The Ontario Securities Commission

OSC Bulletin

January 13, 2012

Volume 35, Issue 2

(2012), 35 OSCB

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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Published under the authority of the Commission by:
Carswell, a Thomson Reuters business
One Corporate Plaza
2075 Kennedy Road
Toronto, Ontario
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Subscription prices include first class postage to Canadian addresses. Outside Canada, these airmail postage charges apply on a current subscription:

U.S.	$175
Outside North America	$400

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ISSN 0226-9325

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1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

January 13, 2012

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

SCHEDULED OSC HEARINGS

January 16, 2012 11:00 a.m. March 28-30, and April 3, 2012 10:00 a.m. 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, January 25-26, January 30 and February 1-8, 2012 10:00 a.m. January 24, 2012 2:30 p.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, 2012 10:00 a.m.	**American Heritage Stock Transfer Inc., American Heritage Stock Transfer, Inc., BFM Industries Inc., Denver Gardner Inc., Sandy Winick, Andrea Lee McCarthy, Kolt Curry and Laura Mateyak** s. 127 J. Feasby in attendance for Staff Panel: CP
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 30, 2012 1:30 p.m.	**Systematech Solutions Inc., April Vuong and Hao Quach** s. 127 R. Goldstein/S. Schumacher 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: MGC
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.	**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 6, 13 and 21, 2012 11:00 a.m.	
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, 2012 10:00 a.m.	**Jowdat Waheed and Bruce Walter** s. 127 J. Lynch in attendance for Staff Panel: TBA
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
February 27, February 29, March 2 and March 5, 2012 10:00 a.m. March 6, 2012 1:00 p.m.	**Juniper Fund Management Corporation, Juniper Income Fund, Juniper Equity Growth Fund and Roy Brown (a.k.a. Roy Brown-Rodrigues)** s. 127 and 127.1 D. Ferris in attendance for Staff Panel: VK/MCH
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 9:00 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 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 (Alsc Known As Peter Kuti), Jan Chomica and Lorne Banks** s. 127 H. Craig/C. Rossi in attendance for Staff Panel: CP
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

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: TBA

TBA

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: TBA

TBA

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: TBA

ADJOURNED SINE DIE

Global Privacy Management Trust and Robert Cranston

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

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

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

1.1.2 Roundtable Consultation Session on CSA's Review of Minimum Amount and Accredited Investor Prospectus Exemptions

A Roundtable Consultation Session on CSA's Review of Minimum Amount and Accredited Investor Prospectus Exemptions

Staff of the Ontario Securities Commission invite you to attend a roundtable consultation session as part of the Canadian Securities Administrators' (CSA) review of the minimum amount (or $150,000) prospectus exemption and accredited investor prospectus exemption.

The roundtable discussion will provide investors, issuers, registrants and professional advisors with an opportunity to share their views as to whether or not any changes to these exemptions may be appropriate.

The CSA's formal public consultation on these exemptions will conclude on February 29, 2012.

Choice of Sessions

Dates: **Thursday, February 2, 2012 (9:00 am to 10:30 am)**
Wednesday, February 8, 2012 (9:00 am to 10:30 am)
Monday, February 13, 2012 (9:00 am to 10:30 am)

Location: 22nd Floor OSC Training Room
20 Queen Street West, Toronto, Ontario

Cost: No charge

RSVP: Maria Wiltshire
Email: mwiltshire@osc.gov.on.ca
Deadline: Friday, January 27, 2012

OSC ONTARIO SECURITIES COMMISSION

OBJECTIVE

On November 10, 2011, the CSA published CSA Staff Consultation Note 45-401 *Review of Minimum Amount and Accredited Investor Exemptions* (the Consultation Note).

The Consultation Note provides summary information regarding the minimum amount and accredited investor prospectus exemptions and sets out a number of specific consultation questions.

The purpose of the Consultation Note and related roundtable discussions is to obtain input from investors, issuers, registrants and professional advisors to inform the CSA's review of these exemptions.

For further information, please refer to the Consultation Note which is available on the OSC website at http://www.osc.gov.on.ca/en/33950.htm. Written comments may also be provided until February 29, 2012.

WHO SHOULD ATTEND

- Retail and institutional investors
- Management and representatives of issuers
- Investment dealers, advisors to investors and other registrants
- Internal and external legal counsel, auditors and other professional advisors to issuers

CONSULTATION LEADERS

Jo-Anne Matear, Elizabeth Topp and Jason Koskela (Corporate Finance), Melissa Schofield (Investment Funds) and Maria Carelli (Compliance and Registrant Regulation)

1.1.3 Irwin Boock 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
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

NOTICE OF WITHDRAWAL
(Section 127)

WHEREAS on January 5, 2012 the Ontario Securities Commission issued an Amended Notice of Hearing and an Amended Statement of Allegations of Staff pursuant to sections 127 and 127.1 of the *Securities Act,* R.S.O. 1990, c. S.5, as amended, in respect of Irwin Boock, Stanton DeFreitas, Jason Wong, Saudia Allie, Alena Dubinsky, Alex Khodjiaints, Select American Transfer Co., LeaseSmart, Inc.; Advanced Growing Systems, Inc. (formerly, The Bighub.com, Inc.); NutriOne Corporation; International Energy Ltd.; Pocketop Corporation (formerly, Universal Seismic, Inc.); Asia Telecom Ltd.; Pharm Control Ltd.; Cambridge Resources Corporation; Compushare Transfer Corporation; WGI Holdings, Inc.; Federated Purchaser, Inc.; First National Entertainment Corporation ("First National"); TCC Industries, Inc.; and Enerbrite Technologies Group Inc.;

AND WHEREAS the hearing of this matter is scheduled to proceed on February 1, 2012;

TAKE NOTICE that Staff of the Commission withdraw the allegations against the respondent Saudia Allie as of January 10, 2012.

January 10, 2012

STAFF OF THE ONTARIO SECURITIES COMMISSION
20 Queen Street West
PO Box 55, 19th Floor
Toronto, ON M5H 3S8

Donna Campbell
LSUC# 26116R
Tel: 416-593-3661

1.2 Notices of Hearing

1.2.1 Jowdat Waheed and Bruce Walter – 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
JOWDAT WAHEED AND BRUCE WALTER

NOTICE OF HEARING
Sections 127 and 127.1

TAKE NOTICE THAT the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") at the offices of the Commission located at 20 Queen Street West, 17th Floor, on February 15, 2012 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 to consider whether it is in the public interest for the Commission, at the conclusion of the hearing, to make an order:

(i) pursuant to clause 2 of section 127(1) of the Act that trading in any securities by Jowdat Waheed ("Waheed") and Bruce Walter ("Walter") (collectively, the "Res-pondents") cease permanently or for such period as is specified by the Commission;

(ii) pursuant to clause 2.1 of section 127(1) of the Act the acquisition of any securities by the Respondents is prohibited permanently or for such other period as is specified by the Commission;

(iii) pursuant to clause 3 of section 127(1) of the Act that any exemptions contained in Ontario securities law do not apply to the Respondents permanently or for such period as is specified by the Commission;

(iv) pursuant to clause 6 of section 127(1) of the Act that the Respondents be reprimanded;

(v) pursuant to clauses 7, 8.1 and 8.3 of section 127(1) of the Act that the Respondents resign all positions that they hold as a director or officer of any issuer, registrant, or investment fund manager;

(vi) pursuant to clauses 8, 8.2 and 8.4 of section 127(1) of the Act that the Respondents be prohibited from becom-ing or acting as a director or officer of any issuer, registrant, or investment fund manager;

(vii) pursuant to clause 9 of section 127(1) of the Act that the Respondents each pay an administrative penalty of not more than $1 million for each failure by that Respondent to comply with Ontario securities law;

(viii) pursuant to clause 10 of section 127(1) of the Act that each Respondent disgorge to the Commission any amounts obtained as a result of non-compliance by that Respondent with Ontario securi-ties law;

(ix) pursuant to section 127.1 of the Act that the Respondents be ordered to pay the costs of the Commission investigation and the hearing; and

(x) such further order as the Commission considers appropriate in the public interest.

BY REASON OF the allegations as set out in the Statement of Allegations of Staff of the Commission dated January 9, 2012 and such additional allegations as counsel may advise and the Commission may permit;

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

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

DATED at Toronto this 9th day of January, 2012.

"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
JOWDAT WAHEED AND BRUCE WALTER

STATEMENT OF ALLEGATIONS OF STAFF OF
THE ONTARIO SECURITIES COMMISSION

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

I. OVERVIEW

1. This is a case of insider tipping and trading by a former consultant to Baffinland Iron Mines Corporation ("Baffinland" or the "Company"), who three months after ceasing to be a consultant, breached his confidentiality obligations and acted contrary to the public interest by using material facts and confidential information about Baffinland to launch a hostile take-over bid for Baffinland with his close friend and colleague.

2. Jowdat Waheed ("Waheed") was a consultant at Baffinland from February to April 2010. While a consultant, he received confidential information and learned material facts about Baffinland that had not been generally disclosed.

3. Waheed received the following confidential information about the Company:

a) its budgets and financial forecasts;

b) its exploration plans;

c) its business plans and strategies;

d) details about the Company's negotiations relating to permitting;

e) its Board of Directors ("Board") materials;

f) the 2008 Scoping Study;

g) the 2010 Road Haulage Conceptual Study;

h) details about the Company's search for a strategic partner; and

i) details about the Company's negotiations with ArcelorMittal S.A. ("ArcelorMittal").

4. The details about Baffinland's confidential negotiations with ArcelorMittal relating to a potential joint venture were material facts. While a consultant, Waheed received copies of presentations and term sheets and details of the negotiations. Waheed learned further material facts about Baffinland's continued confidential negotiations with ArcelorMittal regarding a potential joint venture after ceasing to be a consultant at Baffinland during the period of June to August 2010.

5. Beginning in July, 2010, Waheed informed Bruce Walter ("Walter") and other third parties of material facts respecting Baffinland, as set out above, that had not been generally disclosed, contrary to s. 76(2) of the *Securities Act*, R.S.O. 1990, c. S.5, (as amended) (the "*Securities Act*").

6. On September 9, 2010, Nunavut Iron Ore Acquisition Inc. ("Nunavut") purchased shares of Baffinland. Nunavut was incorporated by Waheed and Walter on August 27, 2010, for the sole purpose of launching a take-over bid for Baffinland. As director, President and CEO, and Chairman of Nunavut, respectively, Waheed and Walter authorized, permitted or acquiesced in the purchase of securities of Baffinland by Nunavut, contrary to s.76(1) of the *Securities Act*. At the time of the purchase, Waheed and Walter were in a special relationship with Baffinland and both had knowledge of material facts with respect to Baffinland that had not been generally disclosed. On September 22, 2010, Nunavat launched a hostile take-over bid for Baffinland.

7. Waheed and Walter also acted contrary to the public interest by using material facts and confidential information belonging to Baffinland to purchase a toehold and launch a hostile take-over bid which put Baffinland in play. Walter and

Waheed knew the hostile take-over bid would disrupt the joint venture negotiations between Baffinland and ArcelorMittal. By their actions, Waheed and Walter deprived Baffinland shareholders of the opportunity and ability to benefit from future developments of the Mary River Project (defined below) as a joint venture partner with ArcelorMittal. Waheed and Walter knew that launching the bid for BIM would create benefits and opportunities for Nunavut at the expense of Baffinland shareholders.

8. Waheed also acted contrary to the public interest by acting in his own self interest both while and after ceasing to be a consultant at Baffinland. While a consultant, Waheed provided advice to Baffinland's majority shareholder and even advocated that it commence a proxy battle to take control of Baffinland's Board. After ceasing to be a consultant, Waheed sought information from management under the guise of assisting Baffinland to identify an alternative strategic partner. Instead, Waheed used the information he obtained from Baffinland management for his own benefit to launch a hostile take-over bid for the Company.

II. THE RESPONDENTS

9. Waheed is a resident of Toronto, Ontario. He was a consultant to Baffinland from February 18, 2010 to April 30, 2010. He subsequently became the President, Chief Executive Officer ("CEO") and a director of Nunavut on or about August 27, 2010. He is presently a director of Baffinland.

10. Prior to joining Baffinland as a consultant, Waheed held a number of senior executive positions at several large public corporations, including that of President and CEO. He also previously served as a director of a number of large public companies.

11. Walter is a resident of Toronto, Ontario. He was semi-retired until July, 2010 when he agreed to pursue a transaction involving Baffinland with Waheed. He subsequently became the Chairman and a director of Nunavut on or about August 27, 2010. He is presently a director of Baffinland.

12. Walter is a very experienced businessman, having been a member of senior management, including President and CEO, at several large public corporations. He has also been Chairman and a director of a number of large public companies.

13. Waheed and Walter met and became friends while employed at Horsham Corporation in the 1980's and remained close personal friends thereafter. On or about July 4, 2010, Waheed approached Walter about pursuing a possible transaction involving Baffinland. Walter knew that Waheed had recently been a consultant at Baffinland. He was aware that Waheed learned of and was privy to material facts and confidential information about Baffinland that were not generally disclosed while he was a consultant at Baffinland and furthermore that Waheed was subject to a two year confidentiality provision in his consulting agreement with Baffinland which was still in force.

14. On or about July 4, 2010, despite having previously known about Baffinland but not having been interested in the Company, Walter agreed to pursue a transaction involving Baffinland with Waheed. From that time onward, Waheed and Walter were in regular and frequent contact. Waheed and Walter initially proposed doing a transaction involving Baffinland which would be financed by Barclays Natural Resources Investment Fund ("Barclays").

15. On August 9, 2010, Barclays advised Waheed and Walter that it would not be able to provide all the financing required for a bid for Baffinland. The parties began to look for another financing partner. On August 12, 2010, Walter contacted John Calvert ("Calvert"), one of the principals at The Energy & Mineral Group ("EMG") about the possibility of financing a take-over bid for Baffinland. Seven days later, after Waheed provided information about Baffinland to EMG, some of which included material facts that had not been generally disclosed and confidential information, EMG advised that it was willing to provide $200 million initially for a transaction involving Baffinland with the option to commit more later.

16. Waheed and Walter subsequently incorporated Nunavut pursuant to the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, on August 27, 2010 for the sole purpose of launching a take-over bid for Baffinland. On September 1, 2010, Nunavut opened a trading account with GMP Securities L.P. ("GMP"). Waheed and Walter were authorized to provide trading instructions for this account. They provided instructions to GMP to acquire Baffinland securities which would then be transferred to Nunavut as a toehold ownership position prior to initiating a formal public offer for Baffinland securities.

