required for an act to constitute an act in furtherance of a trade. Accepting investor funds for the purpose of an investment can constitute "trading" within the meaning of the Act.

[93] In the present case, the banking records introduced by Staff through Carpenter establish that the Three Investors sent a total of US$121,260 to the Emerson Accounts. The Emerson Accounts were opened by Lounds, the registered owner of Emerson. Account opening statements show, and Lounds admitted in the compelled examination of him by Staff, that, during the Material Time, he was the sole authorized signatory on the Emerson Accounts and the only person authorized to withdraw money from those accounts. Accordingly, we find that Lounds opened and maintained bank accounts that accepted investor funds and thereby engaged in acts in furtherance of trading TBS shares.

[94] Lounds was not registered during the Material Time in any capacity. We received no evidence of any available exemption which would allow Lounds to trade TBS securities in Ontario.

[95] We find that Lounds traded securities without registration and without a registration exemption being available, contrary to subsection 25(1)(a) of the Act and contrary to the public interest.

B. Did the Respondents engage in fraud, contrary to subsection 126.1(b) of the Act and contrary to the public interest?

1. The Law

[96] Subsection 126.1(b) of the Act sets out the fraud provision as follows:

> **126.1 Fraud and market manipulation** – A person or company shall not, directly or indirectly, engage or participate in any act, practice or course of conduct relating to securities or derivatives of securities that the person or company knows or reasonably ought to know,

…

(b) perpetrates a fraud on any person or company.

[97] It is well established in the Commission's jurisprudence that the elements of fraud under subsection 126.1(b) of the Act are:

> …the *actus reus* of the offence of fraud will be established by proof of:
>
> 1. the prohibited act, be it an act of deceit, a falsehood or some other fraudulent means; and
>
> 2. deprivation caused by the prohibited act, which may consist in actual loss or the placing of the victim's pecuniary interests at risk.
>
> Correspondingly, the *mens rea* of fraud is established by proof of:
>
> 1. subjective knowledge of the prohibited act; and
>
> 2. subjective knowledge that the prohibited act could have as a consequence the deprivation of another (which deprivation may consist in knowledge that the victim's pecuniary interests are put at risk).
>
> (*R. v. Théroux*, [1993] 2 S.C.R. 5 ("***Théroux***") at p. 20)

[98] In *Anderson v. British Columbia (Securities Commission)* (2004), 192 B.C.A.C. 119 (leave to appeal to the Supreme Court of Canada denied) ("***Anderson***"), the British Columbia Court of Appeal discussed the mental element of the fraud provision of the British Columbia *Securities Act*, R.S.B.C. 1996, c. 418, as amended (the "**BC Act**"). As the fraud provision of the BC Act has the identical operative language as section 126.1 of the [Ontario] Act, the Commission has adopted the analysis in *Anderson* in cases involving subsection 126.1(b) of the Act. In interpreting the fraud provision as it relates to the mental element of fraud, the British Columbia Court of Appeal stated:

> …[the fraud provision of the BC Act] does not dispense with the requirement that there must be a fraud involved in the transaction, which requires a guilty state of mind.…[the fraud provision of the BC Act] simply widens the prohibition against participation in transactions to include participants who know or ought to know that a fraud is being perpetrated by others, as well as those who participate in perpetrating the fraud. It does not eliminate proof of fraud, including proof of subjective knowledge of the facts constituting the dishonest act, by someone involved in the transactions.
>
> (*Anderson*, *supra*, at paras. 24 and 26)

2. Analysis

(a) Lehman Corp. and Marks

[99] It is clear from the evidence that Lehman Corp. and Marks operated a fraudulent advance fee scheme in which Lehman Corp. and Marks made material misrepresentations to induce TBS investors to pay a number of advance fees.

[100] The evidence before us shows that an individual using the name Marks solicited TBS investors by telephone, e-mail and facsimile. In Marks's solicitation and the materials that he sent to investors, Marks identified himself as acting on behalf of Lehman Corp. Marks further led TBS investors to believe, either by telling the investors explicitly or through implication, that Lehman Corp. was a brokerage company, and in some instances, that it was related to Lehman Brothers Holding Inc.

[101] Marks represented to investors that he and Lehman Corp. were involved in the acquisition of TBS shares. One of the purported reasons for the acquisition disclosed in the evidence of Investors One and Two was to take over the management of TBS to better manage the company.

[102] Marks offered investors a substantial premium over the purchase price they paid for their TBS shares. Marks would then tell investors that, in order to complete the transaction, the investors had to pay a security deposit which would be refunded to them along with the purchase price for their TBS shares. He instructed investors to wire funds to the Emerson Accounts or the Triad Accounts, sometimes explaining to investors that Emerson and Triad were holding companies independent of Lehman Corp. which would hold the funds in escrow until the completion of the share purchase transaction.

[103] If investors agreed to pay the security deposit, Marks would approach them again, stating that Lehman Corp. had encountered problems with the U.S. tax authorities. Investors were told that, in order for them to receive the proceeds of the sale of their TBS shares, they would have to pay a non-resident tax. Marks would, once again, reassure the investors that the fee was refundable and ask the investors to wire their funds to the Emerson Accounts or the Triad Accounts.

[104] When investors refused to make the requested payments, such as Investors Two and Three, Marks would claim that Lehman Corp. was able to negotiate a lower tax for the investors. However, when an investor demonstrated a willingness to pay, such as Investor One, the evidence shows that Marks continued to solicit that investor for other advance fees that were purportedly necessary to complete the sale transaction.

[105] All of the statements and claims made by Marks were completely devoid of substance. We reiterate our finding that Marks is an alias that was used to deceive TBS investors as to Marks's true identity. Additionally, the investment scheme, premised on the purchase of TBS shares and represented to investors by Marks, was a complete fabrication. Lehman Corp. was not affiliated with Lehman Brothers Holdings Inc. Staff's investigation uncovered no record of Lehman Corp. other than as part of the solicitations received by TBS shareholders. There is no evidence that Lehman Corp. ever intended to purchase TBS shares from the investors or required advance fees to complete the sale transaction. Accordingly, we conclude that Lehman Corp. had no underlying legitimate business or business purpose, and was merely part of a fraudulent advance fee scheme.

[106] We find that Marks and Lehman Corp. engaged in acts of deceit or falsehood. They made false and misleading statements to investors which deceived the investors about the investment scheme, including misrepresentations about Marks's identity, the nature of Lehman Corp.'s business, the underlying acquisition of TBS by Lehman Corp. or another U.S. company, the purchase of the investors' TBS shares and the necessity of advance fees.

[107] These false and misleading statements induced investors to pay US$146,760 in advance fees. More specifically, Investor One sent eight advance fees totalling US$114,760; Investor Two sent an advance fee of US$16,000; Investor Three sent an advance fee of US$8,000; and Investor Four sent an advance fee of US$8,000. None of the investors received any consideration for their TBS shares, nor did they receive a refund of the advance fees they paid in response to the representations made to them. We conclude that investors were deprived of those funds as a result of the false and misleading statements.

[108] There is compelling evidence that Marks knew about the dishonest acts and the deprivation suffered by the investors that would result therefrom. Marks is an alias designed to deceive investors about his identity. Lehman Corp., of which Marks claimed to be a representative, is a fictitious business which we found to have no legitimate business or business purpose. The Lehman Corp. documents that Marks sent to TBS investors listed contact information that was false and misleading. The AMF Memorandum shows that the contact information provided by Lehman Corp. and Marks to telephone service providers was also false. The testimony of the Three Investors further demonstrates that Marks ceased contact with investors and could not be found, and suffice it to say, steps were taken to conceal Marks's identity. It is clear from the circumstances that Marks knew that his representations to the investors were false and misleading but nonetheless actively participated in making them knowing that the TBS investors would be deprived of the advance fees that they paid.

[109] Accordingly, we find that Lehman Corp. and Marks perpetrated a fraudulent advance fee scheme, contrary to subsection 126.1(b) of the Act and contrary to the public interest.

(b) Lounds

[110] As we found in paragraph 93, of the US$146,760 paid by TBS investors in advance fees, US$121,260 was sent to the Emerson Accounts. As noted in paragraph 93 above, Lounds was the sole signing authority on the Emerson Accounts and the only person authorized to withdraw money from those accounts.

[111] The banking records in evidence further show that the majority of investor funds in the Emerson Accounts were withdrawn by Lounds, primarily in cash, almost immediately following the related deposits. There is no evidence before us that accounts for the use of the investor funds. We find that Lounds furthered the fraudulent acts in the scheme by diverting investor funds from their intended use that was represented to the investors which deprived investors of their funds.

[112] Having received investor funds and disposed of them in the manner described in paragraph 111 above, Lounds knew or reasonably ought to have known that such actions would result in deprivation on the part of the TBS investors.

[113] We find that Lounds participated in fraudulent misconduct, contrary to subsection 126.1(b) of the Act and contrary to the public interest.

VI. CONCLUSION

[114] For the reasons given above, we find that:

(a) Lehman Corp., Marks and Lounds traded in TBS securities without registration, contrary to subsection 25(1)(a) of the Act and contrary to the public interest;

(b) The high pressure sales tactics employed by Lehman Corp. and Marks in their solicitation of investors was contrary to the public interest; and

(c) Lehman Corp., Marks and Lounds engaged or participated in acts, practices or a course of conduct relating to TBS shares that they knew or reasonably ought to have known perpetrated a fraud, contrary to subsection 126.1(b) of the Act and contrary to the public interest.

[115] Staff and the Respondents shall contact the Office of the Secretary to the Commission within ten days to schedule a sanctions and costs hearing.