17. On September 9, 2010, Nunavut purchased 20 million common shares and 5 million 2009 warrants of Baffinland. Nunavut paid $12,062,600 for the 20 million common shares and $675,000 for the 5 million warrants. Waheed, as an officer and director of Nunavut, and Walter as a director of Nunavut, authorized and directed the purchase of such shares and warrants while in possession of material facts and confidential information about Baffinland.

18. On September 22, 2010, Nunavut made an offer to purchase all of the shares of Baffinland for $0.80 per common share (the "Nunavut Offer").

19. On November 12, 2010, ArcelorMittal made an offer to purchase all of the shares of Baffinland for $1.10 per common share (the "ArcelorMittal Offer"). Nunavut and ArcelorMittal each subsequently amended and extended their respective offers several times between November 12, 2010 and January 10, 2011. On January 14, 2011, ArcelorMittal and Nunavut announced a joint venture to purchase all of the shares of Baffinland for $1.50 per common share (the "Joint Bid"). The Joint Bid was ultimately successful and Nunavut and ArcelorMittal acquired control of Baffinland.

III. BACKGROUND

Baffinland's Search For A Strategic Partner

20. Baffinland is a junior mining company incorporated pursuant to the *Business Corporations Act* (Ontario), R.S.O. 1990, c. B.16, whose main asset is an undeveloped iron ore deposit in Nunavut with substantial proven and probable resources (the "Mary River Project"). It was a reporting issuer in all provinces and territories in Canada and its shares were publicly traded on the Toronto Stock Exchange until, after the successful completion of the Joint Bid, Baffinland completed a going private transaction by way of plan of arrangement on March 25, 2011.

21. Baffinland did not have the finances to develop the Mary River Project. As such, it began a search for a strategic partner in 2008.

22. In August 2009, ArcelorMittal, the world's largest steel producer, expressed an interest in Baffinland and visited the Mary River Project. In December 2009, ArcelorMittal provided Baffinland with an initial proposal. Further meetings and exchanges of term sheets by the parties took place in January and February 2010. Negotiations continued throughout 2010 and the parties entered into two exclusivity agreements. The negotiations were at an advanced stage and very close to being finalized at the time that Nunavut announced its bid for Baffinland on September 22, 2010.

23. It was a matter of public knowledge that Baffinland was seeking a strategic partner and that it was in discussions with potential strategic partners. It was not public knowledge however, that ArcelorMittal was in active negotiations with Baffinland. It was extremely important to ArcelorMittal, as known to Baffinland insiders and Waheed, that its identity as a potential strategic partner remain confidential.

Waheed Joins Baffinland As a Consultant

24. On February 18, 2010, Waheed joined Baffinland as a consultant to provide strategic advice to the Board regarding potential partnerships and the development of the Mary River Project generally. In fact, Waheed was brought in with a view to having him later join the Baffinland Board, potentially as Chairman.

25. Waheed's consulting agreement contained a confidentiality clause which required that Waheed preserve the confidentiality of all confidential and proprietary information or material relating to Baffinland's operations or business he received from and about the Company for a two year period following the termination of his consulting agreement. This confidentiality provision also prohibited Waheed's use of Baffinland's confidential information for his own account.

26. While a consultant, Waheed was given complete access to all of Baffinland's files and materials, including among other things: the Company's budgets and financial forecasts, the Company's exploration plans, the Company's business plans and strategies, the Company's permitting information and negotiations with government relating to the Mary River Project, the proposed Inuit Impact Benefit Agreement ("IIBA") that was being negotiated between the Company and the Qikiqtani Inuit Association ("QIA"), the status of the ongoing negotiations between Baffinland and the QIA with respect to royalties, the 2008 Definitive Feasibility Study, the 2008 Scoping Study and the Company's Board materials.

27. In addition, Waheed met and spoke with all of Baffinland's senior management, directors and financial advisors. He attended at least one Baffinland Board meeting and several Board committee meetings. He regularly attended weekly management meetings.

28. There was no distinction between the Company information shared with Waheed and that shared with the directors and officers of Baffinland. During his discussions with Baffinland management and directors and his review of Baffinland's corporate materials, Waheed learned of material facts about Baffinland that were not generally disclosed, and other confidential information, as set out in greater detail below.

29. Waheed was essentially an insider while he was a consultant at Baffinland. He was treated as, and acted as, a senior officer of the Company – attending weekly management meetings, assigning work to others and working on and providing input on management work products.

IV. THE UNDISCLOSED MATERIAL FACTS

Waheed Learns of Material Facts About Baffinland While A Consultant At Baffinland

30. Shortly after joining Baffinland as a consultant on February 18, 2010, Waheed met and spoke extensively with Daniella Dimitrov ("Dimitrov") about Baffinland's negotiations with ArcelorMittal regarding a potential joint venture. Dimitrov was the Baffinland representative involved in the negotiations with ArcelorMittal. She provided Waheed with, among other things: a detailed chronology of the negotiations between the parties; presentations made to the Baffinland Board by CIBC World Markets Inc. ("CIBC"), Baffinland's financial advisor in the negotiations; Baffinland's presentations to ArcelorMittal; and proposals and term sheets exchanged between the parties. All of this information was confidential and not generally disclosed to the public.

31. As the negotiations between Baffinland and ArcelorMittal progressed in March and April 2010, Waheed was kept fully apprised of the status of the negotiations and was actively involved in discussing and providing input on Baffinland's strategy in the negotiations. He also assisted senior management in preparing a presentation to ArcelorMittal.

32. In mid-March 2010, Waheed learned that ArcelorMittal was very serious about moving ahead with a transaction with Baffinland as it had hired financial advisors and legal counsel for the transaction.

33. Waheed was present at the March 23, 2010 Baffinland Board meeting during which it was agreed that Baffinland would enter into an exclusivity agreement with ArcelorMittal until August 12, 2010.

34. Waheed was also aware of ArcelorMittal's proposed terms. On April 4, 2010, ArcelorMitttal provided Baffinland with a new term sheet for the potential joint venture. This term sheet formed the basis for ongoing negotiations between the parties and ArcelorMittal conducting its due diligence in the summer of 2010. Waheed reviewed this term sheet and provided advice to Baffinland on the proposal.

35. The status and terms of the negotiations between Baffinland and ArcelorMittal regarding a potential joint venture as set out in paragraphs 30-34 above were material facts that had not been generally disclosed to the public. The fact that ArcelorMittal, the world's largest steel-maker and one of the world's largest mining companies was interested in and engaged in active negotiations with Baffinland, a junior mining company, would reasonably be expected to have a significant effect on the market price or value of Baffinland's securities.

Waheed Learns Further Material Facts About the Baffinland and ArcelorMittal Negotiations in June and July 2010

36. Waheed ceased to be a consultant at Baffinland on April 30, 2010. He had been invited to join the Baffinland Board, but not in the position of Chairman. He declined the invitation.

37. Waheed retained in his possession confidential information belonging to Baffinland after he ceased to be a consultant. In particular, he kept a copy of a financial model which he had developed and conducted extensive work on with the assistance of Baffinland senior management while a consultant. Waheed also kept copies of Baffinland PowerPoint presentations which he had prepared and used while a consultant.

38. On or about April 30, 2010, Waheed started having discussions with Barclays about becoming a member of a senior management team in Canada. At the suggestion of Waheed, these discussions included doing a possible transaction involving Baffinland.

39. In June and July 2010, Waheed actively sought information about Baffinland. He approached Baffinland management on a number of occasions to request updates in respect of the Company, including the status of its negotiations with ArcelorMittal. Waheed advised Richard McCloskey ("McCloskey") and Dimitrov, the Chairman and Vice-Chairman respectively of the Baffinland Board, that he had spent some time in New York with a private equity fund, and that he was working on putting a proposal together for the Mary River Project. He did not, however, advise McCloskey and Dimitrov of his own personal interest in the prospect of a transaction involving Baffinland.

40. On June 9, 2010, Waheed met with Dimitrov. At this meeting, Dimitrov provided information to Waheed about the status of Baffinland's potential joint venture transaction with ArcelorMittal.

41. On July 12, 2010, Waheed contacted McCloskey to request a meeting to discuss Baffinland's recently completed internal conceptual study which reviewed producing 1 to 2 million tonnes of iron ore at the proposed mine and trucking the ore to a port by road (the "Road Haulage Conceptual Study"). In his email, Waheed advised McCloskey, "I continue to be covered by the confidentiality agreement."

42. On July 13, 2010, Waheed met with Dimitrov and learned that: Baffinland had terminated its exclusivity agreement with ArcelorMittal which resulted in ArcelorMittal providing an enhanced offer to Baffinland as compared to the last offer he had seen

while a consultant at Baffinland; and Baffinland was an advanced stage of negotiations with ArcelorMittal. Waheed's notes, which were taken after the meeting, reflect a conversation between Waheed and Dimitrov relating to negotiations between Baffinland and ArcelorMittal:

– maybe extending AM exclusivity – next week?!

– Higher offer on [table]

– WILL HAVE OUT FOR unsolicited like before

43. Waheed's knowledge of the status of the ArcelorMittal negotiations is further reflected in his notes of a meeting between himself, Dimitrov and Barclays on July 20, 2010. His notes state:

– need to better AM

– will entertain proposal

– exclusivity??

44. Waheed subsequently learned that Baffinland executed a second exclusivity agreement with ArcelorMittal on August 12, 2010 which was to run until October 15, 2010.

45. The status and details of the negotiations between Baffinland and ArcelorMittal about a potential joint venture as set out above in paragraphs 40-44 were material facts that were not generally disclosed to the public. The fact that ArcelorMittal was in advanced negotiations with Baffinland, as evidenced by the revised and improved term sheet and the parties executing a second exclusivity agreement, would reasonably be expected to have a significant effect on the market price or value of Baffinland's securities.

V. INSIDER TIPPING BY WAHEED

46. Waheed was in a special relationship with Baffinland. Waheed learned of material facts about Baffinland, both while and after ceasing to be a consultant at Baffinland from officers and directors of the Company and from Baffinland's documents and records which he reviewed while he was a consultant. Waheed informed third parties of these material facts before the material facts were generally disclosed, contrary to s.76(2) of the *Securities Act*.

47. More specifically, during the period of July – September 2010, when Waheed and Walter were discussing and planning a take-over bid for Baffinland, Waheed advised Walter about the status and details of the advanced state of negotiations between Baffinland and ArcelorMittal relating to a potential joint venture, which were material facts that had not been generally disclosed.

48. On July 19, 2010, Waheed sent an email to Walter in which he advised that Baffinland had terminated its exclusivity with ArcelorMittal which had resulted in ArcelorMittal providing an enhanced offer to Baffinland.

49. On July 26, 2010, Waheed sent an email to Walter in which he advised that there were two options for Baffinland: either an enhanced offer from ArcelorMittal or a possible offer from Rio Tinto. Waheed informed Walter that management was in favour of advancing the process with ArcelorMittal and that some Board members were keen to sign a deal with ArcelorMittal.

50. On August 20, 2010, Waheed sent an email to Walter and Calvert at EMG in which he advised that "ArcelorMittal has been around the company for a while. It is probably still toiling away to steal the company through a farm in."

51. In an email dated August 29, 2010, Waheed told Walter that Baffinland was presently in exclusivity discussions with ArcelorMittal.

VI. INSIDER TRADING BY WAHEED

52. Waheed was in a special relationship with Baffinland. He learned of material facts with respect to the Company from officers and directors of Baffinland and from Baffinland's documents and records provided to him while he was a consultant.

53. On September 9, 2010, Nunavut purchased 20 million common shares and 5 million warrants of Baffinland. Waheed, as President and CEO and a director of Nunavut and while in a special relationship with Baffinland, authorized, permitted or acquiesced in the purchase of securities with knowledge of material facts about Baffinland that were not generally disclosed, contrary to s.76(1) of the *Securities Act*.

VII. CONDUCT CONTRARY TO THE PUBLIC INTEREST BY WAHEED

54. Waheed engaged in the following conduct contrary to the public interest:

(a) *Tipping Contrary To Section 76(2) of the Securities Act*

55. Waheed was in a special relationship with Baffinland. Waheed learned of the material facts about Baffinland, both while and after ceasing to be a consultant at Baffinland. He learned the material facts from officers and directors of the Company and from Baffinland's documents and records provided to him while he was a consultant. As set out above, he informed third parties, including: Walter, Barclays and Calvert of the material facts before the material facts were generally disclosed.

56. Further, and in any event, Waheed acted contrary to the public interest by informing Walter and other third parties of the material facts about Baffinland before the material facts had been generally disclosed.

(b) *Trading Contrary To Section 76(1) of the Securities Act*

57. Waheed was in a special relationship with Baffinland. He learned of material facts with respect to the Company from officers and directors of Baffinland. As set out above, Waheed authorized, permitted or acquiesced in Nunavut purchasing securities of Baffinland with knowledge of material facts that were not generally disclosed.

58. Further, and in any event, Waheed acted contrary to the public interest by causing Nunavut to purchase securities of Baffinland in the circumstances set out above.

(c) *Launching The Hostile Take-Over Bid*

59. Nunavut launched the hostile take-over bid for Baffinland on September 22, 2010. Waheed as an director, officer and the President and CEO of Nunavut at the time of the bid used confidential information belonging to Baffinland and material facts about Baffinland to launch the hostile take-over bid.

60. In particular, Waheed used a financial model, which he had developed and conducted extensive work on while a consultant at Baffinland as the basis of the take-over bid for Baffinland. The financial model was intended to provide Baffinland with a working basis to consider and rank various production options for the mine that were being considered.

61. The financial model contained confidential information and assumptions, which included, among other things:

a) the proposed royalty rates sought by the QIA;

b) the Company's revenues;

c) the Company's tax reserves;

d) cost estimates for building a port;

e) cost estimates for shipping; and

f) capital and operating costs.

62. As set out above, Waheed was subject to a confidentiality provision in his consulting agreement pursuant to which he was to keep all information he received from and about Baffinland confidential for a two year period. Waheed breached his confidentiality provision by using a copy of the financial model, which he kept on his home computer, as a basis to create a take-over bid for Baffinland and further by providing a copy of the financial model to Walter, Barclays and Calvert.

63. In addition, Waheed used the Road Haulage Conceptual Study in the planning and launch of the hostile take-over bid. In the period of March – June 2010, senior management at Baffinland developed the Road Haulage Conceptual Study that was completed on June 30, 2010.

64. On July 12, 2010, Baffinland publicly announced that it had commissioned a definitive feasibility study for road haulage. On the same day, Waheed contacted McCloskey and asked for the final trucking numbers in the Road Haulage Conceptual Study. In his request, Waheed advised McCloskey, "I continue to be covered by the confidentiality agreement."