DATED at Toronto this 16th day of December, 2011

"Christopher Portner"
Christopher Portner

"C. Wesley M. Scott"
C. Wesley M. Scott

3.1.2 Phoenix Credit Risk Management Consulting Inc. et al.

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

AND

IN THE MATTER OF
PHOENIX CREDIT RISK MANAGEMENT CONSULTING INC.,
PHOENIX PENSION SERVICES INC.,
PHOENIX CAPITAL RESOURCES INC.,
RATHORE & ASSOCIATES ASSET MANAGEMENT LTD.,
2195043 ONTARIO INC., JAWAD RATHORE,
VINCENZO PETROZZA and OMAR MALONEY

SETTLEMENT AGREEMENT BETWEEN STAFF OF
THE ONTARIO SECURITIES COMMISSION AND
PHOENIX CREDIT RISK MANAGEMENT CONSULTING INC.,
PHOENIX PENSION SERVICES INC.,
PHOENIX CAPITAL RESOURCES INC.,
RATHORE & ASSOCIATES ASSET MANAGEMENT LTD.,
2195043 ONTARIO INC., JAWAD RATHORE,
VINCENZO PETROZZA and OMAR MALONEY

PART I – INTRODUCTION

1. The Ontario Securities Commission (the "Commission") will issue a Notice of Hearing to announce that it will hold a hearing to consider whether pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "*Securities Act*") it is in the public interest for the Commission to make certain orders in respect of Phoenix Credit Risk Management Consulting Inc. ("Phoenix CRMC"), Phoenix Pension Services Inc. ("Phoenix Pension"), Phoenix Capital Resources Inc. ("Phoenix Capital Resources"), Rathore & Associates Asset Management Ltd. ("R&A"), 2195043 Ontario Inc. ("2195043") (Phoenix CRMC, Phoenix Pension, Phoenix Capital Resources, R&A and 2195043 are collectively referred to herein as the "Companies"), Jawad Rathore ("Rathore"), Vincenzo Petrozza ("Petrozza") and Omar Maloney ("Maloney") (collectively the "Respondents").

PART II – JOINT SETTLEMENT RECOMMENDATION

2. Staff of the Commission ("Staff") agree to recommend settlement of the proceeding commenced by Notice of Hearing (the "Proceeding") against the Respondents according to the terms and conditions set out in Part VIII of this settlement agreement (the "Settlement Agreement"). The Respondents agree to the making of an order in the form attached as Schedule "A," based on the facts set out below.

PART III – AGREED FACTS

3. Subject to paragraph 42 below, the Respondents agree with the facts set out in this Part III.

4. Staff and the Respondents agree that the facts set out in this Part III for the purpose of this settlement are without prejudice to the Respondents in any other proceedings of any kind including, but without limiting the generality of the foregoing, any other proceedings brought by the Commission under the *Securities Act* (subject to paragraph 44 below) or any civil or other proceedings currently pending or which may be brought by any other person, corporation or agency (subject to paragraph 42 below).

Parties

5. Between January 1, 2007 and June 30, 2009 (the "Relevant Time"), Rathore and Petrozza were the sole officers and directors of Phoenix CRMC and Phoenix Capital Resources.

6. During the Relevant Time, Rathore was the sole officer and director of Phoenix Pension and R&A.

7. During the Relevant Time, Rathore and Petrozza had signing authority on the bank account of 2195043. Rathore's wife and Petrozza's wife were each directors and shareholders of 2195043.

8. The Companies are Ontario corporations, with the following incorporation dates:

   - R&A: November 21, 2001;
   - Phoenix Pension: July 12, 2002;
   - Phoenix CRMC: May 30, 2003;
   - Phoenix Capital Resources: February 8, 2006; and
   - 2195043: January 9, 2009.

9. During the Relevant Time, Maloney was an employee of Phoenix CRMC.

10. Prior to the Relevant Time, Phoenix Pension provided consulting services regarding funds in locked-in retirement accounts, including assisting individuals in unlocking or accessing funds in their retirement accounts to repay debts.

11. During the Relevant Time, Phoenix CRMC provided consulting services regarding funds in locked-in retirement accounts, including assisting individuals in unlocking or accessing funds in their retirement accounts to repay debts. Many clients of Phoenix CRMC were referred to it by collection agencies.

12. During the Relevant Time, Phoenix Capital Resources offered short term bridge loans to individuals who were unlocking funds in their retirement accounts to repay debt.

13. During the Relevant Time, Phoenix Pension, R&A and 2195043 received payments in respect of the Respondents' referral of clients of Phoenix CRMC to purchase shares in Great Pacific International Inc. ("GPI") and/or OSE Corp. ("OSE").

14. None of the Respondents were registered with the Commission during the Relevant Time.

GPI and OSE

15. During the Relevant Time, GPI and OSE were both reporting issuers listed on the TSX Venture Exchange ("TSXV") carrying on business as oil and gas companies.

16. During the Relevant Time, Thalbinder Poonian ("Poonian") was the President and a director of GPI and owned and/or controlled shares of GPI and OSE.

17. The Respondents were introduced to Poonian by a registered representative who was employed by an investment dealer registered with the Investment Dealers Association (as it then was).

The Phoenix Investors

18. Some Phoenix CRMC clients had amounts remaining in their accounts after unlocking their retirement funds and repaying debts.

19. During the Relevant Period, Rathore and Maloney, with and through Phoenix CRMC, recommended to many of those clients the purchase of shares of GPI and OSE. Many of those clients subsequently purchased shares of GPI and/or OSE (the "Phoenix Investors").

20. In many cases, the Respondents (other than Petrozza) told Phoenix Investors that the future value and price of GPI, OSE or both, would increase.

21. The Phoenix Investors purchased their shares in GPI and/or OSE in accounts held at registered investment dealers. Some of the accounts were with full service investment dealers and some were with discount brokerage firms. If a Phoenix Investor did not have a trading account, Phoenix CRMC offered to assist a client in opening an account at an investment dealer and in many cases did so.

22. The Phoenix Investors were, in some cases, referred to representatives of GPI and OSE, including Poonian, who gave them information regarding GPI and OSE. Sometimes one of the Respondents (other than Petrozza), or an employee of one of the Companies, participated in those calls.

23. In order to effect many of the purchases, one of the Respondents (other than Petrozza), or an employee of one of the Companies participated in a three-way telephone call with the Phoenix Investor and a representative of the Phoenix Investor's investment dealer. Purchases were occasionally effected by the Phoenix Investors directly.

24. The Phoenix Investors thereby acquired shares of GPI, OSE, or both.

25. During the Relevant Time, the Phoenix Investors purchased approximately 11 million GPI shares and approximately 4.9 million OSE shares.

26. The Phoenix Investors invested a total of approximately $16.5 million in GPI and OSE.

27. In many cases, the shares purchased by the Phoenix Investors through the TSXV were sold by Poonian personally, or persons and companies related to and/or controlled or directed by him (the "Poonian Sellers"). Poonian effected these sales by specifying to the Respondents the timing and price of purchases by the Phoenix Investors.

28. Pursuant to an agreement with Poonian, certain of the Respondents, directly or indirectly, received compensation for referring investors to GPI and OSE from persons and companies related to, directed by and/or associated with Poonian. The compensation was typically a percentage of the amounts invested in GPI and OSE by the Phoenix Investors.

29. During the Relevant Time, approximately $3 million in compensation was paid to Phoenix Pension, R&A and 2195043 for the sale of GPI and OSE shares to the Phoenix Investors.

30. The Respondents did not disclose to the Phoenix Investors that they received compensation for referring Phoenix Investors to GPI and/or OSE.

31. During the Relevant Time, certain of the Companies caused approximately $261,787.55 in cheques to be issued to or for the benefit of several Phoenix Investors. Some of the cheques contained the notation "Dividends." During the Relevant Time, GPI and OSE did not declare dividends.

32. During the Relevant Time, certain of the Companies also made payments to or for the direct benefit of Phoenix Investors in the amount of approximately $10,500.00.

33. As outlined above, during the Relevant Time, Phoenix Capital Resources offered short term bridge loans to individuals who were unlocking funds in their retirement accounts to repay debt. These funds were advanced either directly to Phoenix Investors or to third party collection agencies as payments towards debts owing by Phoenix Investors. Debts owing to Phoenix Capital Resources by Phoenix Investors in the amount of approximately $22,500.00 as a result of such loans have been unconditionally forgiven by the Respondents.

34. The Respondents have cooperated with Staff in the investigation of this matter.

PART IV – RESPONDENTS' POSITION

35. The Respondents request that the settlement hearing panel consider the following mitigating circumstances:

    a. The Respondents stopped the conduct contrary to the *Securities Act* and contrary to the public interest, as described below, prior to being aware of any investigation by or concerns of any regulator.

    b. During their initial meeting and regularly throughout their dealings, Poonian made statements to the Respondents endorsing the business and operations of GPI and OSE. The Respondents also reviewed the publicly available information regarding GPI and OSE, including press releases and annual filings.

    c. Rathore and Petrozza recommended GPI and/or OSE to friends and family, many of whom purchased and continue to hold shares of one or both companies (including Rathore's spouse and Petrozza's parents).

PART V – CONDUCT CONTRARY TO SECTIONS 25, 38 AND 129.2 OF THE *SECURITIES ACT*

36. The Respondents' activities in respect of GPI and OSE constituted trading in securities without registration in respect of which no exemption was available, contrary to section 25 of the *Securities Act*.

37. In their roles as directors and officers, including *de facto* directors and officers, Rathore and Petrozza authorized, permitted or acquiesced in the non-compliance of the Companies with Ontario securities law and, accordingly, failed to comply with Ontario securities law contrary to section 129.2 of the *Securities Act*.

38. The Respondents, except Petrozza, gave undertakings as to the future value or price of GPI and OSE with the intention of effecting trades in those securities, contrary to section 38(2) of the *Securities Act*.

PART VI – CONDUCT CONTRARY TO THE PUBLIC INTEREST

39. The Respondents engaged in conduct contrary to the public interest by:

a. failing to do adequate due diligence with respect to Poonian, the Poonian Sellers, GPI and OSE, before recommending shares of those companies to Phoenix Investors;

b. receiving compensation from Poonian or from others associated or related to him for referring Phoenix Investors;

c. failing to advise the Phoenix Investors that they received compensation for referring the Phoenix Investors to purchase GPI and/or OSE; and

d. describing payments to Phoenix Investors as dividends when they were not.