65. On July 13, 2010, Waheed met with Dimitrov and discussed the completed Road Haulage Conceptual Study. Waheed was provided with a copy of the conceptual study the next day. The Road Haulage Conceptual Study was not a public document. National Instrument 43-101 Standards of Disclosure for Mineral Projects prevented Baffinland from publicly

disclosing this document. The document was only provided to potential strategic partners who signed a confidentiality agreement and to Waheed.

66. Waheed used the Road Haulage Conceptual Study to update the financial model that he was using to create a take-over bid for Baffinland. Contrary to the public interest and in breach of the confidentiality provision in his contract with Baffinland, Waheed provided the Road Haulage Conceptual Study to Barclays and Calvert.

67. Finally, Waheed also used the royalty rates being proposed by the QIA in his planning of the hostile take-over bid. In order to develop the Mary River Project, Baffinland was required to file an IIBA, which included, among other things, royalties that Baffinland was required to pay to the QIA. The discussions between Baffinland and the QIA regarding the royalty rates were confidential and had not been generally disclosed to the public.

68. Waheed was advised of the proposed QIA royalty rates by Baffinland management in February, 2010. The proposed royalty rates were also set out in the financial model described above which Waheed kept in his possession after ceasing to be a consultant at Baffinland and subsequently used to launch a take-over bid for the Company.

69. Contrary to the public interest and in breach of the confidentiality provision in his consulting agreement with Baffinland, Waheed advised Walter and Calvert of the proposed QIA royalty rates. On August 20, 2010, Waheed sent an email to Walter and Calvert in which he stated that the current ask from the Inuit association for royalties was “probably around $30mm.” In fact, this was the current ask by the QIA. This was a confidential fact that had not been generally disclosed.

70. Waheed and Walter also acted contrary to the public interest by using material facts and confidential information belonging to Baffinland to purchase a toehold and launch a hostile take-over bid which put Baffinland in play. The hostile take-over bid was launched by them knowing it would disrupt the joint venture negotiations between Baffinland and ArcelorMittal. Waheed and Walter knew that if the Nunavut bid was successful, Nunavut would have the opportunity to either sell the Mary River Project to ArcelorMittal outright or negotiate a joint venture with ArcelorMittal as Baffinland was attempting to do. Further, by purchasing the toehold at $0.60 per share, significantly less than the price offered under the Nunavut bid, Nunavut was able to reduce the overall cost of its bid. Waheed and Walter also knew they had an effective hedge in the event that ArcelorMittal decided to enter into the auction process for Baffinland, as they knew that if ArcelorMittal made a competing bid for Baffinland that was successful, Nunavut could sell its toehold position into the successful ArcelorMittal bid and make itself a large profit.

71. Ultimately, Nunavut was able to combine these two possible alternatives. On January 14, 2011, Nunavut and ArcelorMittal announced that they were making a joint take-over bid for Baffinland. Nunavut obtained the opportunity to develop the Mary River Property with ArcelorMittal at the expense of the Baffinland shareholders. Further, Nunavut benefitted because it purchased its toehold shares of Baffinland at a price of $0.60 per share which was significantly lower than the $1.50 per share price paid to Baffinland shareholders under the joint Nunavut/ArcelorMittal take-over bid.

72. While a consultant, Waheed did not always act in the best interests of Baffinland. Although he was retained by Baffinland to provide strategic advice to the Company, Waheed at times acted on behalf of Baffinland’s majority shareholder, Resource Capital Fund (“RCF”) and/or in his own self interest, as described below. Waheed often reported to RCF without providing the same reports to the Company. He also provided advice to RCF on various issues, including in April, 2010, advocating that RCF commence a proxy battle to take control of Baffinland’s Board. Waheed offered to resign as a consultant at Baffinland to conduct the proxy battle on behalf of RCF. This was a breach of his duty of loyalty owed to the Company and conduct contrary to the public interest.

73. Waheed also acted in his own self interest with respect to Baffinland. During June and July, 2010, Mr. Waheed obtained information from McCloskey and Dimitrov, under the guise of assisting Baffinland to identify an alternative strategic partner. McCloskey and Dimitrov were of the view that Waheed was acting in the best interests of Baffinland. Contrary to the public interest, Waheed was aware of this fact and chose to allow this deception to continue until Nunavut launched the bid for Baffinland on September 22, 2010.

VII. INSIDER TRADING AND CONDUCT CONTRARY TO THE PUBLIC INTEREST BY WALTER

Trading Contrary To Section 76(2) of the Securities Act

74. On or about July 4, 2010, Waheed approached Walter about becoming involved in a possible transaction involving Baffinland. At the time, Mr. Walter was semi-retired. Over drinks in the backyard, Waheed told Walter information respecting Baffinland that led Walter to become interested in doing a possible transaction involving Baffinland despite the fact that he had previously been aware of the Mary River Project but it had not interested him.

75. From approximately July 9, 2010 onward, Walter and Waheed communicated on a regular and frequent basis while working on a possible transaction involving Baffinland. During these discussions which culminated in the Nunavut take-over bid

on September 22, 2010, Waheed advised Walter of the following material facts about Baffinland that had not been generally disclosed:

The Advanced Negotiations between Baffinland and ArcelorMittal Regarding A Potential Joint Venture:

(i) July 19, 2010 email – Waheed advised Walter that Baffinland had terminated exclusivity with ArcelorMittal and this resulted in ArcelorMittal providing an enhanced offer to Baffinland;

(ii) July 26, 2010 email – Waheed advised Walter that Baffinland management was in favour of advancing the process with ArcelorMittal and that some Board members were keen to sign a deal with ArcelorMittal;

(iii) August 20, 2010 email – Waheed advised Walter and Calvert that ArcelorMittal has been around the company for awhile and that it was probably still toiling away to steal the company through a farm in; and

(iv) August 29, 2010 email – Waheed advised Walter that Baffinland was presently in exclusivity discussions with ArcelorMittal.

76. Walter knew that Waheed was a person in a special relationship with Baffinland as he knew that Waheed had been a consultant at Baffinland from February 2010 until April 2010. Walter was aware of the fact that Waheed learned of and was privy to material facts and confidential information about Baffinland that had not been generally disclosed while he was a consultant at Baffinland. Walter further knew that Waheed met with Dimitrov in June and July 2010 and that he received further material facts and confidential information about Baffinland during those meetings. Pursuant to s. 76(1)(e) of the *Securities Act*, Walter was in a special relationship with Baffinland.

77. On September 9, 2010, Nunavut purchased 20 million shares and 5 million warrants of Baffinland. Walter, as the Chairman and a director of Nunavut and while in a special relationship with Baffinland authorized, permitted or acquiesced in the purchase of securities with material facts about Baffinland that were not generally disclosed, contrary to s. 76(1) of the *Securities Act*.

Conduct Contrary To The Public Interest

78. Walter acted contrary to the public interest by causing Nunavut to purchase securities of Baffinland in the circumstances set out above.

79. As set out in paragraphs 7, 70 and 71 herein, like Waheed, Walter acted contrary to the public interest by using material facts and confidential information belonging to Baffinland to purchase a toehold and launch a hostile take-over bid which put Baffinland in play. The hostile take-over bid was launched by them knowing it would disrupt the joint venture negotiations between Baffinland and ArcelorMittal. By their actions, Waheed and Walter deprived Baffinland shareholders of the opportunity and ability to benefit from future developments of the Mary River Project as a joint venture partner with ArcelorMittal.

80. Staff reserve the right to make such other allegations as Staff may advise and the Commission may permit.

DATED at Toronto, Ontario, this 9th day of January 2012.

1.2.2 Irwin Boock 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
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

AMENDED NOTICE OF HEARING
(Section 127 and 127.1)

TAKE NOTICE THAT the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") at the offices of the Commission, 20 Queen Street West, 17th Floor, Large Hearing Room, commencing on February 1, 2012 at 10:00 a.m., or as soon thereafter as the hearing can be held:

AND TAKE NOTICE the purpose of the hearing is to consider whether it is in the public interest for the Commission to make an order:

(a) pursuant to clause 2 of subsection 127(1), that trading in any securities by Irwin Boock, Stanton DeFreitas, Jason Wong, Saudia Allie, Alena Dubinsky and Alex Khodjiaints (collectively, the "Individual Respondents") and by Select American Transfer Co. and Compushare Transfer Co. cease permanently or for such other period as specified by the Commission;

(b) pursuant to clause 2 of subsection 127(1), that trading in the securities of LeaseSmart, Inc., Advanced Growing Systems, Inc., NutriOne Corporation, International Energy Ltd., Pocketop Corporation, Asia Telecom Ltd., Pharm Control Ltd., Cambridge Resources Corporation, WGI Holdings, Inc., Federated Purchaser, Inc., First National Entertainment Corporation, TCC Industries, Inc., Enerbrite Technologies Group Inc. (collectively the "Issuer Respondents") cease permanently or for such other period as specified by the Commission;

(c) pursuant to clause 3 of subsection 127(1), that any exemptions contained in Ontario securities law do not apply to the Respondents, or any of them, permanently or for such other period as specified by the Commission;

(d) pursuant to clause 8 of subsection 127(1), that Irwin Boock, Stanton DeFreitas and Jason Wong be prohibited from becoming or acting as a director or officer of any issuer;

(e) pursuant to clause 9 of subsection 127(1), that the Individual Respondents, or any of them, pay an administrative penalty of not more than $1 million for each failure to comply with Ontario securities law to the Commission for allocation to or for the benefit of third parties;

(f) pursuant to clause 10 of subsection 127(1), that the Individual Respondents, or any of them, disgorge to the Commission any amounts obtained as a result of non-compliance with securities law for allocation to or for the benefit of third parties;

(g) pursuant to subsection 127(10)(3), that an order be made against Irwin Boock, Stanton DeFreitas and Jason Wong under subsection 127(1) or (5);

(h) pursuant to section 127.1, that the Individual Respondents be ordered to pay the costs of the investigation and the costs of or related to the hearing incurred by or on behalf of the Commission;

(i) if necessary, pursuant to clause 7 of subsection 127(7), that the temporary orders previously made against the Respondents on May 18, 2007, May 22, 2007, May 30, 2007 and May 5, 2008, as amended and extended from time to time by the Commission, be extended until the conclusion of the hearing; and

(j) such other order as the Commission may consider appropriate.

BY REASON OF the allegations set out in the Amended Statement of Allegations of Staff dated January 4, 2012 and such additional allegations as counsel may advise and the Commission may permit;

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

AND TAKE FURTHER NOTICE that in the event that the Commission determines that any of the Respondents has not complied with Ontario securities law, Staff may request the Commission to consider whether, in the opinion of the Commission, an application should be made to the Superior Court of Justice for a declaration pursuant to section 128(1) of the Act that such persons have not complied with Ontario securities law, and that if such declaration be made, the Superior Court of Justice make such orders pursuant to section 128(3) of the Act as it considers appropriate.

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 5th day of January, 2012.

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

AND

IN THE MATTER OF
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

AMENDED STATEMENT OF ALLEGATIONS
(Section 127)

Staff of the Ontario Securities Commission allege the following in respect of the Respondents:

I. THE RESPONDENTS

1. Irwin Boock, Stanton DeFreitas, Jason Wong, Saudia Allie, Alena Dubinsky and Alex Khodjiaints (the "Individual Respondents") are all residents of Ontario and are connected to each other through a complex scheme of securities fraud involving: a) the creation of fraudulent shell corporations by way of "corporate hijackings" as described herein; and b) the issuance of fraudulent or false securities in those corporations; and c) the trading of the fraudulent or false securities by the Respondents in Ontario and elsewhere.

2. Select American Transfer Co. ("Select American") is a Delaware corporation that was established by Boock, DeFreitas and Wong in April 2005. Select American was operated as a transfer agent, primarily by DeFreitas, using aliases and nominees until May 2007, when it ceased operations due to cease trade orders issued by the Commission.

3. Compushare Transfer Corporation ("Compushare") is also a Delaware corporation that operated out of Toronto as a transfer agent. Compushare was incorporated by Boock in September 2006 and was operated by him using aliases and nominees until May 2008, when it ceased operations due to cease trade orders and other regulatory action by the Commission.

4. By virtue of the corporate hijacking scheme described herein, the following entities are fraudulently created U.S. corporations, the securities of which were quoted for trading on the Pink Sheets LLC in the over-the-counter securities market in the U.S.:

   (a) LeaseSmart, Inc. ("LeaseSmart");

   (b) Advanced Growing Systems, Inc. (formerly, The Bighub.com, Inc.) ("Bighub");

   (c) NutriOne Corporation ("NutriOne");

   (d) nternational Energy Ltd. ("International Energy");

   (e) Pocketop Corporation (formerly, Universal Seismic, Inc.) ("Pocketop");

   (f) Asia Telecom Ltd. ("Asia Telecom");

   (g) Pharm Control Ltd. ("Pharm Control");

   (h) Cambridge Resources Corporation ("Cambridge Resources");

(i) WGI Holdings, Inc. ("WGI Holdings");

(j) Federated Purchaser, Inc. ("Federated Purchaser");

(k) First National Entertainment Corporation ("First National");

(l) TCC Industries, Inc. ("TCC Industries");

(m) Enerbrite Technologies Group Inc. ("Enerbrite")

(collectively, the "Issuer Respondents").

5. Select American and Compushare acted as the transfer agents to the Issuer Respondents and were the primary vehicles through which the corporate hijackings and share issuances were carried out.

6. Dubinsky and Khodjiaints operated trading accounts in Ontario in 2006 and 2007 for the purpose of receiving and trading fraudulent or false securities in a number of the Issuer Respondents.

II. THE FRAUDULENT SECURITIES SCHEME

A. Corporate Hijacking

7. The corporate hijacking scheme used to perpetrate securities fraud with respect to the Issuer Respondents was carried out in the following manner:

(a) Corporate documents were filed with the relevant Secretary of State in the U.S. (either Delaware, Nevada, California or Florida) to incorporate a company with the same name as a defunct public issuer. Typically, the directors, officers and registered agents listed on the corporate documents were either fictitious identities or nominees and the purported corporate addresses for the newly created entities would be mailbox locations obtained through UPS or other virtual mailbox providers;

(b) Shortly thereafter, amendment documents were filed with the relevant Secretary of State to effect a name change of the newly created entity and a consolidation of the company's shares in the form of a reverse stock split;

(c) Subsequently, steps were taken to obtain a new CUSIP number for the renamed, newly created entity as if it was the successor company to the defunct public issuer; and

(d) Documents containing false representations were then filed by the transfer agent with NASDAQ to obtain a new trading symbol for the renamed company and to effect the reverse stock split of the company's shares on a 1 for 1,000 basis.

B. Select American Transfer Co.

8. DeFreitas, Boock and Wong are the founders of Select American. Between April and August 2005, DeFreitas and Wong operated Select American jointly and were the directing minds of Select American.

9. Between April 2005 and July 2005, Boock, DeFreitas and Wong, acting individually or in concert, usurped the corporate identity of a number of defunct public issuers using the corporate hijacking scheme described above, including but not limited to LeaseSmart, Bighub, NutriOne and International Energy.

10. Boock, DeFreitas and Wong, using Select American as the vehicle, caused the companies to obtain quotations for trading on the Pink Sheets as if they were the legitimate defunct public issuers whose identities had been hijacked and, further, caused the companies to issue fraudulent shares as if they were the shares of the defunct public issuers.

11. In or around August 2005, Wong left Select American. Following Wong's departure, DeFreitas operated Select American using aliases and nominees. The day-to-day operations, however, were run with the assistance of Saudia Allie, a friend of DeFreitas' who was employed as the office manager of Select American.

12. Following Wong's departure, Boock and DeFreitas, acting individually or in concert, created additional fraudulent shell companies for which Select American acted as the transfer agent, including but not limited to Pocketop, Asia Telecom, Pharm Control and Cambridge Resources.

13. Following their incorporation, Boock and DeFreitas used Select American as the transfer agent to these entities to obtain quotations for trading on the Pink Sheets as if they were the legitimate defunct public issuers whose identities had been hijacked and, further, caused the companies to issue fraudulent shares as if they were the shares of the defunct public issuers.

14. In certain cases, Boock and DeFreitas also caused these companies to set up false web sites and issue false or promotional press releases as a means of creating a market for the fraudulent shares.

15. Boock and DeFreitas also sold some of the fraudulently created shell companies to third parties who were seeking to "go public" by way of a reverse takeover or reverse merger with an existing privately-held company. More particularly, DeFreitas sold NutriOne and Cambridge Resources to third parties in Montreal and Boock sold International Energy to a third party in Florida and Pharm Control to a third party in Ontario. In other cases, however, the fraudulent shell companies were purely vehicles for DeFreitas and Boock to issue and trade fraudulent securities.

16. In her role, Allie participated in and facilitated the fraudulent scheme by assisting DeFreitas in operating Select American, including by preparing the fraudulent share certificates for the shares of the Issuer Respondents for which Select American was the transfer agent. In preparing the share certificates, Allie knowingly and fraudulently signed the share certificates in a manner that purported the shares to be authenticated by the officers and directors of Select American. Allie knew the officers and directors of Select American to be either aliases or nominees.

C. Compushare as a Vehicle for Additional Shell Companies

17. Between August 2006 and March 2007, Boock used Compushare as a separate vehicle through which to perpetrate securities fraud. In that period, Boock created the following fraudulent entities: WGI Holdings, Federated Purchaser and Enerbrite.

18. Using Compushare as the vehicle, Boock then caused the companies to obtain quotations for trading on the Pink Sheets as if they were the legitimate defunct public issuers whose identities had been hijacked and, further, caused the companies to issue fraudulent shares as if they were the shares of these defunct public issuers.

19. In certain cases, Boock caused these companies to set up false web sites and issue promotional or false press releases as a means of creating a market for the securities.

20. With respect to Enerbrite, Boock acted together in concert with Wong in incorporating the initial fraudulent entity in September 2006, which was initially named IDF International but which was renamed Compliance Resource Group and was merged with and further renamed Enerbrite following the sale of the entity as a shell company by Boock.

21. In addition to selling this predecessor shell to Enerbrite, Boock sold the predecessor shell of Federated Purchaser to third parties for the purposes of a reverse merger.

D. Cease Trade of Select American and Continued Operation of Compushare

22. In or around April 2007, DeFreitas caused Select American to be sold to a third party in Montreal. Shortly thereafter, on or around May 18, 2007, the Commission issued temporary cease trade orders in respect of Select American and others, including DeFreitas and the fraudulent shell companies identified above for which Select American was the transfer agent. Following the cease trade orders, Select American ceased operations.

23. Boock, however, continued to perpetrate securities fraud using Compushare as the vehicle to carry out corporate hijackings and to issue and trade securities of the hijacked entities.

24. In December 2007 and February 2008, respectively, Boock incorporated First National and TCC Industries. Compushare acted as the transfer agent for both entities and, using Compushare as the vehicle, Boock caused these entities to obtain quotations on the Pink Sheets and to issue fraudulent shares for trading in the over-the-counter securities market.

E. Cease Trade of Compushare

25. On May 5, 2008, the Commission issued temporary cease trade orders against Boock, Compushare and others, including the fraudulently created entities for which Compushare acted as the transfer agent. Following the cease trade orders issued by the Commission, Compushare ceased operations.

F. Trading by Individual Respondents

(i) Trading by Wong

26. For his involvement in the scheme as described above, Wong primarily received fraudulent shares in lieu of compensation, including shares of LeaseSmart, International Energy, Asia Telecom and Pocketop.

27. Between February and March 2006, Wong sold the fraudulent shares of LeaseSmart he had received through a corporate trading account held at RBC Direct Investing Inc. ("RBC") and controlled by him.

28. Subsequently, between November 2006 and February 2007, Wong sold the additional fraudulent shares he had received in International Energy, Asia Telecom and Pocketop. These trades were made through a separate corporate trading account at RBC controlled by Wong.

29. In November 2007, Wong received additional compensation from Boock in respect of his involvement in the scheme as described herein.

(ii) Trading by DeFreitas – The Franklin Ross Accounts

30. Between November 2006 and May 2007, DeFreitas operated approximately 48 nominee accounts at Franklin Ross, a brokerage firm in the U.S. DeFreitas opened and operated the accounts purportedly as a "foreign affiliate" to the firm (the "Franklin Ross Accounts"). DeFreitas was recommended to Franklin Ross by Wong.

31. A number of the Franklin Ross Accounts were opened by DeFreitas solely for the purpose of trading in fraudulent securities of companies for which Select American was the transfer agent.

32. In at least 23 of the 48 Franklin Ross Accounts, DeFreitas engaged in a wholesale liquidation of fraudulent securities in LeaseSmart, Bighub, International Energy, NutriOne, Pocketop, Asia Telecom, Pharm Control and Cambridge Resources as well as others for which Select American was the transfer agent and which exhibited the same pattern of fraudulent corporate history.

33. The proceeds of trading from these 23 accounts totalled over USD $750,000 in 2006 and over USD $2.3 million in 2007. All of the trading proceeds were transferred to bank accounts in Ontario that were controlled and owned by DeFreitas.

(iii) Trading by DeFreitas and Boock – The Scottrade Account

34. In January 2007, using fraudulent and deceitful means, DeFreitas and Boock caused a corporate trading account to be opened at Scottrade, a retail brokerage firm in the U.S. that offers discount brokerage services online, in order to trade additional fraudulent securities (the "Scottrade Account"). The Scottrade Account was opened in the name of For Better Living Inc., a company created by DeFreitas and Boock using aliases and nominees.

35. In February and March 2007, DeFreitas and Boock caused share certificates representing millions of fraudulent shares in International Energy, Asia Telecom, Pharm Control and Universe Seismic to be issued by the respective entities and to be deposited to the Scottrade Account. Using the online trading services of Scottrade, Boock sold the fraudulent shares from Ontario between February and October 2007.

36. In July 2007, using fraudulent and deceitful means, DeFreitas and Boock caused approximately $120,000 of the proceeds of the trading in the Scottrade Account to be transferred to them in Ontario.

(iv) Trading by Dubinsky and Khodjiaints

37. Alena Dubinsky and Alex Khodjiaints are residents of Toronto. Dubinsky is the girlfriend of Khodjiaints. Their involvement in the scheme is described below and includes: a) fraudulent and manipulative trading of shares of a number of the Issuer Respondent; and b) participation in an illegal distribution of those shares.

- **RBC Account**

38. In June 2006, at the instruction of Khodjiaints, Dubinsky opened an account at RBC in her name.

39. The account was operated and maintained by Dubinsky and Khodjiaints between June 2006 and March 2007.

40. Between July and September 2006, millions of fraudulent share certificates were issued to Khodjiaints in Dubinsky's name, including shares of: BigHub (42.5 million), Leasesmart (30 million), El Apparel (the fraudulent predecessor company to NutriOne) (12 million), Universal Seismic (the fraudulent predecessor company to Pocketop) (1.8 million) and International Energy (.25 million).

41. At the time, Boock and DeFreitas controlled the issuance of shares in these companies and caused the shares to be issued to Khodjiaints in Dubinsky's name.

42. At the instruction of Khodjiaints, Dubinsky deposited the shares to the RBC account, a significant number of which were sold by December 2006. All of the sales were carried out by or at the instruction of Khodjiaints.

43. Around that time, RBC expressed concerns to Dubinsky regarding the questionable nature of the securities and the trading in the account.

44. As of December 2006, the only activity in the account at RBC had been: a) the delivery of over 100 million securities in entities whose securities were quoted for trading on the Pink Sheets, all of which had Select American as the transfer agent; and b) significant selling activity with respect to the shares.

45. In March 2007, RBC advised Dubinsky that it was restricting the account due to its concerns regarding the securities and the transactions in the account.

- **HSBC Account**

46. In February 2007, as a result of the difficulties in trading in the RBC account, Khodjiaints instructed Dubinsky to open a trading account at HSBC Securities (Canada) Inc. ("HSBC").

47. As with the account at RBC, Dubinsky opened the account at HSBC in her name.

48. In March 2007, at the instruction of Khodjiaints, Dubinsky deposited millions of fraudulent shares of the Bighub (10 million), LeaseSmart (10 million), International Energy (289 million) and Universal Seismic (the fraudulent predecessor to Pocketop) (1.5 million), all of which had also been traded in her account at RBC. In addition, Dubinsky deposited millions of shares of Pharm Control and Asia Telecom to the account.

49. At that time, Boock and DeFreitas controlled the issuance of shares in these companies and caused the shares identified above to be issued to Khodjiaints in Dubinsky's name.

50. Once the shares were deposited, Khodjiaints proceeded to engage in manipulative trading in respect of the securities, and in particular in respect of the shares of Pharm Control and Asia Telecom.

51. Over a 5 day trading period between March 7 and 13, 2007, Khodjiaints sold approximately 40 million shares of Pharm Control, which represented virtually all of the Pharm Control shares issued to him in Dubinsky's name. Khodjiaints carried out the selling following an intensive period of promotional press releases by or on behalf of Pharm Control.

52. The sales of Pharm Control as identified constituted approximately 40% of the total volume of trading in Pharm Control on those days.

53. With respect to the securities of Asia Telecom, most of the trading occurred on 4 separate days within a 6 day period between March 7 and 14, 2007 and consisted of selling large quantities of shares on days when Asia Telecom had made press releases containing promotional information regarding its purported business.

54. In that 4 day period, Khodjiaints sold approximately 60 million shares of Asia Telecom, which represented virtually all of the Asia Telecom shares issued to him in Dubinsky's name.

55. The sales of Asia Telecom as identified constituted approximately 25% of the total volume of trading in Asia Telecom on those days.

56. In addition to the fraudulent and manipulative nature of the trading by Khodjiaints, the trades in the securities of Pharm Control and Asia Telecom were trades in securities not previously issued. Neither a preliminary prospectus nor a prospectus had been filed with the Commission and no receipts had been issued by the Director to qualify the trading of these securities in Ontario.

57. On or around March 12, 2007, Dubinsky sought to withdraw $400,000 in trading proceeds from the account. HSBC did not allow the withdrawal due to its concerns regarding the questionable nature of the securities and the trading that had been carried out in the account.

58. As of March 19, 2007, HSBC restricted the account and any remaining securities were not sold. As of that time, very few securities remained in the account.

59. During the operation of the account at HSBC, the only account activity was: a) the delivery of hundreds of millions of fraudulent shares in entities quoted for trading on the Pink Sheets for which Select American acted as the transfer agent; and b) the virtual wholesale liquidation of those shares on successive or near successive days following the issuance of promotional press releases by the company.

60. The total proceeds generated from the trading in the account at HSBC (attributable almost entirely to trading the fraudulent securities of Pharm Control and Asia Telcom) was approximately $1 million. The trading was the most profitable trading of all the trading across Canada in these securities.

61. The trading in the account was fraudulent, manipulative and constituted an illegal distribution in which both Dubinsky and Khodjiaints participated.

G. SECURITIES AND EXCHANGE COMMISSION PROCEEDINGS

62. On September 29, 2009, the Securities and Exchange Commission of the United States ("SEC") initiated an action in the United States District Court for the Southern District of New York ("NY District Court") naming DeFreitas, Boock, Wong and two others as defendants (the "SEC action") which alleged breaches of federal securities laws. The conduct underlying the alleged breaches also forms the basis of the Statement of Allegations issued by Staff in this proceeding.

63. On March 26, 2010, the NY District Court entered a default judgment against DeFreitas and Boock. A motion by the SEC for summary judgment against Wong was granted on August 25, 2011. A motion for reconsideration of the summary judgment was dismissed on November 10, 2011. A proceeding to determine the amount of the disgorgement to be required of Wong, Boock and DeFreitas is pending.

BREACHES OF THE ACT

64. With respect to each of the Individual Respondents, by their involvement in the securities scheme described above, each of them has engaged in acts, practices or courses of conduct relating to securities that they knew or reasonably ought to have known resulted in or contributed to a misleading appearance of trading activity in, or an artificial price for, the securities contrary to subsection 126.1(a) of the Securities Act (the "Act") and, further, perpetrated a fraud on persons or companies contrary to subsection 126.1(b) of the Act.

65. With respect to DeFreitas, Boock and Wong, each has been found by the NY District Court to have contravened the laws of the jurisdiction respecting the buying or selling of securities or derivatives which are circumstances which permit an order to be made under section 127(10)(3) of the Act.

66. In addition, Dubinsky and Khodjiaints, in trading and carrying out acts in furtherance of trading in the securities of Pharm Control and Asia Telecom as described above, participated in an illegal distribution of those securities contrary to section 53 of the Act.

67. With respect to Select American and Compushare, by virtue of their status as vehicles for securities fraud, it is contrary to the public interest that they be permitted to trade or act as market participants in Ontario's capital markets.

68. Such further and other allegations as Staff may advise and the Commission may permit.

DATED this day of January 4, 2012.

"Josée Turcotte"
Per: John Stevenson
Secretary to the Commission

1.4 Notices from the Office of the Secretary

1.4.1 HEIR Home Equity Investment Rewards Inc.

FOR IMMEDIATE RELEASE
January 9, 2012

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

AND

**IN THE MATTER OF **
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.

TORONTO – The Commission issued an Order in the above named matter which provides that a further pre-hearing conference shall be held on Wednesday, February 1, 2012 at 9:00 a.m. for the purpose of confirming September 10, 2012 as the target date for the commencement of the hearing on the merits and the schedule for such hearing.