PART VII – TERMS OF SETTLEMENT

40. The Respondents agree to the terms of settlement set out below.

41. The Commission will make an order pursuant to section 127(1) and section 127.1 of the *Securities Act* that:

(a) the Settlement Agreement is approved;

(b) the Respondents shall jointly and severally pay an administrative penalty of $250,000.00 to be allocated to or for the benefit of third parties in accordance with section 3.4(2)(b) of the *Securities Act* to be paid in quarterly instalments over a period of 4 years from the date this Settlement Agreement is approved;

(c) the Respondents shall jointly and severally pay the costs of Staff's investigation in the amount of $100,000.00 within a period of 1 year from the date this Settlement Agreement is approved;

The Companies

(d) the Companies shall jointly and severally disgorge to the Commission the amount of $2,705,212.45 to be allocated to or for the benefit of third parties under section 3.4(2)(b) of the *Securities Act*, with payment of $250,000.00 to be made by certified cheque at the time of the settlement hearing and the remaining $2,455,212.45 to be paid in quarterly instalments over a period of 4 years from the date this Settlement Agreement is approved;

(e) the Companies shall cease trading in securities for 15 years;

(f) the Companies shall cease acquisitions of securities for a period of 15 years;

(g) any exemptions in Ontario securities law shall not apply to the Companies for a period of 15 years;

Rathore

(h) Rathore shall resign all positions he holds as a director or officer, and for 15 years shall be prohibited from becoming or acting as a director or officer of any:

(a) registrant under the *Securities Act*;

(b) investment fund manager; or

(c) issuer that distributes securities under a prospectus or prospectus exemption under the *Securities Act*

except Rathore will be permitted to become, or act as or continue to act as a director or officer of:

A) any issuer that distributes, issues or trades in securities evidencing indebtedness secured or to be secured by a mortgage or charge on real property in Canada or that provides promissory notes or enters into loan agreements incidental thereto in accordance with local provincial legislative requirements ("Mortgage Instruments"); or

B) any non-reporting issuer that has no more than five beneficial owners and does not distribute securities of the issuer other than to family, friends and business associates of the beneficial owners (a "Closely Held Private Company");

(i) any exemptions in Ontario securities law shall not apply to Rathore for a period of 15 years, except those exemptions used in respect of the trading in or acquisition of Mortgage Instruments or securities of a Closely Held Private Company;

(j) Rathore shall not trade in or acquire securities for 15 years, except:

(a) Rathore may trade in or acquire securities in his personal registered retirement savings plan ("RRSP") accounts and/or tax-free savings accounts ("TFSA") and/or for any registered education savings plan ("RESP") accounts for which he is the sponsor; and

(b) Rathore may trade in or acquire Mortgage Instruments or securities of a Closely Held Private Company;

and for greater certainty, nothing in this paragraph shall prevent any issuer which Rathore controls, any issuer of which Rathore is a director, officer and/or shareholder and/or any issuer to which Rathore, either directly or indirectly through a corporation, provides services from trading in or acquiring Mortgage Instruments or securities of a Closely Held Private Company;

(k) Rathore shall disgorge to the Commission the amount of $100,000.00 to be allocated to or for the benefit of third parties under section 3.4(2)(b) of the *Securities Act*, with payment of $25,000.00 to be made by certified cheque at the time of the settlement hearing and the remaining $75,000.00 to be paid in quarterly instalments over a period of 1 year from the date this Settlement Agreement is approved;

Petrozza

(l) Petrozza shall resign all positions he holds as a director or officer, and for 15 years shall be prohibited from becoming or acting as a director or officer of any:

(a) registrant under the *Securities Act*;

(b) investment fund manager; or

(c) issuer that distributes securities under a prospectus or prospectus exemption under the *Securities Act*

except Petrozza will be permitted to become, or act as or continue to act as a director or officer of:

A) any issuer that distributes, issues or trades in Mortgage Instruments; or

B) any Closely Held Private Company;

(m) any exemptions in Ontario securities law shall not apply to Petrozza for a period of 15 years, except those exemptions used in respect of the trading in or acquisition of Mortgage Instruments or securities of a Closely Held Private Company;

(n) Petrozza shall not trade in or acquire securities for 15 years, except:

(a) Petrozza may trade in or acquire securities in his personal RRSP accounts and/or TFSA accounts and/or for any RESP accounts for which he is the sponsor; and

(b) Petrozza may trade in or acquire Mortgage Instruments or securities of a Closely Held Private Company;

and for greater certainty, nothing in this paragraph shall prevent any issuer which Petrozza controls, any issuer of which Petrozza is a director, officer and/or shareholder and/or any issuer to which Petrozza, either directly or indirectly through a corporation, provides services from trading in or acquiring Mortgage Instruments or securities of a Closely Held Private Company;

(o) Petrozza shall disgorge to the Commission the amount of $100,000.00 to be allocated to or for the benefit of third parties under section 3.4(2)(b) of the *Securities Act*, with payment of $25,000.00 to be made by certified cheque at the time of the settlement hearing and the remaining $75,000.00 to be paid in quarterly instalments over a period of 1 year from the date this Settlement Agreement is approved;

Maloney

(p) Maloney shall resign all positions he holds as a director or officer, and for 15 years shall be prohibited from becoming or acting as a director or officer of any:

(a) registrant under the *Securities Act*;

(b) investment fund manager; or

(c) issuer that distributes securities under a prospectus or prospectus exemption under the *Securities Act*

except Maloney will be permitted to become, or act as or continue to act as a director or officer of:

A) any issuer that distributes, issues or trades in Mortgage Instruments; or

B) any Closely Held Private Company;

(q) any exemptions in Ontario securities law shall not apply to Maloney for a period of 15 years, except those exemptions used in respect of the trading in or acquisition of Mortgage Instruments or securities of a Closely Held Private Company;

(r) Maloney shall not trade in or acquire securities for 15 years, except:

(a) Maloney may trade in or acquire securities in his personal RRSP accounts and/or TFSA accounts and/or for any RESP accounts for which he is the sponsor; and

(b) Maloney may trade in or acquire Mortgage Instruments or securities of a Closely Held Private Company;

and for greater certainty, nothing in this paragraph shall prevent any issuer which Maloney controls, any issuer of which Maloney is a director, officer and/or shareholder and/or any issuer to which Maloney, either directly or indirectly through a corporation, provides services from trading in or acquiring Mortgage Instruments or securities of a Closely Held Private Company;

(s) Maloney shall disgorge to the Commission the amount of $50,000.00 to be allocated to or for the benefit of third parties under section 3.4(2)(b) of the *Securities Act*, with payment of $20,000.00 to be made by certified cheque at the time of the settlement hearing and the remaining $30,000.00 to be paid in quarterly instalments over a period of 1 year from the date this Settlement Agreement is approved;

(t) in the event that any of the payments set out in paragraph 41(b), (c), (d), (k), (o) or (s) above are not made in full, the provisions of paragraph 41(e), (f), (g), (h), (i), (j), (l), (m), (n), (p), (q) and (r) shall continue in force in respect of each Respondent which has failed to make payment, until such payments are made in full without any limitation as to time period.

42. The Respondents consent to a regulatory order made by any provincial or territorial securities regulatory authority containing any or all of the sanctions set out in paragraph 41(e), (f), (g), (h), (i), (j), (l), (m), (n), (p), (q), (r) and (t), provided that such sanctions in such order or orders shall not remain in effect beyond the date on which the sanctions contained herein cease.

PART VIII – STAFF COMMITMENT

43. If this Settlement Agreement is approved by the Commission, Staff will not commence any other proceeding under the *Securities Act* against the Respondents under Ontario securities law respecting the facts set out in Part III of the Settlement Agreement, subject to the provisions of paragraph 44 below.

44. If the Commission approves this Settlement Agreement and any of the Respondents fail to comply with any of the terms of the Settlement Agreement, Staff may bring proceedings under Ontario securities law against them. These proceedings may be based on, but are not limited to, the facts set out in Part III of this Settlement Agreement as well as the breach of the Settlement Agreement.

PART IX – PROCEDURE FOR APPROVAL OF SETTLEMENT

45. The parties will seek approval of this Settlement Agreement at a public hearing before the Commission according to the procedures set out in this Settlement Agreement and the Commission's Rules of Practice.

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

47. If the Settlement Agreement is approved by the Commission, the Respondents agree to waive all of their rights to a full hearing, judicial review or appeal of the matter under the *Securities Act*.

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

49. Whether or not the Commission approves this Settlement Agreement, the Respondents will not use, in any proceeding, this Settlement Agreement or the negotiation or process of approval of this agreement as the basis for any attack on the Commission's jurisdiction, alleged bias, alleged unfairness or any other remedies or challenges that may otherwise be available.

PART X – DISCLOSURE OF SETTLEMENT AGREEMENT

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

    a. this Settlement Agreement and all discussions and negotiations between Staff and the Respondents before the settlement hearing takes place will be without prejudice to Staff and the Respondents; and

    b. Staff and the Respondents will be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing of the allegations contained in the Statement of Allegations. Any proceedings, remedies and challenges will not be affected by this Settlement Agreement, or by any discussions or negotiations relating to this agreement.

51. All parties will keep the terms of the Settlement Agreement confidential until the Commission approves the Settlement Agreement. At that time, the parties will no longer have to maintain confidentiality. If the Commission does not approve the Settlement Agreement, all parties must continue to keep the terms of the Settlement Agreement confidential, unless they agree in writing not to do so or if required by law.

PART XI – EXECUTION OF SETTLEMENT AGREEMENT

52. The Settlement Agreement may be signed in one or more counterparts which together shall constitute a binding agreement.

53. A facsimile copy of any signature shall be as effective as an original signature.

DATED this 14th day of December, 2011.

"Jawad Rathore"
For Phoenix Credit Risk Management
Consulting Inc.

"Jawad Rathore"
For Phoenix Pension Services Inc.

"Jawad Rathore"
For Phoenix Capital Resources Inc.

"Jawad Rathore"
For Rathore & Associates Asset Management Ltd.

"Jawad Rathore"
For 2195043 Ontario Inc.