A copy of the Order dated December 20, 2011 is available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
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1-877-785-1555 (Toll Free)

1.4.2 Jowdat Waheed and Bruce Walter

FOR IMMEDIATE RELEASE
January 9, 2012

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

AND

IN THE MATTER OF
JOWDAT WAHEED AND BRUCE WALTER

TORONTO – The Office of the Secretary issued a Notice of Hearing setting the matter down to be heard on February 15, 2012 at 10:00 a.m. or as soon thereafter as the hearing can be held in the above named matter.

A copy of the Notice of Hearing dated January 9, 2012 and Statement of Allegations of Staff of the Ontario Securities Commission dated January 9, 2012 are available at **www.osc.gov.on.ca**.

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1.4.3 Frank Dunn et al.

FOR IMMEDIATE RELEASE
January 10, 2012

IN THE MATTER OF
AN APPLICATION UNDER SECTION 17
OF THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
FRANK DUNN, DOUGLAS BEATTY AND
MICHAEL GOLLOGLY

TORONTO – The Commission issued an Order in the above named matter which provides that Frank Dunn, Douglas Beatty and Michael Gollogly be permitted to disclose and use the evidence listed in Schedule "A" for the purpose of making full answer and defense in their criminal trials in the Superior Court of Justice on Indictment #10-00145, and for all appeals therefrom, but for no other purpose.

A copy of the Order dated January 6, 2012 is available at **www.osc.gov.on.ca**.

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1.4.4 Irwin Boock et al.

FOR IMMEDIATE RELEASE
January 11, 2012

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

AND

IN THE MATTER OF
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

TORONTO – The Office of the Secretary issued an Amended Notice of Hearing dated January 5, 2012 setting the matter down to be heard on February 1, 2012 or as soon thereafter as the hearing can be held in the above named matter.

Staff of the Ontario Securities Commission filed a Notice of Withdrawal against the respondent, Saudia Allie, dated January 10, 2012.

A copy of the Amended Notice of Hearing dated January 5, 2012, Amended Statement of Allegations of Staff of the Ontario Securities Commission dated January 4, 2012 and Notice of Withdrawal dated January 10, 2012 are available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Covington Capital Corporation and Covington Venture Fund Inc.

Headnote

NP 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Approval of mutual fund reorganization – Approval required because transaction does not meet the criteria for pre-approval – Distinct funds within one labour sponsored investment fund consolidating – The labour sponsored fund does not have a current prospectus – Shareholders provided with timely and adequate disclosure regarding the consolidation and prospectus-level disclosure regarding the continuing series.

Applicable Legislative Provisions

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

December 21, 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 JURSIDICTIONS

AND

IN THE MATTER OF
COVINGTON CAPITAL CORPORATION
(the Manager)

AND

IN THE MATTER OF
COVINGTON VENTURE FUND INC.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Manager on behalf of the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for approval, pursuant to section 5.5(1)(b) of National Instrument 81-102 *Mutual Funds* (the **Instrument**), to permit the Filer to effect a consolidation (the **Asset Consolidation**) of the pools of assets forming the net asset values of the Class A Shares, Series I, II, III, IV and V of the Filer, which is expected to become effective on December 23, 2011 or as soon thereafter as practicable (the **Effective Date**) (the **Exemption Sought**).

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

(a) the Ontario Securities Commission is the principal regulator for this application (the **Principal Regulator**), and

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Alberta, Manitoba, Québec, New Brunswick, Nova Scotia, Newfoundland and Labrador and Prince Edward Island (including Ontario, the **Jurisdictions**).

Interpretation

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

Representations

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

The Manager

1. The Manager is the investment fund manager of the Filer.

2. The Manager is an Ontario corporation and has its head office in Toronto.

3. The Manager is registered under the securities legislation of Ontario in the categories of investment fund manager, portfolio manager and exempt market dealer.

4. The Manager is the manager of the Filer under a management agreement dated December 4, 2006 which was assigned to the Manager. On January 1, 2007, the Manager amalgamated with Covington Group of Funds Inc. under the laws of the Province of Nova Scotia. Prior to January 1, 2007, Covington Group of Funds Inc. had been the manager of the Filer and following January 1, 2007, the Manager continued this function. On January 29, 2010, the Manager was continued under the laws of the Province of Ontario.

The Filer

5. The Filer is a corporation formed by way of an amalgamation on January 6, 2006 pursuant to the Canada Business Corporations Act (the **Amalgamation**) of six predecessor funds, Triax Growth Fund Inc., New Millennium Venture Fund Inc., New Generation Biotech (Balanced) Fund Inc., E2 Venture Fund Inc., Venture Partners Balanced Fund Inc. and Capital First Venture Fund Inc. (collectively, the **Predecessor Funds**).

6. The Class A shares of Triax Growth Fund Inc. were previously offered in all of the provinces of Canada except in the Province of Saskatchewan pursuant to a long form prospectus for which a receipt was obtained pursuant to the legislation of those jurisdictions. The Class A shares of the other Predecessor Funds were offered only in the Province of Ontario.

7. The authorized capital of the Filer consists of an unlimited number of Class A shares, issuable in series (collectively, the **Class A Shares**) and an unlimited number of Class B shares (the **Class B Shares**).

8. The Filer has nine series of Class A Shares currently issued and outstanding as follows: Class A Shares, Series I (**Series I Shares**), Class A Shares, Series II (**Series II Shares**), Class A, Series III (**Series III Shares**), Class A Shares, Series IV (**Series IV Shares**), Class A Shares, Series V (**Series V Shares**), Class A Shares, Series VI (**Series VI Shares**), Class A Shares, Series VII (**Series VII Shares**), Class A Shares, Series VIII (**Series VIII Shares**) and Class A Shares, Series IX (**Series IX Shares**). The Series I Shares, the Series II Shares, the Series III Shares, the Series IV Shares, the Series V Shares, the Series VI Shares and the Series VII Shares were each issued to shareholders of the Predecessor Funds as part of the Amalgamation. Certain of those series were subsequently offered for sale by prospectus.

9. All of the issued and outstanding Class B Shares are owned by the sponsor, the Canadian Federal Pilots Association.

10. No Class A Shares are currently offered for sale. The Filer last filed a (final) prospectus dated January 30, 2009 in the Province of Ontario in connection with the offering to the public of the Series II Shares, the Series III Shares, the Series VIII Shares, and the Series IX Shares. That prospectus lapsed and was not renewed.

11. No series of the Filer's Class A Shares is listed on an exchange.

12. The Filer is registered as a labour sponsored investment fund corporation under the *Community Small Business Investment Funds Act* (Ontario) (the **Ontario Act**) and as a labour-sponsored venture capital corporation under the *Income Tax Act* (Canada) (the **Tax Act**). The Filer's investing activities are governed by such legislation (collectively, the **LSIF Legislation**).

13. The Filer is a mutual fund as defined in the *Securities Act* (Ontario) (the **Securities Act**).

14. The Filer is a reporting issuer under the applicable securities legislation of the Jurisdictions.

15. The Series I Shares, the Series II Shares and the Series III Shares refer to a separate consolidated portfolio of assets (the **Series I, II, III Assets**) for the calculation of their net asset value, and are considered to be a separate mutual fund for the purposes of the Securities Act.

16. The Series IV Shares refer to a separate portfolio of assets (the **Series IV Assets**) for the calculation of their net asset value, and are considered to be a separate mutual fund for the purposes of the Securities Act.

17. The Series V Shares refer to a separate portfolio of assets (the **Series V Assets**) for the calculation of their net asset value, and are considered to be a separate mutual fund for the purposes of the Securities Act.

18. The Asset Consolidation consists of the consolidation of the Series I, II, III Assets with the Series IV Assets and the Series V Assets, which assets would then be managed as one consolidated pool (the **Consolidated Pool**) for the benefit of the shareholders of each of the Series I Shares, the Series II Shares, the Series III Shares, the Series IV Shares and the Series V Shares.

19. The Asset Consolidation, if completed, will not affect any series of Class A Shares other than the Series I Shares, the Series II Shares, the Series III Shares, the Series IV Shares and the Series V Shares.

20. As of September 30, 2011, the Filer had approximately $87.7 million in net assets.

21. As of September 30, 2011, the net asset values were as follows:

    (a) for the Series I Shares, the Series II Shares, the Series III Shares, collectively, the net asset value was approximately $31 million,

    (b) for the Series IV Shares, the net asset value was approximately $6.7 million, and

(c) for the Series V Shares, the net asset value was approximately $7.7 million.

22. The Filer makes investments in eligible Canadian businesses as defined in the Ontario Act. The investments objectives of the series of Class A Shares that are the subject of this Application are:

(a) for each of the Series I Shares, the Series II Shares, the Series III Shares and the Series IV Shares, to realize long-term capital appreciation on its investment portfolio; and

(b) for the Series V Shares, (i) to realize long-term capital appreciation on a portion of its investment portfolio and (ii) preserve and return an investor's initial subscription price paid for their Series V Shares on or about December 31, 2011 (the **Series V Capital Repayment Date**).

23. With respect to the Series V Shares, the applicable Predecessor Fund invested exclusively in life sciences transactions and the performance of the Series V Assets, both in the applicable Predecessor Fund and the Filer, has been poor. It is highly unlikely that, absent an infusion of capital, that the second portion of the investment objective would be achieved by the Series V Capital Repayment Date, if ever. If the Asset Consolidation is completed, the Manager, who is owed accrued but unpaid fees of approximately $3.8 million at September 30, 2011 will forgive approximately $2.9 million of this amount in connection with the Asset Consolidation which will enable the Filer to return an amount equal to each investor's initial subscription price on the Effective Date, which is anticipated to be prior to the Series V Capital Repayment Date. As a result, shareholders of the Series V Shares who do not redeem all of their Series V Shares would choose to continue to invest the balance of their investment in accordance with the investment objective of realizing long-term capital appreciation on the Series V Shares.

24. After giving effect to the Asset Consolidation, the single investment objective of the Series I Shares, the Series II Shares, the Series III Shares, the Series IV Shares and the Series V Shares will be to realize long-term capital appreciation on the combined investment portfolio.

25. The net asset value of each of the series of the Filer's Class A Shares is calculated on a weekly basis, on the last business day of each week.

26. The Asset Consolidation will have no effect on the fee structure of the Series I Shares, the Series II Shares and the Series III Shares, and will result in a decrease in the annual management fee for the Series IV Shares from 2.75% per year to 2.5% per year.

27. The Asset Consolidation will have no effect on the fee structure of the Series V Shares.

28. The Manager is entitled to a performance bonus (the **Series I, II, III Performance Bonus**) based on the realized gains and cumulative performance of the eligible investments comprising the Series I, II, III Assets.

29. The Manager is entitled to a performance bonus (the **Series IV Performance Bonus**) based on the realized gains and cumulative performance of the eligible investments comprising the Series IV Assets.

30. The Manager was originally entitled to a performance bonus on the investment portfolio comprising the Series V Assets (the **Series V Performance Bonus**); however the Filer has divested of each of the Community Small Business Investment Funds (**CSBIFs**) in which it invested without triggering the payment of a performance bonus. Upon the dissolution of the CSBIFs, underlying investments were distributed in kind to the Filer, which investments are not eligible for the payment of a performance bonus.

31. Neither the Series I, II, III Performance Bonus nor the Series IV Performance Bonus will be affected by the Asset Consolidation. These performance bonuses will remain the same both before and after the Asset Consolidation.

Shareholder Approval

32. On October 20, 2011, the Filer announced the proposed Asset Consolidation. The Asset Consolidation has been approved by the board of directors of the Filer and by its independent review committee.

33. On September 23, 2011, the Filer filed a notice of meeting and record date calling an annual and special meeting of the shareholders of the Filer for November 18, 2011, which meeting was subsequently adjourned to December 16, 2011 (the **Shareholders' Meeting**).

34. In connection with the Shareholders' Meeting, shareholders of the Filer were sent an information circular dated October 24, 2011, containing details of the proposed Asset Consolidation, the fees to be paid following the Asset Consolidation and the income tax considerations associated therewith. The information circular was filed on SEDAR.

35. An addendum to the information circular, containing additional disclosure and amending certain disclosure in the information circular, was sent to the dealers representing the shareholders

of the Series I Shares, the Series II Shares, the Series III Shares, the Series IV Shares and the Series V Shares, and was filed on SEDAR on December 2, 2011 (the information circular and addendum, together, being the **Circular**).

36. The Circular contained prospectus-level disclosure regarding the Asset Consolidation.

37. The Asset Consolidation has received the approval of a special majority of the shareholders of the Series I Shares, the Series II Shares, the Series III Shares, voting as a group, the shareholders of the Series IV Shares, voting as a series, and the shareholders of the Series V Shares, voting as a series.

38. The Asset Consolidation requires amendments to certain sections of the amended articles of amalgamation of the Filer (the **Articles**). Amendments to the sections of the Articles relating to the Series I Shares, the Series II Shares, the Series III Shares, the Series IV Shares and the Series V Shares will be made in order to effect the consolidation of the Series I, II, III Assets, the Series IV Assets and the Series V Assets, which will form the basis of the net asset values of such shares. The Articles will be amended so that the shareholders of the Series I Shares, the Series II Shares, the Series III Shares, the Series IV Shares and the Series V Shares all share in one pool of assets, the Consolidated Pool, after the Asset Consolidation, instead of three pools of assets prior to the Asset Consolidation.

39. Each shareholder of the Series I Shares, the Series II Shares, the Series III Shares, the Series IV Shares and the Series V Shares will continue to hold the same number and series of shares immediately following the Asset Consolidation as such shareholder held immediately prior to the Asset Consolidation. Similarly, each Series I Share, Series II Share, Series III Share, Series IV Share and Series V Share will have the same value immediately following the Asset Consolidation as it did immediately prior to the Asset Consolidation.

40. Thereafter, the entitlement of each shareholder of the Series I Shares, the Series II Shares, the Series III Shares, the Series IV Shares and the Series V Shares will be based upon its proportionate interest of the assets of the Consolidated Pool. This proportionate interest is based on the respective contributions of each series to the Consolidated Pool on the Effective Date. Each series of Class A Shares will continue to be responsible for series specific expenses and will, therefore, have a different net asset value from the other series.

41. None of the Series I Shares, the Series II Shares, the Series III Shares, the Series IV Shares or the Series V Shares will be issued, acquired, redeemed or cancelled in order to effect the Asset Consolidation.

42. The last scheduled date for calculation of the net asset value of the Series I Shares, the Series II Shares, the Series III Shares, the Series IV Shares and the Series V Shares before the anticipated Effective Date is expected to be December 23, 2011.