"Jawad Rathore"
Jawad Rathore

"Vince Petrozza"
Vincenzo Petrozza

"Omar Maloney"
Omar Maloney

"Kathryn Daniels" December 15, 2011
Kathryn J. Daniels
Deputy Director, Enforcement Branch

SCHEDULE "A"

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

AND

**IN THE MATTER OF
PHOENIX CREDIT RISK MANAGEMENT
CONSULTING INC., PHOENIX PENSION
SERVICES INC., PHOENIX CAPITAL
RESOURCES INC., RATHORE & ASSOCIATES
ASSET MANAGEMENT LTD., 2195043 ONTARIO
INC., JAWAD RATHORE, VINCENZO PETROZZA
AND OMAR MALONEY**

**ORDER
(Sections 127(1) and 127.1)**

WHEREAS on _____ 2011, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "*Securities Act*") in respect of Phoenix Credit Risk Management Consulting Inc., Phoenix Pension Services Inc., Phoenix Capital Resources Inc., Rathore & Associates Asset Management Ltd., 2195043 Ontario Inc. (the "Companies"), Jawad Rathore ("Rathore"), Vincenzo Petrozza ("Petrozza") and Omar Maloney ("Maloney") (collectively, the "Respondents");

AND WHEREAS on _____, 2011, Staff of the Commission ("Staff") filed a Statement of Allegations in respect of the same matter;

AND WHEREAS the Respondents and Staff entered into a Settlement Agreement (the "Settlement Agreement") in which they agreed to a settlement of the proceeding commenced by the Notice of Hearing dated _____, 2011, subject to the approval of the Commission;

AND UPON reviewing the Settlement Agreement, the Notice of Hearing and the Statement of Allegations, and upon hearing submissions from counsel for Staff and counsel for the Respondents;

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

IT IS ORDERED THAT:

1. the Settlement Agreement is approved;

2. the Respondents shall jointly and severally pay an administrative penalty of $250,000.00 to be allocated to or for the benefit of third parties in accordance with section 3.4(2)(b) of the *Securities Act* to be paid in quarterly instalment over a period of 4 years from the date the Settlement Agreement is approved;

3. the Respondents shall jointly and severally pay the costs of Staff's investigation in the amount of $100,000.00 within a period of 1 year from the date the Settlement Agreement is approved;

The Companies

4. the Companies shall jointly and severally disgorge to the Commission the amount of $2,705,212.45 to be allocated to or for the benefit of third parties under section 3.4(2)(b) of the *Securities Act*, with payment of $250,000.00 to be made by certified cheque at the time of the settlement hearing and the remaining $2,455,212.45 to be paid in quarterly instalments over a period of 4 years from the date the Settlement Agreement is approved;

5. the Companies shall cease trading in securities for 15 years;

6. the Companies shall cease acquisitions of securities for a period of 15 years;

7. any exemptions in Ontario securities law shall not apply to the Companies for a period of 15 years;

Rathore

8. Rathore shall resign all positions he holds as a director or officer, and for 15 years will be prohibited from becoming or acting as a director or officer of any:

   (a) registrant under the *Securities Act*;

   (b) investment fund manager; or

   (c) issuer that distributes securities under a prospectus or prospectus exemption under the *Securities Act*

   except Rathore will be permitted to become, or act as or continue to act as a director or officer of:

      A) any issuer that distributes, issues or trades in securities evidencing indebtedness secured or to be secured by a mortgage or charge on real property in Canada or that provides promissory notes or enters into loan agreements incidental thereto in accordance with local provincial legislative requirements ("Mortgage Instruments"); or

      B) any non-reporting issuer that has no more than five beneficial owners and does not distribute securities of the issuer other than to family, friends and business associates of the beneficial owners (a "Closely Held Private Company");

9. any exemptions in Ontario securities law shall not apply to Rathore for a period of 15 years, except those exemptions used in respect of the trading in or acquisition of Mortgage Instruments or securities of a Closely Held Private Company;

10. Rathore shall not trade in or acquire securities for 15 years, except:

   a. Rathore may trade in or acquire securities in his personal registered retirement savings plan ("RRSP") accounts and/or tax-free savings accounts ("TFSA") and/or for any registered education savings plan ("RESP") accounts for which he is the sponsor; and

   b. Rathore may trade in or acquire Mortgage Instruments or securities of a Closely Held Private Company;

   and for greater certainty, nothing in this paragraph shall prevent any issuer which Rathore controls, any issuer of which Rathore is a director, officer and/or shareholder and/or any issuer to which Rathore, either directly or indirectly through a corporation, provides services from trading in or acquiring Mortgage Instruments or securities of a Closely Held Private Company;

11. Rathore shall disgorge to the Commission the amount of $100,000.00 to be allocated to or for the benefit of third parties under section 3.4(2)(b) of the *Securities Act*, with payment of $25,000.00 to be made by certified cheque at the time of the settlement hearing and the remaining $75,000.00 to be paid in quarterly instalments over a period of 1 year from the date the Settlement Agreement is approved;

Petrozza

12. Petrozza shall resign all positions he holds as a director or officer, and for 15 years shall be prohibited from becoming or acting as a director or officer of any:

   (a) registrant under the *Securities Act*;

   (b) investment fund manager; or

   (c) issuer that distributes securities under a prospectus or prospectus exemption under the *Securities Act*,

   except Petrozza will be permitted to become, or act as or continue to act as a director or officer of:

      A) any issuer that distributes, issues or trades in Mortgage Instruments; or

      B) any Closely Held Private Company;

13. any exemptions in Ontario securities law shall not apply to Petrozza for a period of 15 years, except those exemptions used in respect of the trading in or acquisition of Mortgage Instruments or securities of a Closely Held Private Company;

14. Petrozza will not trade in or acquire securities for 15 years, except:

    (a) Petrozza may trade in or acquire securities in his personal RRSP accounts and/or TFSA accounts and/or for any RESP accounts for which he is the sponsor; and

    (b) Petrozza may trade in or acquire Mortgage Instruments or securities of a Closely Held Private Company;

    and for greater certainty, nothing in this paragraph shall prevent any issuer which Petrozza controls, any issuer of which Petrozza is a director, officer and/or shareholder and/or any issuer to which Petrozza, either directly or indirectly through a corporation, provides services from trading in or acquiring Mortgage Instruments or securities of a Closely Held Private Company;

15. Petrozza shall disgorge to the Commission the amount of $100,000.00 to be allocated to or for the benefit of third parties under section 3.4(2)(b) of the *Securities Act*, with payment of $25,000.00 to be made by certified cheque at the time of the settlement hearing and the remaining $75,000.00 to be paid in quarterly instalments over a period of 1 year from the date this agreement is executed;

Maloney

16. Maloney shall resign all positions he holds as a director or officer, and for 15 years shall be prohibited from becoming or acting as a director or officer of any:

    (a) registrant under the *Securities Act*;

    (b) investment fund manager; or

    (c) issuer that distributes securities under a prospectus or prospectus exemption under the *Securities Act*

    except Maloney will be permitted to become, or act as or continue to act as a director or officer of:

        A) any issuer that distributes, issues or trades Mortgage Instruments; or

        B) any Closely Held Private Company;

17. any exemptions in Ontario securities law shall not apply to Maloney for a period of 15 years, except those exemptions used in respect of the trading in or acquisition of Mortgage Instruments or securities of a Closely Held Private Company;

18. Maloney shall not trade in or acquire securities for 15 years, except:

    (a) Maloney may trade in or acquire securities in his personal RRSP accounts and/or TFSA accounts and/or for any RESP accounts for which he is the sponsor; and

    (b) Maloney may trade in or acquire Mortgage Instruments or securities of a Closely Held Private Company;

    and for greater certainty, nothing in this paragraph shall prevent any issuer which Maloney controls, any issuer of which Maloney is a director, officer and/or shareholder and/or any issuer to which Maloney, either directly or indirectly through a corporation, provides services from trading in or acquiring Mortgage Instruments or securities of a Closely Held Private Company;

19. Maloney shall disgorge to the Commission the amount of $50,000.00 to be allocated to or for the benefit of third parties under section 3.4(2)(b) of the *Securities Act*, with payment of $20,000.00 to be made by certified cheque at the time of the settlement hearing and the remaining $30,000.00 to be paid in quarterly instalments over a period of 1 year from the date the Settlement Agreement is approved; and

20. in the event that any of the payments set out in paragraphs 2, 3, 4, 11, 15 or 19 above are not made in full, the provisions of paragraphs 5, 6, 7 8, 9, 10, 12, 13, 14, 16, 17 and 18 shall continue in force in respect of each Respondent which has failed to make payment, until such payments are made in full without any limitation as to time period.

DATED at Toronto this _____ day of _____, 2011.

_____

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Chapter 4

Cease Trading Orders

4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Revoke
Revolution Technologies Inc.	05 Dec 11	16 Dec 11		19 Dec 11
Rodocanachi Capital Inc.	05 Dec 11	16 Dec 11	16 Dec 11	
Innovative Wireline Solutions Inc.	07 Dec 11	19 Dec 11	19 Dec 11	
Homeserve Technologies Inc.	16 Dec 11	28 Dec 11		

4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders

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

THERE ARE NO ITEMS FOR THIS WEEK.

4.2.2 Outstanding Management & Insider Cease Trading Orders

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

THERE ARE NO ITEMS FOR THIS WEEK.