43. Shareholders of all of the series of the Filer will continue to have the right to redeem Series I Shares, the Series II Shares, the Series III Shares, the Series IV Shares and the Series V Shares for cash at any time up to the close of business on the last valuation day immediately preceding the Effective Date of the Asset Consolidation. Such redemptions may be subject to tax under the LSIF Legislation.

44. Shareholders of the Series I Shares, the Series II Shares, the Series III Shares, the Series IV Shares and/or the Series V Shares are permitted to dissent from the Asset Consolidation resolution pursuant to the provisions of section 190 of the Canada Business Corporations Act. A shareholder who dissents will be entitled, in the event the Asset Consolidation becomes effective, to be paid by the Filer, the fair value of the Series I Shares, the Series II Shares, the Series III Shares, the Series IV Shares and/or the Series V Shares held by such shareholder determined as at the close of business on the day before the Asset Consolidation resolution was adopted. Where a shareholder dissents from the resolution and receives a cash payment for his shares from the Filer, the shareholder is considered to have realized proceeds of disposition equal to the amount of the payment received by the shareholder. If such Class A Shares have been held by the shareholder for less than eight years, the proceeds of disposition will be reduced by the amount required to be withheld from the proceeds and remitted by the Filer to the appropriate taxing authorities and any applicable fees.

45. The Filer will issue a press release after the close of business on the date of Shareholders' Meeting, being December 16, 2011, announcing the results of the Shareholders' Meeting and, if applicable, confirming the anticipated Effective Date.

46. All of the costs of effecting the Asset Consolidation (consisting primarily of legal, proxy solicitation, printing, mailing and accounting costs) will be paid by the Manager.

47. In the opinion of the Manager, the Asset Consolidation will be beneficial to shareholders of the Series I Shares, the Series II Shares, the

Series III Shares, the Series IV Shares and the Series V Shares for the following reasons:

(a) it will result in improved liquidity levels that will enable the Consolidated Pool to better manage follow-on investment requirements of investee companies and to meet the redemption requests of shareholders;

(b) it will add further diversification to the current separate pools of assets; and

(c) as there are a number of fixed costs and expenses associated with operating separate series of the Fund as distinct pools of assets, it will result in a reduction of the fixed cost component of each such series as a result of operating one Consolidated Pool.

Approval for the Asset Consolidation under Section 5.5(1)(b) of the Instrument

48. Approval for the Asset Consolidation is required because the Filer does not satisfy all of the criteria for pre-approved organizations and transfers set out in section 5.6(1) of the Instrument because it does not have a current prospectus or simplified prospectus, as required under sections 5.6(1)(a)(iv) and 5.6(1)(f)(ii) of the Instrument.

49. The Filer and the Manager are not in default of securities legislation in any province or territory of Canada.

Decision

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

The decision of the Principal Regulator under the Legislation is that the Exemption Sought is granted.

"Sonny Randhawa"
Manager, Investment Funds Branch
Ontario Securities Commission

2.1.2 Peregrine Metals Ltd.

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 29, 2011

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA, SASKATCHEWAN, MANITOBA,
ONTARIO, 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
PEREGRINE METALS LTD. (THE "FILER")**

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the "**Decision Maker**") has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the "**Legislation**") that the Filer is deemed to have ceased to be a reporting issuer (the "**Exemptive Relief Sought**").

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

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

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

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 *Passport System* 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:

(a) The Filer is a corporation governed by the *Business Corporations Act* (British Columbia) with its registered address located at 201 – 1250 Homer Street, Vancouver, B.C., V6B 1C6.

(b) The Filer is a reporting issuer in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador.

(c) The Filer's authorized share capital consists of an unlimited number of common shares ("**Shares**").

(d) No securities of the Filer are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*. ("**NI 21-101**").

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

The Arrangement

(f) Stillwater Mining Company ("**Stillwater**") is a producer of palladium and platinum incorporated pursuant to the laws of the state of Delaware, and is a reporting issuer in the provinces of Alberta, Saskatchewan, Ontario and Prince Edward Island. The common shares of Stillwater are listed for trading on the TSX.

(g) On July 11, 2011, pursuant to a definitive agreement entered into between the Filer and Stillwater (the "**Agreement**"), Stillwater agreed, through a court ordered plan of arrangement (the "**Arrangement**"), to acquire all of the issued and outstanding Shares. Pursuant to the Agreement, Stillwater agreed to issue US$1.35 cash and 0.08136 of one common share of Stillwater in exchange for each Share.

Background to Application

(h) Prior to consummation of the transactions described above, the Shares were listed for trading on the Toronto Stock Exchange under the symbol "PGM".

(i) Other than as described above, the Filer has no other securities issued and outstanding.

(j) On November 17, 2011, an application was made to delist the Shares from the Toronto Stock Exchange. Such Shares are expected to be delisted on or before the close of business on December 17, 2011.

(k) The Filer has no current intention to seek public financing by way of an offering of securities.

(l) The Filer is applying for relief to cease to be a reporting issuer in all jurisdictions of Canada in which it is currently a reporting issuer.

(m) The Filer is not in default of any requirement of the securities legislation in any of the Jurisdictions except for the obligation arising after Stillwater came to be the issuer's sole shareholder pursuant to the Arrangement to file its Interim Financial Statements and its Management Discussion and Analysis for the periods ending September 30, 2011, as required under National Instrument 51-102, *Continuous Disclosure Obligations* and the related certification of such financial statements as required under Multilateral Instrument 52-109 - *Certification of Disclosure in Filers' Annual and Interim Filings*.

(n) All of the Shares are owned by Stillwater.

(o) The Filer, upon the grant of the Exemptive Relief Sought, 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.

"Judith Robertson"
Commissioner
Ontario Securities Commission

"Vern Krishna"
Commissioner
Ontario Securities Commission

2.1.3 ICO Therapeutics Inc. et al.

Headnote

National Policy 11-203 Process For Exemptive Relief Applications in Multiple Jurisdictions – Exemption from registration requirement – A purchaser under an equity line of credit wants relief from the requirement to register as an underwriter – The purchaser will not solicit any offers to purchase the securities it acquires from the issuer and will resell any securities through an exchange, using a registered dealer unaffiliated with the issuer or the purchaser.

Exemption from prospectus delivery requirement – A purchaser under an equity line of credit wants relief from the requirement to deliver a prospectus – The issuer will file a supplement to its base shelf prospectus describing the terms of the equity purchase agreement – The issuer will issue a news release upon entering into the equity purchase agreement and file the agreement on SEDAR – For each drawdown under the agreement, the issuer will issue a news release indicating that the base shelf prospectus and relevant prospectus supplement have been filed and will specify where and how purchasers may obtain a copy.

Exemption from short form prospectus form requirements – An issuer wants relief from the requirement to include in the prospectus a statement of purchasers' statutory rights in the prescribed form – The issuer is distributing securities to purchasers on the TSX Venture Exchange through a purchaser under an equity line of credit – The purchasers on the Exchange will have all statutory rights except those rights triggered by delivery of the prospectus – The issuer will provide an amended statement of rights in the prospectus so that the prospectus properly describes applicable rights and purchasers are not misled.

Exemption from shelf prospectus form requirements – An issuer wants relief from the requirement to include certain disclosure in the base shelf prospectus – The issuer is distributing securities to purchasers on the TSX Venture Exchange through a purchaser under an equity line of credit – The purchasers on the Exchange will have all statutory rights except those rights triggered by delivery of the prospectus – The issuer will include in its base shelf prospectus all disclosure required under section 5.5 of National Instrument 44-102 but will eliminate or modify statements that specifically refer to delivery of the prospectus.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 25, 71(1), 71(2), 74, 147.
National Instrument 44-101, s. 8.1.
Form 44-101F1, s. 20.
National Instrument 44-102, ss. 5.5(2), 5.5(3).

July 29, 2011

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

AND

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

AND

IN THE MATTER OF
ICO THERAPEUTICS INC. (ISSUER),
DUTCHESS OPPORTUNITY CAYMAN FUND, LTD.
(DUTCHESS) AND DUTCHESS CAPITAL
MANAGEMENT II, LC (THE MANAGER AND,
TOGETHER WITH ICO AND DUTCHESS,
THE FILERS)

DECISION

Background

1 The securities regulatory authority or regulator in each of the Jurisdictions (the Decision Makers) have received an application (the Application) from the Filers for a decision under the securities legislation of the Jurisdictions (the Legislation) that:

(a) the following disclosure requirements under the Legislation (the Prospectus Disclosure Requirements) do not apply to the Issuer in connection with the Distribution (as defined below):

(i) the statement in the Prospectus Supplement (as defined below) respecting statutory rights of withdrawal and rescission or damages in the form required by Item 20 of Form 44-101F1 of National Instrument 44-101 *Short Form Prospectus Distributions* (NI 44-101); and

(ii) the statements required by Subsections 5.5(2) and (3) of National Instrument 44-102 *Shelf Distributions* (NI 44-102) (the Prospectus Disclosure Relief);

(b) the prohibition from acting as a dealer unless the person is registered as such (the Dealer Registration Requirement) does not apply to Dutchess or the Manager in connection with the Distribution (the Dealer Registration Relief);

(c) the requirement under the Legislation that a dealer send a copy of the Prospectus (as defined below) to a subscriber or purchaser in the context of a distribution (the Prospectus Delivery Requirement) does not apply to Dutchess and the Manager or the dealer(s) through whom Dutchess distributes the Common Shares (as defined below) and that, as a result, rights of withdrawal or rights of rescission, price revision or damages for non-delivery of the Prospectus do not apply in connection with the Distribution (the Prospectus Delivery Relief); and

(d) the Application and this decision be held in confidence by the Decision Makers (the Confidentiality Relief).

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

(a) the British Columbia Securities Commission is the principal regulator for this application,

(b) the 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 Alberta, and

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

Interpretation

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

Representations

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

The Issuer

1. the Issuer is a corporation existing under the *Business Corporations Act* (British Columbia) with is head office located in Vancouver, British Columbia;

2. the Issuer is a reporting issuer in the Provinces of British Columbia and Alberta and is not in default of any requirements under the securities legislation in any jurisdiction of Canada;

3. the share capital of the Issuer consists of an unauthorized number of common shares (the Common Shares), of which 41,057,301 are issued and outstanding. An aggregate of 1,846,429 Common Shares are issuable on conversion of outstanding stock options and an aggregate of 235,000 Common Shares are issuable on conversion of outstanding common share purchase warrants;

4. the Common Shares are listed and posted for trading on the TSX Venture Exchange (the TSXV) under the symbol “ICO”;

5. upon filing a notice of intention to be qualified to file a short form prospectus pursuant to Section 2.6 of NI 44-101, the Issuer will, within 10 business days after filing such notice, be eligible to file a short form prospectus under Section 2.2 of NI 44-101 and base shelf prospectus under Section 2.2 of NI 44-102;

6. the Issuer intends to file in the Provinces of British Columbia, Alberta and Ontario a base shelf prospectus (such base shelf prospectus and any amendments thereto is referred to as the Base Shelf Prospectus);

7. the statements included in the Base Shelf Prospectus pursuant to Subsection 5.5(2) and 5.5(3) of NI 44-102 will be qualified, in each case, by adding "except in cases where an exemption from such delivery requirements has been obtained";

Dutchess and the Manager

8. Dutchess is an investment fund established as a Cayman Islands exempt limited partnership with its head office located in the Cayman Islands;

9. the Manager, a limited liability corporation incorporated under the laws of Delaware with its head office in Boston, Massachusetts;

10. the Manager is an investment manager for funds which have made direct investments in growth-stage and mature public companies which span a wide array of sectors using various investment structures such as equity line facilities, equity-linked securities and direct placements;

11. Dutchess is an affiliate of the Manager and one of several investment funds managed by the Manager;

12. neither Dutchess nor the Manager is a reporting issuer under the securities legislation of any jurisdiction of Canada or registered as a registered firm as that term is defined National Instrument 31-103 *Registration Requirements and Exemptions* in any jurisdiction of Canada;

13. neither Dutchess nor the Manager are in default of securities legislation in any jurisdiction of Canada;

Proposed Distribution Arrangements

14. the Issuer and Dutchess propose to enter into an equity line facility agreement (the Equity Line Facility Agreement), pursuant to which Dutchess will agree to subscribe for, and the Issuer will have the right, exercisable from time to time for a period of 36 months (the Commitment Period), to issue and sell to Dutchess, up to $10,000,000 of Common Shares (the Maximum Commitment Amount);

15. under the Equity Line Facility Agreement, the Issuer will, subject to paragraph 16, be entitled to deliver to Dutchess, at any time during the Commitment Period, a draw down notice (a Draw Down Notice), which notice shall (i) notify Dutchess of its intention to draw down funds under the Equity Line, (ii) specify the amount of the proposed draw down and (iii) specify the lowest price per share at which the Issuer will issue Common Shares in connection with such Draw Down Notice (the Minimum Price); provided, however, that the Minimum Price may not be lower than the volume-weighted average price per Common Share on the TSXV over a period of five consecutive trading days immediately preceding the applicable Draw Down Notice, less the permitted discount under the private placement rules contained in the TSXV Corporate Finance Manual;

16. the Issuer may not deliver a Draw Down Notice during the period beginning 10 trading days before the Issuer's next subsequent annual financial statements or quarterly financial statements are to be publicly released and ending 2 trading days after such report is released, or during any other period in which the Issuer is in possession of material non-public information;

17. the Equity Line Facility Agreement will provide the Issuer with the ability to raise capital as needed from time to time; Dutchess regularly engages in such transactions; Dutchess will, in most cases, finance its commitment to subscribe for Common Shares on a draw down through short-sales or resales out of existing holdings of the Issuer's securities;

18. the maximum amount that the Issuer shall be entitled to draw down pursuant to any Draw Down Notice shall not exceed the greater of (i) $250,000 or (ii) 200% of the product of the average daily trading volume of Common Shares on the TSXV during the three days immediately preceding the date of such Draw Down Notice and the average of the closing price of the Common Shares on the TSXV during such three day period;

19. the subscription price of Common Shares to be issued pursuant to a Draw Down Notice will equal 95% of the lowest daily volume-weighted average trading price of the Common Shares on the TSXV during the five consecutive trading days immediately preceding the date of the Draw Down Notice (the Draw Down Pricing Period); provided, however, that the subscription price shall not be less than the Minimum Price;