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Chapter 7

Insider Reporting

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

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

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

Chapter 8

Notice of Exempt Financings

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

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
11/17/2011	1	Abcourt Mines Inc. - Common Shares	57,500.00	500,000.00
11/30/2011	16	Alderon Iron Ore Corp. - Flow-Through Shares	6,000,000.00	2,000,000.00
12/01/2011	22	Aquila Resources Inc. - Common Shares	784,000.00	1,568,000.00
12/06/2011	1	Bank of Montreal - Debt	1,560,000.00	1.00
11/24/2011	45	Batero Gold Corp. - Units	7,245,000.00	3,450,000.00
11/30/2011	200	Bennett Jones Services Trust - Trust Units	40,527,129.00	40,527,129.00
11/17/2011	21	Beringer Capital Fund II L.P. - Limited Partnership Interest	35,800,000.00	21.00
11/25/2011	56	Blackbird Energy Inc. - Common Shares	1,090,000.00	5,450,000.00
12/02/2011	19	Brigus Gold Corp. - Flow-Through Shares	8,170,001.10	4,805,883.00
11/24/2011	16	Cadillac Ventures Inc. - Flow-Through Units	2,539,015.20	11,039,196.00
12/01/2011	13	Caledonian Royalty Corporation - Units	1,175,000.00	117,500.00
11/24/2011	12	Canadian Horizons Blended Mortgage Investment Corporation - Preferred Shares	220,887.00	220,887.00
12/01/2011	8	Capital Direct I Income Trust - Trust Units	304,000.00	30,400.00
11/24/2011	11	CareVest Capital Blended Mortgage Investment Corp. - Preferred Shares	1,404,830.00	1,404,830.00
11/24/2011	4	CareVest Capital First Mortgage Investment Corp. - Preferred Shares	89,971.00	89,971.00
11/30/2011	1	Carrie Arran Resources Inc. - Common Shares	3,750.00	25,000.00
11/18/2011	76	Cayden Resources Inc. - Common Shares	7,850,000.00	3,925,000.00
11/23/2011	9	Chemaphor Inc. - Common Shares	500,000.00	10,000,000.00
11/22/2011	1	CHS/Community Health Systems, Inc. - Note	2,080,000.00	1.00
11/14/2011	1	Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A. - Note	70,337,235.04	1.00
11/25/2011	25	Creso Exploration Inc. - Common Shares	636,480.00	5,304,000.00
11/25/2011	2	Creso Exploration Inc. - Units	500,000.00	3,333,334.00
11/21/2011	1	Delta Uranium Inc. - Common Shares	12,500.00	250,000.00
03/22/2011 to 08/11/2011	12	Diversified Assets III LP - Limited Partnership Units	375,000.00	75.00

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
11/22/2011	2	Dunkin' Brands Group, Inc. - Common Shares	796,884.48	30,000.00
11/29/2011	62	Elgin Mining Inc. - Flow-Through Shares	8,999,990.40	6,428,571.00
11/22/2011	40	EnergyFields 2011 Special Flow-Through Limited Partnership - Limited Partnership Units	1,811,000.00	18,110.00
12/02/2011	30	Envoy Capital Group Inc. - Receipts	8,393,000.00	4,196,500.00
11/28/2011	3	General Mills, Inc. - Notes	10,284,556.03	3.00
12/01/2011	23	Ginguro Exploration Inc. - Flow-Through Shares	2,015,000.00	N/A
12/01/2011	2	Glenview Capital Partners (Cayman), Ltd. - Common Shares	6,104,400.00	N/A
11/22/2011	46	Gryphon Gold Corporation - Units	4,479,000.00	4,479.00
03/10/2011 to 10/31/2011	5	GS Strategic International EQ Fund A - Common Shares	67.95	5.59
11/03/2010 to 10/31/2011	23	GS Structured Small Cap Growth Fund A - Common Shares	917.16	43.00
11/03/2010 to 10/31/2011	23	GS Structured U.S. Equity Fund A - Common Shares	917.06	38.07
11/15/2011	3	Health Innovation Technologies, Inc. - Common Shares	155,325.00	40,032.22
11/24/2011	1	HitecVision VI, L.P. - Limited Partnership Interest	102,960,000.00	1.00
11/21/2011	1	HRG Healthcare Resources Group Inc. - Common Shares	5,000.00	5,000.00
11/23/2011	8	Hy Lake Gold Inc. - Non-Flow Through Units	500,000.00	2,000,000.00
11/21/2011 to 11/25/2011	32	IGW Real Estate Investment Trust - Units	1,100,730.99	1,091,477.83
11/23/2011	1	Intermolecular, Inc. - Common Shares	2,620,000.00	250,000.00
11/28/2011	7	IPeak networks Incorporated - Common Shares	904,699.25	2,584,855.00
11/23/2011	60	Iron Creek Capital Corp. - Units	3,405,000.00	8,785,000.00
09/01/2011 to 11/01/2011	1	Janchor Partners Pan Asian Fund - Common Shares	77,030,000.00	750,000.00
11/25/2011	36	Jonathan Financial Inc. - Debentures	3,376,708.16	36.00
11/23/2011	5	Kodiak oil & Gas Corp. - Common Shares	40,397,000.00	4,975,000.00
11/23/2011	2	Kodiak oil & Gas Corp. - Notes	6,288,000.00	2.00
11/21/2011	39	LED Medical Diagnostics Inc. - Units	1,065,908.25	1,421,211.00
12/01/2011	1	Lord Lansdowne Inc. - Common Shares	2,500,001.00	350.00
12/02/2011	1	Mag Copper Limited - Flow-Through Shares	99,999.90	285,714.00
12/02/2011	1	Mariana Resources Limited - Common Shares	236,228.00	1,687,345.00

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
12/07/2011	22	Melkior Resources Inc. - Units	569,000.00	5,690,000.00
12/01/2011	36	Metallum Resources Inc. - Common Shares	2,478,678.04	13,770,432.00
12/01/2011	1	Mineral Mountain Resources Ltd. - Common Shares	1,120,000.00	2,000,000.00
12/01/2011	1	Mineral Mountain Resources Ltd. - Common Shares	1,120,000.00	2,000,000.00
11/23/2011	17	Mission Ready Services Inc. - Units	815,000.00	3,260,000.00
11/23/2011	2	MoneyGram International, Inc. - Common Shares	10,643,750.00	625,000.00
05/19/2011	1	NBCG Fund SICAV p.l.c. - Common Shares	97,255,000.00	10,000,000.00
06/30/2011	1	NBCG Fund SICAV p.l.c. - Common Shares	97,065,000.00	10,000,000.00
08/31/2011	1	NBCG Fund SICAV p.l.c. - Common Shares	73,350,000.00	7,500,000.00
11/01/2011 to 12/01/2011	2	New Haven Mortgage Income Fund (1) Inc. - Special Shares	414,000.00	414,000.00
11/24/2011 to 12/02/2011	5	Newport Balanced Fund - Trust Units	74,435.55	228.00
11/24/2011 to 12/02/2011	4	Newport Canadian Equity Fund - Trust Units	177,000.00	1,347.00
11/24/2011 to 12/02/2011	6	Newport Fixed Income Fund - Trust Units	427,434.37	4,028.00
11/24/2011 to 12/02/2011	2	Newport Real Estate LPU - Trust Units	979,936.10	100,090.00
11/24/2011 to 12/02/2011	16	Newport Yield Fund - Trust Units	863,564.91	7,472.00
02/09/2011	1	Niam Nordic V LP - Limited Partnership Interest	39,954,000.00	1.00
09/27/2011	1	Niam Nordic V LP - Limited Partnership Interest	69,325,000.00	1.00
11/23/2011	1	Och-Ziff Capital Management Group LLC - Common Shares	7,860,000.00	1,000,000.00
12/01/2011	1	Oremex Gold Inc. - Common Shares	0.00	200,000.00
12/02/2011	5	OSI Geospatial Inc. - Common Shares	2,000,000.00	40,000,000.00
12/01/2011	1	OZ Europe Overseas Fund II, Ltd. - Common Shares	614,510.00	604.00
12/01/2011	3	OZ Overseas Fund II, Ltd. - Common Shares	8,655,022.00	8,507.00
11/22/2011	1	Pangaea Two Parallel, LP - Limited Partnership Interest	10,368,000.00	1.00
11/18/2011	36	Pennant Pure Yield Fund - Trust Units	1,787,970.00	178,797.00
11/28/2011 to 12/02/2011	19	Pharmagap Inc. - Units	634,210.00	0.00
11/30/2011	2	ProMetic Life Sciences Inc. - Common Shares	260,000.00	2,363,636.00
11/25/2011	2	Rainy River Resources Ltd. - Common Shares	56,912.00	8,000.00

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
12/05/2011	4	Rainy River Resources Ltd. - Common Shares	75,350.63	10,000.00
11/28/2011	2	Rainy River Resources Ltd. - Common Shares	365,100.00	50,000.00
11/21/2011	12	REBgold Corporation - Units	1,000,000.00	20,000,000.00
12/02/2011	102	Reservoir Capital Corp. - Units	4,344,920.00	6,207,028.00
12/07/2011	5	RJK Explorations Ltd. - Units	351,000.00	2,700,000.00
11/18/2011 to 11/25/2011	4	Rockland Minerals Corp. - Units	653,380.00	4,789,619.00
11/21/2011	26	Royal Bank of Canada - Notes	2,817,000.00	28,170.00
11/22/2011	5	Royal Bank of Canada - Notes	3,281,472.00	31,650.00
09/27/2011 to 11/14/2011	15	Sage Gold Inc. - Flow-Through Units	1,216,945.00	8,112,967.00
09/27/2011 to 11/14/2011	24	Sage Gold Inc. - Units	684,600.00	5,071,107.00
11/11/2011	1	Saratoga Asia III L.P. - Limited Partnership Interest	20,470,000.00	1.00
01/01/2011	3	SFCS Sentinels One Fund - Units	196,900.00	2,009.78
11/25/2011 to 11/30/2011	16	Shoal Point Enegy Ltd. - Units	564,600.00	3,528,750.00
11/25/2011 to 11/30/2011	11	Shoal Point Energy Ltd. - Flow-Through Units	708,880.32	3,938,224.00
11/24/2011	2	Sigma Dek Ltd. - Debentures	75,000.00	2.00
11/25/2011 to 11/30/2011	2	Sinclair Cockburn Mortgage Investment Corporation - Common Shares	312,900.00	312,900.00
11/14/2011	1	Smart Employee Solutions Inc. - Notes	45,000.00	45,000.00
07/29/2011	15	Spire US Limited Partnership - Units	1,144,560.00	12,000.00
11/30/2011	78	Spire US Limited Partnership - Units	10,044,044.50	98,980.00
12/01/2011	2	Stacey Muirhead Limited Partnership - Limited Partnership Units	12,500.00	383.16
12/01/2011	3	Stellar Pharmaceuticals Inc. - Common Shares	7,381,400.00	13,000,000.00
11/22/2011	23	Strike Minerals Inc. - Units	419,999.89	5,882,623.00
11/30/2011	35	Terrance Energy Corp. - Common Shares	2,250,000.00	9,000,000.00
11/25/2011	7	Terrapro Mat Investors Group Limited Partnership #1 - Limited Partnership Units	1,150,000.00	1,150.00
11/14/2011 to 11/18/2011	22	Threegold Resources Inc. - Flow-Through Units	600,000.00	4,000,000.00
12/01/2011	21	Tourmaline Oil Corp. - Common Shares	6,621,500.00	161,500.00
11/29/2011	12	Trillium North Minerals Ltd. - Units	369,170.00	6,811,000.00

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
11/14/2011	5	Undur Tolgoi Minerals Inc. - Common Shares	85,000.00	29,985,500.00
11/17/2011	33	Unigold Inc. - Common Shares	2,080,000.00	20,800,000.00
12/01/2011	1	Uragold Bay Resources Inc. - Units	250,000.00	5,000.00
12/01/2011	1	Value Partners Group Inc. - Common Shares	10,005.00	745.00
12/01/2011	3	Viking Gold Exploration Inc. - Flow-Through Units	78,000.00	6,991,667.00
11/23/2011	16	Vintage Investment Partners V (Cayman) LP - Limited Partnership Interest	9,358,640.00	16.00
11/22/2011 to 11/25/2011	21	Vive Nano Inc. - Units	2,213,000.00	2,213,000.00
11/30/2011	230	Walton Income 3 Investment Corporation - Units	514,000.00	2,000.00
11/30/2011	7	Walton Income 4 Corporation - Notes	3,408,000.00	6,816.00
11/23/2011	13	Wolverine Exploration Inc. - Common Shares	262,000.00	8,733,333.00
12/01/2011	4	Zorzal Incorporated - Common Shares	125,400.00	208,999.00

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
Balanced Portfolio Class Shares, Series 1
(Formerly: Connor, Clark & Lunn Capital Class Inc. (Balanced Portfolio Class Shares))
Natural Resources Class Shares
(Formerly: Connor, Clark & Lunn Capital Class Inc. (Natural Resources Class Shares)
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectuses dated December 12, 2011
NP 11-202 Receipt dated December 14, 2011
Offering Price and Description:
Natural Resources Class Shares and Balanced Portfolio Class Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
Connor, Clark & Lunn Capital Markets Inc.
Project #1839327

Issuer Name:
Bell Aliant Regional Communications, Limited Partnership
Principal Regulator - Nova Scotia
Type and Date:
Preliminary Base Shelf Prospectus dated December 13, 2011
NP 11-202 Receipt dated December 14, 2011
Offering Price and Description:
$1,000,000,000.00 - Medium Term Note
Underwriter(s) or Distributor(s):
BMO NESBITT BURNS INC.
BEACON SECURITIES LIMITED
CASGRAIN & COMPANY LIMITED
CIBC WORLD MARKETS INC.
DESJARDINS SECURITIES INC.
NATIONAL BANK FINANCIAL INC.
RBC DOMINION SECURITIES INC.
SCOTIA CAPITAL INC.
TD SECURITIES INC.
Promoter(s):
-
Project #1839853

Issuer Name:
CANADIAN ZINC CORPORATION
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated December 15, 2011
NP 11-202 Receipt dated December 15, 2011
Offering Price and Description:
$5,098,700.00 - 7,610,000 Units at a Price of $0.67 per Unit
Underwriter(s) or Distributor(s):
CANACCORD GENUITY CORP.
NORTHERN SECURITIES INC.
OCTAGON CAPITAL CORPORATION
RAYMOND JAMES LTD.
Promoter(s):
-
Project #1840680

Issuer Name:
First Trust Global Capital Strength Portfolio
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated December 16, 2011
NP 11-202 Receipt dated December 19, 2011
Offering Price and Description:
Series A and Series F Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
FIRST DEFINED PORTFOLIO MANAGEMENT CO.
Project #1841384

Issuer Name:
Matrix 2012-I FT National Class
Matrix 2012-I FT Québec Class
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated December 16, 2011
NP 11-202 Receipt dated December 19, 2011
Offering Price and Description:
Maximum Offering: $25,000,000 (2,500,000 Matrix 2012-I FT National Class Units)
Price: $10.00 per Matrix 2012-I FT National Class Unit
Minimum Subscription: $2,500 (250 National Class Units)
Underwriter(s) or Distributor(s):
DESJARDINS SECURITIES INC.
NATIONAL BANK FINANCIAL INC.
BMO NESBITT BURNS INC.
TD SECURITIES INC.
INDUSTRIAL ALLIANCE SECURITIES INC.
MANULIFE SECURITIES INCORPORATED
CANACCORD GENUITY CORP.
LAURENTIAN BANK SECURITIES INC.
DUNDEE SECURITIES LTD.
GMP SECURITIES L.P.
MACQUARIE PRIVATE WEALTH INC.
RAYMOND JAMES LTD.
ROTHENBERG CAPITAL MANAGEMENT INC.
UNION SECURITIES LTD.
Promoter(s):
Matrix Funds Management
Project #1841293;1841292

Issuer Name:
MRF 2012 Resource Limited Partnership
Principal Regulator - Alberta
Type and Date:
Preliminary Long Form Prospectus dated December 19, 2011
NP 11-202 Receipt dated December 19, 2011
Offering Price and Description:
$100,000,000.00 (maximum) (maximum 4,000,000 Units); $5,000,000.00 (minimum) (minimum 200,000 Units) Price: $25.00 per Unit Minimum Subscription: $2,500 (One Hundred Units)
Underwriter(s) or Distributor(s):
CIBC WORLD MARKETS INC.
RBC DOMINION SECURITIES INC.
BMO NESBITT BURNS INC.
NATIONAL BANK FINANCIAL INC.
SCOTIA CAPITAL INC.
TD SECURITIES INC.
MACQUARIE PRIVATE WEALTH INC.
MANULIFE SECURITIES INCORPORATED
CANACCORD GENUITY CORP.
GMP SECURITIES L.P.
DUNDEE SECURITIES LTD.
MIDDLEFIELD CAPITAL CORPORATION
RAYMOND JAMES LTD.
Promoter(s):
MIDDLEFIELD LIMITED
Project #1841502

Issuer Name:
Norrep Performance 2012 Flow-Through Limited Partnership
Principal Regulator - Alberta
Type and Date:
Preliminary Long Form Prospectus dated December 19, 2011
NP 11-202 Receipt dated December 19, 2011
Offering Price and Description:
$50,000,000 (Maximum Offering) $5,000,000 (Minimum Offering)
A minimum of 500,000 Limited Partnership Units and a maximum of 5,000,000 Limited Partnership Units
Purchase Price: $10.00 per Unit
Minimum Purchase: 500 Units ($5,000)
Underwriter(s) or Distributor(s):
BMO NESBITT BURNS INC.
NATIONAL BANK FINANCIAL INC.
TD SECURITIES INC.
GMP SECURITIES L.P.
CANACCORD GENUITY CORP.
DUNDEE SECURITIES LTD.
MACQUARIE PRIVATE WEALTH INC.
RAYMOND JAMES LTD.
Promoter(s):
HESPERIAN CAPITAL MANAGEMENT LTD.
Project #1841702

Issuer Name:
NovaGold Resources Inc.
Principal Regulator - British Columbia
Type and Date:
Preliminary Base Shelf Prospectus dated December 16, 2011
NP 11-202 Receipt dated December 16, 2011
Offering Price and Description:
US$500,000,000.00:
Debt Securities
Preferred Shares
Common Shares
Warrants to Purchase Equity Securities
Warrants to Purchase Debt Securities
Share Purchase Contracts
Share Purchase or Equity Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1841024

Issuer Name:
Premium Exploration Inc.
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated December 13, 2011
NP 11-202 Receipt dated December 14, 2011
Offering Price and Description:
$7,500,000.00 - * Units Price: $ * per Unit
Underwriter(s) or Distributor(s):
INDUSTRIAL ALLIANCE SECURITIES INC.
CASIMIR CAPITAL LTD.
Promoter(s):
-
Project #1839860

Issuer Name:
Rogers Communications Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Base Shelf Prospectus dated December 15, 2011
NP 11-202 Receipt dated December 15, 2011
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1840485

Issuer Name:
Rogers Communications Inc.
Type and Date:
Preliminary Base Shelf Prospectus dated December 15, 2011
Receipted on December 15, 2011
Offering Price and Description:
US$4,000,000,000.00:
Debt Securities
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1840491

Issuer Name:
Shoppers Drug Mart Corporation
Principal Regulator - Ontario
Type and Date:
Preliminary Base Shelf Prospectus dated December 16, 2011
NP 11-202 Receipt dated December 16, 2011
Offering Price and Description:
Up to $1,000,000,000.00 - Medium Term Notes (unsecured)
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
Scotia Capital Inc.
CIBC World Markets Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Desjardins Securities Inc.
Promoter(s):
-
Project #1841026

Issuer Name:
Trilogy Energy Corp.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated December 14, 2011
NP 11-202 Receipt dated December 14, 2011
Offering Price and Description:
$189,500,000.00 - 5,000,000 Common Shares Price: $37.90 per Common Share
Underwriter(s) or Distributor(s):
RBC DOMINION SECURITIES INC.
BMO NESBITT BURNS INC.
PETERS & CO. LIMITED
STIFEL NICOLAUS CANADA INC.
SCOTIA CAPITAL INC.
CIBC WORLD MARKETS INC.
FIRSTENERGY CAPITAL CORP.
GMP SECURITIES L.P.
TD SECURITIES INC.
Promoter(s):
-
Project #1840228

Issuer Name:
Yoho Resources Inc.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated December 16, 2011
NP 11-202 Receipt dated December 16, 2011
Offering Price and Description:
$15,000,150.00 - 4,545,500 Common Shares Price: $3.30 per Common Share
Underwriter(s) or Distributor(s):
FirstEnergy Capital Corp.
Acumen Capital Finance Partners Limited
Haywood Securities Inc.
Paradigm Capital Inc.
Peters & Co. Limited
CIBC World Markets Inc.
Promoter(s):
-
Project #1841059

Issuer Name:
Aston Hill Strategic Yield Class
(formerly Aston Hill Global Convertible Bond Class)
(Series A, F, I and Y shares)
Aston Hill Strategic Yield Fund
(formerly Aston Hill Global Convertible Bond Fund)
(Series A, F, I and Y units)
Aston Hill Strategic Yield Trust
(formerly Aston Hill Global Convertible Bond Trust)
(Series I units)
Principal Regulator - Ontario
Type and Date:
Amendment #2 dated December 9, 2011 to the Simplified Prospectuses and Annual Information Form dated August 11, 2011
NP 11-202 Receipt dated December 16, 2011
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Aston Hill Asset Management Inc.
Promoter(s):
Aston Hill Asset Management Inc.
Project #1755111