20. subject to early settlement in certain circumstances, the gross proceeds to be received by the Issuer with respect to the issuance of Common Shares pursuant to a Draw Down Notice will be settled on the seventh trading day (each date on which Common Shares are issued pursuant to a Draw Down Notice, a Settlement Date) following delivery of the Draw Down Notice to Dutchess; provided, however, that the obligation of Dutchess to subscribe for Common Shares pursuant to a Draw Down Notice shall be subject to delivery to Dutchess, on the date of the Draw Down Notice and the Settlement Date, of a certificate of a senior officer of the Issuer certifying that the Prospectus, as supplemented, contains full, true and plain disclosure of all material facts relating to the Issuer and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made; the Issuer would therefore be unable to issue Common Shares under the Equity Line Facility Agreement when it is in possession of undisclosed information that would constitute a material fact or material change;

21. on or after a Settlement Date, Dutchess may seek to sell some or all of the Common Shares issued to Dutchess pursuant to the applicable Draw Down Notice;

22. during the term of the Equity Line Facility Agreement, Dutchess and its affiliates, associates or insiders, as a group, will not own at any time, directly or indirectly, Common Shares representing more than 9.9% of the issued and outstanding Common Shares at such time;

23. Dutchess and its trading affiliates will not hold a "net short position" in Common Shares during the term of the Equity Line Facility Agreement; provided, however, Dutchess may, after the receipt of a Draw Down Notice, seek to short-sell Common Shares to be issued pursuant to the Draw Down Notice, or engage in hedging strategies, in order to reduce the economic risk associated with its commitment to subscribe for Common Shares, provided that:

    (a) Dutchess complies with applicable rules of the TSXV and applicable securities laws;

    (b) Dutchess and its affiliates, associates, partners and insiders do not during the period between a Draw Down Notice and the corresponding Settlement Date, directly or indirectly, sell Common Shares or grant any right to purchase or acquire any right to dispose of, nor otherwise dispose for value of, any Common Shares or any securities convertible into or exchangeable for Common Shares, in an amount exceeding the number of Common Shares to be issued to Dutchess pursuant to the applicable Draw Down Notice; and

    (c) Dutchess and its affiliates, associates, partners and insiders do not, directly or indirectly, sell Common Shares or grant any right to purchase or acquire any right to dispose of, nor otherwise dispose for value of, any Common Shares or any securities convertible into or exchangeable for, any Common Shares, between the time of delivery of a Draw Down Notice and the filing of the press release announcing the draw down;

24. disclosure of the activities of Dutchess and its affiliates, associates or insiders, as well as the restrictions thereon, the whole as described in paragraph 23 above, will be included in the Base Shelf Prospectus. In addition, the Issuer will include in the Base Shelf Prospectus a risk factor that explains that Dutchess may engage in short-sales, resales or other hedging strategies to reduce or eliminate investment risks associated with a draw down and that such risk factor will disclose the possibility that such transactions may result in significant dilution to existing shareholders and could have a significant effect on the price of the Common Shares;

25. no extraordinary commission or consideration will be paid by Dutchess or the Manager to a person or company in respect of the disposition of Common Shares by Dutchess to purchasers who purchase them from Dutchess through the dealer(s) engaged by Dutchess through the TSXV (the TSXV Purchasers);

26. the Issuer has agreed to pay up to $30,000 of the fees and expenses incurred by Dutchess in connection with the Equity Line Facility Agreement;

27. in effecting any disposition of the Common Shares, Dutchess and the Manager will not engage in any sales, marketing or solicitation activities of the type undertaken by underwriters in the context of a public offering. More specifically, Dutchess and the Manager will not (i) advertise or otherwise hold itself out as a dealer; (ii)

purchase or sell securities as principal from or to customers; (iii) carry a dealer inventory in securities; (iv) quote a market in securities; (v) extend or arrange for the extension of credit in connection with securities transactions; (vi) run a book of repurchase and reverse repurchase agreements; (vii) use a carrying broker for securities transactions; (viii) lend securities for customers; (ix) guarantee contract performance or indemnify the Issuer for any loss or liability from the failure of the transaction to be successfully consummated; (x) participate in a selling group; (xi) effect any disposition other than in accordance with applicable securities laws; (xii) provide investment advice; or (xiii) issue or originate securities;

28. Dutchess will not solicit offers to purchase Common Shares and will complete all sales of Common Shares through a dealer unaffiliated with Dutchess, the Manager and the Issuer;

Prospectus Supplements

29. the Issuer intends to file a supplement to the Base Shelf Prospectus (a Prospectus Supplement) in the Provinces of British Columbia, Alberta and Ontario within two business days after the final Settlement Date for each draw down under the Equity Line Facility Agreement;

30. each Prospectus Supplement will include (i) the number of Common Shares sold, (ii) the price per share, (iii) the information required by NI 44-102, including the disclosure required by Subsection 9.1(3) thereof, (iv) other information required by NI 44-101 omitted from the Base Shelf Prospectus in accordance with NI 44-102, and (v) the following statement:

> *Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment are not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. However, such rights and remedies will not be available to purchasers of common shares distributed under this prospectus because the prospectus will not be delivered to purchasers, as permitted under a decision document issued by the British Columbia Securities Commission on ___, 2011.*
>
> *In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contain a misrepresentation, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. Such remedies remain unaffected by the non-delivery of the prospectus, as permitted under the decision document referred to above.*
>
> *The purchaser should refer to any applicable provision of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.*

(the Amended Statement of Rights);

31. the Base Shelf Prospectus, as supplemented by the Prospectus Supplements, will (i) qualify the distribution of the Common Shares to Dutchess on each Settlement Date of the draw down disclosed in the relevant Prospectus Supplement, (ii) qualify the distribution of Common Shares to TSXV Purchasers during the period that commences on the date of issuance of a Draw Down Notice to Dutchess and ends on the earlier of (x) the date on which the distribution of such Common Shares has ended or (y) the 40th day following such Settlement Date (collectively, a Distribution);

32. the Prospectus Delivery Requirements are not workable in the context of the Distribution because the TSXV Purchasers will not be readily identifiable as the dealer(s) acting on behalf of Dutchess may combine the sell orders made under the Prospectus with other sell orders and the dealer(s) acting on behalf of the TSXV Purchasers may combine a number of purchase orders;

33. each Prospectus Supplement will contain an underwriter's certificate in the form set out in Section 2.2 of Appendix B to NI 44-102 signed by Dutchess;

34. at least three business days prior to filing the Prospectus Supplement to be filed in connection with the initial Distribution, the Issuer will provide a draft of the Prospectus Supplement for comment to the Decision Makers a draft of such Prospectus Supplement;

Continuous Disclosure

35. following the execution of the Equity Line Facility Agreement, the Issuer will:

    (a) promptly issue and file a press release on SEDAR disclosing the material terms of the Equity Line Facility Agreement, including the Maximum Commitment Amount; and

    (b) within 10 days after the execution,

        (i) file a copy of the Equity Line Facility Agreement on SEDAR; and

        (ii) file a material change report on SEDAR;

36. the Issuer will promptly issue and file a press release on SEDAR upon each issuance of a Draw Down Notice, disclosing in each case the amount of the draw down, the maximum number of Common Shares to be issued pursuant to the Draw Down Notice, the Minimum Price, as well as the fact that the Base Shelf Prospectus is available on SEDAR and specifying how a copy of this document can be obtained;

37. the Issuer will

    (a) issue and file a press release on SEDAR on, or as soon as practicable after, the final Settlement Date in respect of a draw down stating:

        (i) the number of Common Shares issued to Dutchess and the price per Common Share;

        (ii) that the Base Shelf Prospectus and the relevant Prospectus Supplement will be available on SEDAR and specifying how a copy of these documents can be obtained; and

        (iii) the Amended Statement of Rights; and

    (b) file a material change report on SEDAR within ten days of the final Settlement Date in respect of a draw down, if the relevant Distribution constitutes a material change under applicable securities legislation, disclosing at a minimum the number of Common Shares issued to, and the price per Common Share paid by, Dutchess;

38. the Issuer will disclose in its financial statements and management's discussion and analysis filed on SEDAR pursuant to National Instrument 51-102 *Continuous Disclosure Obligations*, for each financial period, the number and price of Common Shares issued to Dutchess pursuant to the Equity Line Facility Agreement;

Deliveries Upon Request

39. the Issuer will deliver to the Decision Makers, upon request, a copy of each Draw Down Notice delivered by the Issuer to Dutchess under the Equity Line Facility Agreement; and

40. Dutchess and the Manager will provide to the Decision Makers, upon request, full particulars of trading and hedging activities by Dutchess and the Manager (and, if required, trading and hedging activities by their affiliates, associates, partners or insiders) in relation to securities of the Issuer during the term of the Equity Line Facility Agreement.

Decision

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

The decision of the Decision Makers under the Legislation is that

    (a) the Prospectus Disclosure Relief is granted provided that:

(i) the Issuer comply with the representations in paragraphs 7, 24, 30, 31, 35, 36, 37 and 39; and

(ii) the number of Common Shares distributed by the Issuer under the Equity Line Facility Agreement does not exceed, in any 12 month period, 19.9% of the aggregate number of Common Shares outstanding calculated at the beginning of such period;

(b) both the Dealer Registration Relief and the Prospectus Delivery Relief are granted provided that Dutchess and/or the Manager, as the case may be, comply with the representations in paragraphs 23, 25, 27, 28, 33 and 40;

(c) the Confidentiality Relief is granted until the earlier of

(i) the date the Issuer issues the press release described in paragraph 35(a); and

(ii) the date that is 90 days from the date of this decision; and

(d) this decision will terminate 25 months after the date of the Base Shelf Prospectus.

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

2.1.4 Brookfield Renewable Power Preferred Equity Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Filer wants to put in place a credit support issuer structure, but is unable to rely on the exemption for credit support issuers in applicable securities legislation – Relief granted from continuous disclosure requirements, certification requirements, insider reporting requirement, audit committee requirements and corporate governance requirements – Relief also granted from short form prospectus requirements, incorporation by reference requirement, earnings coverage requirements and subsidiary credit supporter requirements – Filer unable to rely on exemption for credit support issuers in applicable securities legislation since Filer's parent only owns 50.1% of an intermediate holding entity (a limited partnership) that indirectly owns 100% of the voting securities of the Filer – When the characteristics of the limited partnership units of the holding limited partnership (including that the majority are held by the parent) are viewed together with a voting agreement, control and direction of the holding limited partnership is held by the Filer's parent as if the parent beneficially owned all the outstanding voting securities of holding limited partnership – Filer unable to rely on the exemption since the issuer proposes to issue convertible preferred shares that are convertible into other preferred shares of the Issue – Relief subject to conditions, including conditions relating to minority interest in holding limited partnership.

Applicable Legislative Provisions

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

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 POWER
PREFERRED EQUITY INC. (THE "FILER")

DECISION

Background

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

(a) the Filer from the requirements of National Instrument 51-102 *Continuous Disclosure Obligations* ("**NI 51-102**") (the "**Continuous Disclosure Requirements**");

(b) the Filer from the requirements of National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* ("**NI 52-109**") (the "**Certification Requirements**");

(c) insiders of the Filer from the insider reporting requirement (as defined in National Instrument 14-101 *Definitions*) (the "**Insider Reporting Requirements**");

(d) the Filer from the requirements of National Instrument 52-110 *Audit Committees* ("**NI 52-110**") (the "**Audit Committee Requirements**");

(e) the Filer from the requirements of National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("**NI 58-101**") (the "**Corporate Governance Requirements**");

(f) the Filer from the qualification requirements (the "**Qualification Requirements**") of Part 2 of National Instrument 44-101 *Short Form Prospectus Distributions* ("**NI 44-101**"), such that the Filer is qualified to file a prospectus in the form of a short form prospectus;

(g) the Filer from the requirement to incorporate by reference into a short form prospectus the documents under paragraphs 1 to 4 and 6 to 8 of subsection 11.1(1) of Form 44-101F1 *Short Form Prospectus* ("**Form 44-101F1**") (the "**Incorporation by Reference Requirements**");

(h) the Filer from the requirement to include in a short form prospectus the earnings coverage ratios under section 6.1 of Form 44-101F1 (the "**Earnings Coverage Requirements**"); and

(i) the Filer from the requirement to include in a short form prospectus the disclosure of one or more subsidiary credit supporters required by section 12.1 of Form 44-101F1 (the "**Subsidiary Credit Supporter Requirements**");

(collectively, the "**Exemption Sought**")

in each case to accommodate a transaction, effected by way of a plan of arrangement under the *Business Corporations Act* (Ontario) (the "**Arrangement**"), that was completed on November 28, 2011 and resulted in the combination of all of the renewable power assets of Brookfield Renewable Power Inc. ("**BRPI**") and Brookfield Renewable Power Fund (the "**Fund**").

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

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

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* ("**MI 11-102**") is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Newfoundland & Labrador and Prince Edward Island.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined. In this decision, "**BREP Related Entities**" means, collectively, Brookfield Renewable Energy L.P. ("**BRELP**") and subsidiary entities (as this term is defined in Multilateral Instrument 61-101 – *Take-Over Bids and Special Transactions*) of BRELP.

Representations

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

The Filer

1. The Filer has been incorporated under the laws of Canada since February 10, 2010.

2. The registered and head office of the Filer is located in Toronto, Ontario.

3. The Filer is a reporting issuer, or the equivalent, in the Jurisdictions and, to its knowledge, is not in default of any requirements under the Legislation.

4. The authorized share capital of the Filer consists of an unlimited number of common shares (the "**Common Shares**"), an unlimited number of Class A Preference Shares (the "**Class A Preference Shares**"), issuable in series and an unlimited number of Class B Preference Shares (the "**Class B Preference Shares**") issuable in series.

5. The only voting securities of the Filer are the Common Shares, all of which were, prior to the completion of the Arrangement, indirectly held by the Fund.

6. The Class A Preference Shares and Class B Preference Shares may at any time and from time to time be issued in one or more series having such rights, restrictions and privileges determined by the directors of the Filer. Subject to

any rights which may be attached to a series of such shares and applicable law, the holders of such shares shall not be entitled to vote at any meeting of shareholders of the Filer.

7. The Filer currently has one series of Class A Preference Shares outstanding, being the Class A Preference Shares, Series 1 (the "**Series 1 Shares**").

8. The Series 1 Shares are convertible, in certain circumstances, at the option of the holder or the Filer, into an equal number of Class A Preference Shares, Series 2 (the "**Series 2 Shares**", and together with the Series 1 Shares, the "**Preferred Shares**") and the Series 2 Shares are convertible, in certain circumstances, at the option of the holder or the Filer, into an equal number of Series 1 Shares.

9. As of the date hereof, 1 Common Share and 10 million Series 1 Shares were issued and outstanding. No Class B Preference Shares have been issued.

10. The Series 1 Shares are listed on the Toronto Stock Exchange ("**TSX**") under the symbol "BRF.PR.A".

11. The Filer operates as a financing company and has no significant assets or liabilities unrelated to the Preferred Shares and does not have any ongoing business operations of its own.