Issuer Name:
CI Financial Corp.
Principal Regulator - Ontario
Type and Date:
Final Base Shelf Prospectus dated December 14, 2011
NP 11-202 Receipt dated December 15, 2011
Offering Price and Description:
$1,500,000,000.00:
Debt Securities (unsecured)
Subscription Receipts
Preference Shares
Common Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1838202

Issuer Name:
Class A-1 Income* (Series A, F and I)
Class B-1 Canadian Equity* (Series A, F and I)
Class C-1 U.S. Equity* (Series A, F and I)
Class D-1 International Equity* (Series A, F and I)
Class E-1 Emerging Markets Equity* (Series A, F and I)
Class F-1 Alternative Strategies* (Series A, F and I)
* Classes of shares of PIE Portfolio Index Evolution Corporation
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated December 15, 2011
NP 11-202 Receipt dated December 16, 2011
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
R. N. Croft Financial Group Inc.
Project #1823666

Issuer Name:
Frontiers Canadian Short Term Income Pool (Class A units)
Frontiers Canadian Fixed Income Pool (Class A, C, I, and O units)
Frontiers Canadian Monthly Income Pool (Class A, C, I, and O units)
Frontiers Canadian Equity Pool (Class A, C, I, and O units)
Frontiers U.S. Equity Pool (Class A, C, I, and O units)
Frontiers U.S. Equity Currency Neutral Pool (Class O units)
Frontiers International Equity Pool (Class A, C, I, and O units)
Frontiers Emerging Markets Equity Pool (Class A, C, I, and O units)
Frontiers Global Bond Pool (Class A, C, I, and O units)
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated December 13, 2011
NP 11-202 Receipt dated December 14, 2011
Offering Price and Description:
Class A, C, I, and O units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1814421

Issuer Name:
InterRent Real Estate Investment Trust
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated December 16, 2011
NP 11-202 Receipt dated December 16, 2011
Offering Price and Description:
$25,421,199.00 Treasury Offering (8,473,733 trust units)
$19,578,801 Secondary Offering (6,526,267 trust units)
Price: $3.00 per Initial Unit
Underwriter(s) or Distributor(s):
GMP SECURITIES L.P.
DUNDEE SECURITIES LTD.
CANACCORD GENUITY CORP.
DESJARDINS SECURITIES INC.
SCOTIA CAPITAL INC.
Promoter(s):
-
Project #1838752

Issuer Name:
Pelangio Exploration Inc.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated December 14, 2011
NP 11-202 Receipt dated December 14, 2011
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
FRASER MACKENZIE LIMITED
RAYMOND JAMES LTD.
JONES, GABLE & COMPANY LIMITED
MAISON PLACEMENTS CANADA INC.
Promoter(s):
-
Project #1829515

Issuer Name:
THÉBEX INC.
Principal Regulator - Quebec
Type and Date:
Final Long Form Prospectus dated December 14, 2011
NP 11-202 Receipt dated December 14, 2011
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
CTI CAPITAL VALEURS MOBILIÈRES INC.
Promoter(s):
Donald Théberge
Project #1817393

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Consent to Suspension (s. 30 of the Act – Surrender of Registration)	AFC Capital Ltee	Portfolio Manager Exempt Market Dealer	November 30, 2011
Change of Name	From: Sprung & Co. Investment Counsel Inc. To: Sprung Investment Management Inc.	Portfolio Manager	December 1, 2011
Consent to Suspension (s. 30 of the Act – Surrender of Registration)	CR Advisors Corporation	Portfolio Manager	December 2, 2011
Change of Category	Performance Capital Ltd.	From: Exempt Market Dealer To: Exempt Market Dealer Investment Fund Manager	December 6, 2011
New Registration	Tridelta Investment Counsel Inc.	Portfolio Manager Exempt Market Dealer	December 9, 2011
Suspension	Blueport Capital Corp.	Exempt Market Dealer	December 13, 2011
Voluntary Surrender	Ace Financial Corporation	Exempt Market Dealer	December 15, 2011
Change of Category	Bimcor Inc.	From: Portfolio Manager To: Portfolio Manager and Investment Fund Manager	December 16, 2011
Name Change	From: Euroglobal Capital Partners Inc. To: Bellotti Goodman Capital Inc.	Exempt Market Dealer	December 16, 2011

Type	Company	Category of Registration	Effective Date
Voluntary Surrender	Morgan Bay Capital Inc.	Portfolio Manager	December 16, 2011
New Registration	Entreprises Greg Pompeo Inc.	Mutual Fund Dealer	December 19, 2011
Consent to Suspension (Pending Surrender)	Integra Capital Corporation	Mutual Fund Dealer	December 19, 2011
Consent to Suspension (Pending Surrender)	Integra Capital Financial Corporation	Investment Fund Manager	December 19, 2011

Chapter 13

SROs, Marketplaces and Clearing Agencies

13.2 Marketplaces

13.2.1 Amendments to TSX Company Manual – Request for Comments

TORONTO STOCK EXCHANGE

REQUEST FOR COMMENTS

AMENDMENTS TO THE
TORONTO STOCK EXCHANGE ("TSX") COMPANY MANUAL
(THE "MANUAL")

TSX is publishing proposed changes to Parts I, IV and VI of the Manual, and in Appendix H of the Manual (the "Amendments"). The Amendments are being published for a 30-day comment period.

The Amendments will be effective upon approval by the Ontario Securities Commission (the "OSC") following public notice and comment. Comments should be in writing and delivered by January 23, 2012 to:

Michal Pomotov
Legal Counsel
Toronto Stock Exchange
The Exchange Tower
130 King Street West
Toronto, Ontario M5X 1J2
Fax: (416) 947-4461
Email: tsxrequestforcomments@tsx.com

A copy should also be provided to:

Susan Greenglass
Director
Market Regulation
Ontario Securities Commission
20 Queen Street West
Toronto, Ontario M5H 3S8
Fax: (416) 595-8940
Email: marketregulation@osc.gov.on.ca

Comments will be publicly available unless confidentiality is requested.

Overview

TSX is seeking public comment on Amendments to the Manual. This Request for Comments explains the reasons for the Amendments. Following the comment period, TSX will review and consider the comments received and implement the Amendments, as proposed or as modified as a result of comments.

Summary of the Amendments

TSX is proposing amendments in Parts I, IV and VI of the Manual, and in Appendix H – Form 5 – Dividend/Distribution Declaration, to put the Due Bill tracking system into practice for its listed issuers.

1. Part I – add a definition of "Due Bill".

2. Part IV – provide procedures for the use of Due Bills.

3. Parts IV and VI – indicate when Due Bill trading may be used in the context of material corporate action events undertaken by listed issuers, such as stock splits.

4. Appendix H – Form 5 – Dividend/Distribution Declaration – add a check box for a Due Bill alert.

Rationale and Discussion of the Amendments

Representatives of the Canadian securities industry have endorsed and approved a Canadian Due Bill initiative. A Due Bill process is being introduced in Canada to help improve the accuracy and timeliness of the valuation reporting of clients' holdings when securities undergo certain material corporate events. The Canadian Depository for Securities Limited ("CDS") currently expects to implement Due Bill processing in February 2012. The Amendments are necessary to enable TSX to implement the Due Bill process.

Due Bills are entitlements which attach to listed securities undergoing certain material corporate events. Due Bills attach to such securities between the second trading day prior to the record date and payment date, for trading purposes, to allow listed securities to carry their appropriate value until the entitlement has been paid.

Under the current Canadian process, listed securities normally start trading on an ex-distribution basis at the opening two trading days prior to the record date (the ex date). For example, in the event of a material corporate event, such as a stock split, listed securities begin to trade on a post-split basis at the opening of trading on the ex date. Since regular settlement occurs three trading days after the trade date (T+3), purchases that occur on or after the ex date are settled without entitlement to the additional securities. Valuation issues may occur because the market price drops on the ex date, but the receipt of the additional split securities does not occur until the payment date. The client's account position may therefore not be adjusted until the payment date, which can lead to confusion. With Due Bills, trading on an ex-distribution basis is deferred as Due Bills are attached to the listed security until the payment date of the distribution. Trades until the payment date settle on a pre-split basis. The Due Bills represent the right to receive the additional entitlement at the payment date.

Due Bill trading is currently used in the United States. Due Bills are used for material corporate actions to set the ex date on the first trading day after the payment date. For TSX listed issuers also listed on a U.S. exchange, the differences between Canada and the U.S. are particularly problematic as listed securities will trade on TSX at a different price than the U.S. market during the Due Bill period, which causes confusion. Implementing a Due Bill process in Canada will align the process for TSX listed securities with the U.S. process, whether or not such securities are also listed in the U.S.

Due Bill trading will be determined at the discretion of the Exchange, based on factors relevant to the distribution. For securities interlisted on a U.S. exchange, if the U.S. exchange implements Due Bill trading for a particular corporate event, TSX expects to also implement Due Bill trading. Due Bills will typically be used when the distribution per security represents 25% or more of the value of the listed security, consistent with rules in the U.S. Due Bills may be used for events such as stock splits, distributions, spin-offs or other security issuances that are subject to a condition. In the case of a conditional distribution, the use of Due Bills and deferral of the ex date may prevent losses if the condition is not met. Sellers of the listed security prior to the ex date are able to realize the value of the distribution to which they are entitled as security holders on the record date, as well as the value of the listed securities they hold. The use of Due Bills will avoid confusion regarding the market value of the listed security. Sellers will deliver Due Bills to purchasers together with the listed securities being sold. Other relevant factors that the Exchange may consider in determining whether to implement Due Bill trading may include, without limitation, the estimated value of the distribution relative to the value of the listed securities, the absolute value of the distribution, the liquidity of the listed security, the nature of the corporate transaction, the mechanics of the distribution, and any impact on the quality of the market

Text of the Amendments

TSX is proposing the Amendments as set out in Appendix A.

Timing

TSX is publishing the Amendments for a 30-day comment period, which expires January 23, 2012. The Amendments will only become effective following public notice and the approval of the OSC.

APPENDIX A

PROPOSED AMENDMENTS TO THE TSX COMPANY MANUAL

Part I – Interpretation

"Due Bill" means an instrument used to evidence the transfer of title to any dividend, distribution, interest, security or right to a listed security contracted for, or evidencing, the obligation of a seller to deliver such dividend, distribution, interest, security or right to a subsequent purchaser.

*****

Section 429.1.

Due Bill Trading

For the purposes of this Section 429.1, "distribution" means any dividend, distribution, interest, security or right to which holders of listed securities have an entitlement, based on a specific record date.

Due Bill trading may be used at the discretion of the Exchange based on various relevant factors. However, the Exchange will normally defer ex-distribution trading and use Due Bills when the distribution per listed security represents 25% or more of the value of the listed security on the declaration date. Without the use of Due Bills, trading on an ex-distribution basis would commence two trading days prior to the record date for the distribution and could result in a significant adjustment of the market price of the security. Security holders will then be deprived of the value of the distribution between the ex-distribution date and the payment date. By deferring the ex-distribution date through the use of Due Bills, sellers of the listed securities during this period can realize the full value of the listed securities they hold, by selling the securities with the Due Bills attached. The use of Due Bills will also avoid confusion regarding the market value of the listed securities.

When Due Bills are used, ex-distribution trading usually commences at the opening on the first trading day after the payment date. In the event that the Exchange receives late notification of the payment date and the payment date has passed, ex-distribution trading will generally commence on the first trading day following such notification.

The Exchange may also use Due Bills for distributions which are subject to a condition which may not be satisfied before the normal ex-distribution trading date (i.e., two trading days before the record date). When Due Bills are used for conditional distributions, the condition must be met prior to the payment date.

Listed issuers should contact the Exchange to discuss the use of Due Bills well in advance of any contemplated record date for a distribution.

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Section 435.2.

A listed company must not, without the prior consent of the Exchange, establish a firm record date for a dividend or other *pro rata* distribution to holders of listed securities if such dividend or distribution is subject to a condition which has not been met. Due Bill trading may be used for conditional dividends and distributions as determined at the discretion of the Exchange. See Section 429.1.

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Section 614.

(j) Rights are listed on TSX on the second trading day preceding the record date. At the same time, the underlying listed securities of the listed issuer commence trading on an ex-rights basis, which means that purchasers of the listed securities at that time are not entitled to receive the rights. Due Bill trading may be used in certain circumstances for conditional rights offerings as determined at the discretion of the Exchange. See Section 429.1.

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Section 620. Stock Split

(d) Where the push-out method is used, the securities will commence trading on TSX on a split basis at the opening of business on the second trading day preceding the record date. Due Bill trading may be used in certain circumstances as determined at the discretion of the Exchange. See Section 429.1.

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Form 5

☐	Click here if Amount per Share **is or exceeds 10%** of the share value as at Declaration Date (Call Dividend Administrator at (416) 947-4663 to determine if Due Bill trading will apply)

13.3 Clearing Agencies

13.3.1 CDS – Notice of Effective Date – Technical Amendments to CDS Procedures – Annual Issuance and Custodial Certification Forms

TECHNICAL AMENDMENTS TO CDS PROCEDURES

ANNUAL ISSUANCE AND CUSTODIAL CERTIFICATION FORMS

NOTICE OF EFFECTIVE DATE

A. DESCRIPTION OF THE PROPOSED CDS PROCEDURE AMENDMENTS

The proposed procedure amendments are available for review and download on the User Documentation page on the CDS website at www.cds.ca/cdsclearinghome.nsf/Pages/-EN-UserDocumentation?Open.

Description of the proposed amendments

Each CDS participant that issues money market or non-money market instruments in CDSX is expected to maintain minimum internal control standards on the issuance and handling processes of those notes, and to perform periodic reviews of these controls. The standards are described in the documents "Minimum Internal Control Standards on Money Market Securities Issuance *(Standards*)" and "Minimum Internal Control Standards on Non-Money Market Securities Issuance *(Standards*)", which can be found on the CDS website, www.cds.ca.

Participants with issuance functionality are asked to provide annual certification of their controls, by submitting the following forms to CDS:

- CDSX852 – Annual Money Market Participation Certification
- CDSX853 – Annual Custodian Certification
- CDSX855 – Annual Certification by a Participant Issuing Non-Money Market Securities

The proposed amendments are formatting and descriptive changes to the above certification forms. These changes came about as a result of participant feedback on the ease of use of these forms.

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

These amendments were reviewed and approved by the SDRC on November 24, 2011.

B. REASONS FOR TECHNICAL CLASSIFICATION

The amendments proposed pursuant to this Notice are considered technical amendments as they are matters of a technical nature in routine operating procedures and administrative practices relating to the settlement service.

C. EFFECTIVE DATE OF THE CDS PROCEDURE AMENDMENTS

Pursuant to Appendix A ("Rule Protocol Regarding The Review And Approval Of CDS Rules By The OSC") of the Recognition and Designation Order, as amended on November 1, 2006, and Annexe A ("Protocole d'examen et d'approbation des Règles de Services de Dépot et de Compensation CDS Inc. par l'Autorité des marchés financiers") of AMF Decision 2006-PDG-0180, made effective on November 1, 2006, CDS has determined that the proposed amendments will become effective on December 30, 2011.

D. QUESTIONS

Questions regarding this notice may be directed to:

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

Telephone: (416) 365-3872
Email: lellick@cds.ca

Chapter 25

Other Information

25.1 Consents

25.1.1 Envoy Capital Group Inc. – s. 4(b) of the Regulation

Headnote

Consent given to an offering corporation under the Business Corporations Act (Ontario) to continue under the Business Corporations Act (British Columbia).

Statutes Cited

Business Corporations Act, R.S.O. 1990, c. B.16, as am., s. 181.
Securities Act, R.S.O. 1990, c. S.5, as am.

Regulations Cited

Regulation made under the Business Corporations Act, O. Reg. 289/00, as am., s. 4(b).

IN THE MATTER OF
R.R.O 1990, REGULATION 289/00, AS AMENDED
(the "Regulation") MADE UNDER THE
BUSINESS CORPORATIONS ACT (ONTARIO),
R.S.O. 1990, c.B.16, AS AMENDED (the "OBCA")

AND

IN THE MATTER OF
ENVOY CAPITAL GROUP INC.

CONSENT
(Subsection 4(b) of the Regulation)

UPON the application (the "**Application**") of Envoy Capital Group Inc. (the "**Applicant**") to the Ontario Securities Commission (the "**Commission**") requesting the consent from the Commission for the Applicant to continue in another jurisdiction (the "**Continuance**"), as required by clause 4(b) of the Regulation;

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

AND UPON the Applicant having represented to the Commission that:

1. The Applicant was formed pursuant to the laws of British Columbia on December 28, 1973 under the name of Envoy Communications Group Inc. and continued into Ontario on December 5, 1997. The Applicant changed its name to Envoy Capital Group Inc. on March 30, 2007.

2. The Applicant's registered office is located at 30 St. Patrick Street, Suite 301, Toronto, Ontario M5T 3A3.

3. The Applicant's authorized share capital consists of an unlimited number of common shares (the "**Common Shares**") of which 8,028,377 Common Shares are issued and outstanding as at November 18, 2011.

4. The Applicant proposes to make an application to the Director under the OBCA pursuant to section 181 of the OBCA (the "**Application for Continuance**") for authorization to continue as a company under the *Business Corporations Act* (British Columbia) (the "**BC Act**").

5. The Continuance is being made in connection with a proposed amalgamation of the Company and Merus Labs International Inc. ("**Merus**") to occur no later than December 13, 2011 pursuant to a plan of arrangement whereby all of the outstanding common shares of Merus will be exchanged on a 4:1 basis for common shares of the amalgamated company ("**Amalco**") and all outstanding common shares of the Company will be exchanged on a 1:1 basis for common shares of Amalco (the "**Arrangement**"). Upon completion of the Arrangement the existing shareholders of the Company will, in the aggregate, hold approximately 50.1% of the issued and outstanding common shares of Amalco on a non-diluted basis and the existing shareholders of Merus will hold approximately 49.9% of the issued and outstanding shares on a non-diluted basis. Holders of options and warrants of Merus and the Company shall receive options and warrants to purchase Amalco shares on the same terms and conditions after adjustment for the foregoing share exchange ratios.

6. As a result of the amalgamation the name of Amalco will be Merus Labs International Inc.

7. Pursuant to clause 4(b) of the Regulation, where a corporation is an offering corporation under the OBCA, the Application for Continuance must be accompanied by a consent from the Commission.

8. The Applicant is an offering corporation under the OBCA and is a reporting issuer within the meaning of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "**Act**"). The Applicant intends to remain a reporting issuer under the Act following the Continuance.

9. The Applicant is not in default of any of the provisions of the Act or the regulations or rules made under the Act.

10. The Applicant is not a party to any proceeding or, to the best of its knowledge, information and belief, pending proceeding under the Act.

11. The holders of the Common Shares of the Applicant authorized the Continuance at the special meeting of shareholders (the "**Meeting**") held on December 9, 2011. The special resolution authorizing the Continuance was approved at the Meeting by ____% of the votes cast. None of the shareholders of the Applicant exercised dissent rights pursuant to section 185 of the OBCA.

12. The management information circular dated November 10, 2011 (the "**Information Circular**") provided to all shareholders of the Applicant in connection with the Meeting included full disclosure of the reasons for, and the implications of, the proposed Continuance, included a summary of the material differences between the OBCA and the BC Act and advised the shareholders of the Applicant of their dissent rights in connection with the Application for Continuance pursuant to section 185 of the OBCA.

13. The Continuance has been proposed to facilitate the Arrangement and the future business of the resulting issuer. The Continuance will allow the Applicant to facilitate the Arrangement under the BC Act.

14. The material rights, duties and obligations of a company governed by the laws of the the province of British Columbia and the Articles of Continuance are substantially similar to those approved by the shareholders of the Applicant at the Meeting (the "**Continuation Application**") are substantially similar to those of a corporation governed by the OBCA. Such rights provided by the Continuance Application cannot be amended without the consent of the shareholders of the Applicant.

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

THE COMMISSION HEREBY CONSENTS, subject to the approval of the shareholders of the Applicant of the Application for Continuance, to the continuance of the Applicant as a company under the BC Act.

DATED at Toronto, Ontario this 13th day of December, 2011.

"James Turner"
Vice-Chair

"Sarah B. Kavanagh"
Commissioner

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