12. The Filer is a "credit support issuer" (as defined in NI 51-102).

13. Prior to the completion of the Arrangement, the Fund was the Filer's parent credit supporter (as such term is defined in NI 51-102). Prior to the completion of the Arrangement, both the Series 1 Shares and the Series 2 Shares satisfied the definition of "designated credit support securities" in Section 13.4(1) of NI 51-102, but for the convertibility feature allowing their conversion into Class A Preference Shares of the other series.

14. In connection with its offering of the Series 1 Shares to the public, on February 15, 2010, the Filer was granted substantially similar relief to the Exemption Sought because both the Series 1 Shares and the Series 2 Shares satisfied the definition of "designated credit support securities" in Section 13.4(1) of NI 51-102, but for the convertibility feature allowing their conversion into Class A Preference Shares of the other series (the "**2010 Decision**").

The Arrangement

15. Upon the completion of the Arrangement, the Filer no longer satisfies the conditions in the 2010 Decision as a result of the change in corporate structure and the winding up of the Fund.

16. Pursuant to the terms of the Arrangement:

    (a) public unitholders of the Fund exchanged their trust units in the Fund ("**Fund Units**") for limited partnership units ("**LP Units**") in Brookfield Renewable Energy Partners L.P. ("**BREP**"), a Bermuda exempted limited partnership formed by BRPI;

    (b) the LP Units were listed on the TSX and the Fund Units were de-listed;

    (c) the Fund was wound up;

    (d) all the issued and outstanding voting securities of the Filer are held by Brookfield Renewable Holding Corp. ("**BRHC**"), which is in effect an indirect subsidiary of BREP;

    (e) the Series 1 Shares remain issued and outstanding securities held by the public; and

    (f) each of BREP, BRELP, Brookfield BRP Holdings (Canada) Inc. ("**CanHoldco**") and BRP Bermuda Holdings I Limited ("**Bermuda Holdco**") (collectively, the "**Guarantors**") provided full and unconditional joint and several subordinated guarantees (the "**Guarantees**") of the payments to be made by the Filer in respect of the Preferred Shares.

17. At a special meeting held on November 16, 2011, the Arrangement was approved by over 99 percent of votes cast by holders of Series 1 Shares present in person or by proxy.

18. In connection with the Arrangement, the Guarantors provided full and unconditional joint and several subordinated guarantees of the payments to be made by the Filer in respect of the Preferred Shares, as stipulated in agreements governing the rights of holders of the securities, that result in the holders of such securities being entitled to receive

payment from the Guarantors within 15 days of any failure by the Filer to make a payment, as contemplated by paragraph (d) of the definition of "designated credit support security" in NI 51-102.

19. The Preferred Shares satisfy the definition of "designated credit support securities" (as defined in NI 51-102), other than (i) the fact that BREP does not directly satisfy the definition of "parent credit supporter" (as defined in NI 51-102) because: (a) BREP is not the beneficial owner of all of the voting securities of the Filer as required under Section 13.4(2)(a) of NI 51-102; and (b) all of the Filer's voting securities are directly held by BRHC, which does not technically fall within the definition of an "affiliate" of BREP as required under Section 13.4(2)(c)(ii) of NI 51-102 (because BREP is a partnership and not a company), and (ii) the Preferred Shares are convertible, in certain circumstances, at the option of the holder or the Filer, into Class A Preference Shares of the other series. Therefore, the Filer does not meet the test set forth in Section 13.4(2.1)(a) of NI 51-102 by virtue of not being able to meet the test in 13.4(2)(c).

20. The Filer may, subject to market conditions, desire to issue other series of Class A Preference Shares that, but for the fact that (i) BREP does not directly satisfy the definition of "parent credit supporter" (as defined in NI 51-102) and (ii) they may be convertible into other series of Class A Preference Shares (the "**Resulting Class A Preference Shares**"), would satisfy the definition of "designated credit support securities" in NI 51-102 (the "**Future Class A Preference Shares**").

21. If the Exemption Sought is granted, BREP and the Filer will: (i) treat BREP as a parent credit supporter and comply with the conditions in section 13.4(2.1) of NI 51-102 that apply to parent credit supporters; and (ii) treat the Preferred Shares and any Future Class A Preference Shares and Resulting Class A Preference Shares as designated credit support securities and comply with the conditions in section 13.4(2.1) that apply to designated credit support securities, in accordance with the terms and conditions of the order granted.

22. The Filer is a wholly-owned subsidiary of BRHC, which is a wholly-owned subsidiary of Brookfield BRP Canada Corp. ("**BRP Canada**"), which is a wholly-owned subsidiary of CanHoldco, which is in effect a wholly-owned subsidiary of BRELP. BREP owns an approximate 50.1% limited partnership interest in BRELP, with the remaining limited partnership interest being held by BRPI, directly or indirectly. The limited partnership units held by BRPI are subject to a redemption-exchange mechanism pursuant to which BRPI will be able to acquire LP Units in exchange for its BRELP limited partnership units on a one for one basis. BREP would have a 100% limited partnership interest in BRELP on a fully exchanged basis.

23. The Filer does not directly satisfy the eligibility criteria in Part 2 of NI 44-101 in order to be able to file a prospectus in the form of a short form prospectus.

BREP, BRELP, CanHoldco and Bermuda Holdco

24. BREP is a Bermuda exempted limited partnership that was established on June 27, 2011.

25. BREP is, to the best of the Filer's knowledge, not in default of any requirement of Canadian securities laws.

26. BREP is a reporting issuer, or the equivalent, in all provinces of Canada that files all documents it is required to file under NI 51-102.

27. The LP Units are listed on the TSX under the symbol "BEP". BREP also intends to apply to have the LP Units listed for trading on the New York Stock Exchange.

28. 2288509 Ontario Inc., a corporation incorporated under the laws of Ontario, acts as the general partner of BREP. The general partner of BREP holds a 0.01% general partnership interest in BREP. The general partner of BREP 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 BREP.

29. BREP has entered into a management agreement with certain affiliates of BRPI (collectively, the "**Manager**") to provide BREP and specified BREP Related Entities with management and other services.

30. The LP Units are non-voting limited partnership units and the general partner of BREP controls BREP.

31. BREP's sole asset is an approximate 50.1% limited partnership interest in BRELP, a Bermuda exempted limited partnership that was established on June 27, 2011.

32. 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 BREP, through its general partner, pursuant to the Voting Agreement described below.

33. CanHoldco is a corporation incorporated under the laws of Canada on June 22, 2011.

34. Bermuda Holdco is a corporation incorporated under the laws of Bermuda on June 22, 2011.

35. BREP, BRELP, CanHoldco and Bermuda Holdco are "credit supporters" as defined in NI 51-102.

36. BREP does not satisfy the definition of "parent credit supporter" (as defined in NI 51-102) because: (i) BREP is not the beneficial owner of all of the voting securities of the Filer as required under Section 13.4(2)(a) of NI 51-102 and; (ii) all of the Filer's voting securities are directly held by BRHC, which does not technically fall within the definition of an "affiliate" of BREP as required under Section 13.4(2)(c)(ii) of NI 51-102 (because BREP is a partnership and not a company).

37. BRELP owns all the common shares of CanHoldco and Bermuda Holdco. These securities are the only assets of BRELP.

38. BRPI holds special shares of Bermuda Holdco ("**Bermuda Holdco Special Shares**"). The Bermuda Holdco Special Shares are not entitled to vote, except as required by law, and are redeemable for cash at the option of BRPI or Bermuda Holdco, subject to certain limitations. Each series of Bermuda Holdco Special Shares is tied to a particular development project that was indirectly acquired by Bermuda Holdco as part of the Arrangement. Upon the completion of each development project (or a sale prior to completion), the redemption amount will be the amount that would reimburse BRPI for its expenses in connection with the project prior to the Arrangement as well as pay BRPI 50% of the amount by which the equity value of the project exceeds the total invested equity in the project. Equity value means BREP's pro rata percentage of the fair market value of a development project measured on the date on which substantial completion of the development project has been achieved, or, if earlier, the date that the project is sold.

39. As of the date hereof, the aggregate redemption value of the Bermuda Holdco Special Shares is a nominal amount. The redemption value will only increase once substantial completion of the project has been achieved, or if the project is sold; at which time the Bermuda Holdco Special Shares will be redeemed for cash. In the event of a liquidation, the Bermuda Holdco Special Shares will rank equally with the common shares of Bermuda Holdco (the "**Bermuda Holdco Common Shares**") except that if there is a distribution of assets in the event of a liquidation, the holders of Bermuda Holdco Special Shares and Bermuda Holdco Common Shares will participate pro rata provided that the maximum amount the holders of Bermuda Holdco Special Shares will be entitled to receive will be equal to the redemption price for the Bermuda Holdco Special Shares.

40. BRPI and its affiliates other than BREP and BREP Related Entities (collectively, "**Brookfield**") own all the Bermuda Holdco Special Shares and the preferred shares of Bermuda Holdco (the "**Bermuda Holdco Preferred Shares**"). The Bermuda Holdco Preferred Shares are redeemable for a total of $5 million of cash at the option of Bermuda Holdco, subject to certain limitations, and are not entitled to vote, except as required by law. The Bermuda Holdco Preferred Shares are not equity securities as such term is defined in the *Securities Act* (Ontario).

41. BRELP owns all the issued and outstanding equity and voting securities of Bermuda Holdco except for the Bermuda Holdco Special Shares. BRELP owns all the issued and outstanding equity and voting securities of CanHoldco.

42. CanHoldco owns all the equity and voting securities of BRP Canada, which in turn owns all the equity and voting securities of BRHC, which in turn owns all the equity and voting securities of the Filer. The Filer expects that BRHC will be wound up or amalgamated on or before January 1, 2012.

43. BREP owns 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 held by BRPI are subject to a redemption-exchange mechanism pursuant to which BRPI will be able to acquire LP Units in exchange for its BRELP limited partnership units on a one for one basis. At any time after two years from November 28, 2011, BRPI will have the right to require BRELP to redeem for cash all or a portion of the limited partnership units held by BRPI subject to BREP's right of first refusal, entitling it, at its sole discretion, to elect to acquire all (but not less than all) of the units to be redeemed in exchange for LP Units of BREP on a one for one basis.

44. BREP 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 BREP 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.

45. BREP will consolidate BRELP (and all of BRELP's assets, including CanHoldco, Bermuda Holdco, BRP Canada, BRHC (until it is wound up or amalgamated) and the Filer) in its financial statements.

Offering of Class A Preference Shares

46. At the time of the filing of any short form prospectus in connection with an offering of any Future Class A Preference Shares:

(a) the Filer will comply with all of the filing requirements and procedures set out in NI 44-101, other than the Qualification Requirements, except as permitted by the Legislation;

(b) the prospectus will be prepared in accordance with the short form prospectus requirements of NI 44-101 other than the Incorporation by Reference Requirements, the Earnings Coverage Requirements and the Subsidiary Credit Supporter Requirements, except as permitted by the Legislation;

(c) BREP will continue to exercise its voting rights in accordance with the Voting Agreement;

(d) BREP will continue to be a reporting issuer under the Legislation that files all documents it is required to file under NI 51-102;

(e) BREP will continue to provide its Guarantee (to the extent that the Series 1 Shares or the Series 2 Shares remain outstanding) and will provide full and unconditional joint and several subordinated guarantees of the payments to be made by the Filer in respect of Future Class A Preference Shares and Resulting Class A Shares (if any Future Class A Preference Shares are convertible into other Series of Class A Preference Shares), as stipulated in agreements governing the rights of holders of the securities, that result in the holders of such securities being entitled to receive payment from BREP within 15 days of any failure by the Filer to make a payment;

(f) the prospectus will incorporate by reference the documents of BREP set forth under Item 11.1 of Form 44-101F1;

(g) the prospectus disclosure required by Item 11 of Form 44-101F1 will be addressed by incorporating by reference BREP's public disclosure documents referred to in paragraph 46(f) above; and

(h) BREP will continue to satisfy all of the criteria in section 2.2 of NI 44-101.

Decision

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

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

1. in respect of the Continuous Disclosure Requirements, the Filer and BREP continue to satisfy the conditions set out in subsection 13.4(2.1) of NI 51-102, except as modified as follows:

(a) any reference to parent credit supporter in section 13.4 shall be deemed to include BREP notwithstanding its indirect ownership of the Filer through BRELP,

(b) any reference to subsidiary credit supporter in section 13.4 shall be deemed to include Bermuda Holdco and CanHoldco and their affiliates, including BREP and BREP Related Entities, notwithstanding BREP's indirect ownership of such entities through BRELP,

(c) BREP does not have to comply with the conditions in section 13.4(2)(a) and section 13.4(2.1)(b) of NI 51-102 if

(i) the Voting Agreement remains in force with the terms described in paragraph 44 above and the Voting Agreement is disclosed in BREP's AIF (as defined in NI 51-102),

(ii) BREP directly holds at least a 50.01% ownership interest in BRELP,

(iii) the aggregate ownership interest of Brookfield and BRELP GP LP in BRELP does not exceed 49.99%,

(iv) no party other than BREP, Brookfield and BRELP GP LP will have any direct or indirect ownership of, or control or direction over, voting securities of BRELP,

(v) no party other than BREP, Brookfield, BRELP GP LP and BRELP will have any direct or indirect ownership of, or control or direction over, voting securities of Bermuda Holdco and CanHoldco,

(vi) no party other than BREP, Brookfield, BRELP GP LP, BRELP, CanHoldco, BRP Canada, BRHC and their affiliates, including BREP and BREP Related Entities, will have any direct or indirect ownership of, or control or direction over, voting securities of the Filer,

(vii) BREP is a reporting issuer, or the equivalent, in all provinces of Canada that files all documents it is required to file under NI 51-102, and does not comply with any of the requirements of NI 51-102 by relying on a provision of National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers*,

(viii) BREP consolidates in its financial statements BRELP, Bermuda Holdco, CanHoldco and the Filer as well as any entities consolidated by any of the foregoing, and

(ix) the issued and outstanding voting securities of Bermuda Holdco, CanHoldco and the Filer are 100% owned by their respective parent companies or entities,

(d) the Filer does not have to comply with the conditions in section 13.4(2)(c) of NI 51-102 if the Filer does not issue any securities, and does not have any securities outstanding, other than

(i) designated credit support securities,

(ii) securities issued to and held by BREP or BREP Related Entities, and

(iii) debt securities issued to and held by banks, loan corporations, loan and investment corporations, savings companies, trust corporations, treasury branches, saving or credit unions, financial services cooperatives, insurance companies or other financial institutions,

(iv) securities issued under the exemptions from the prospectus requirements in Section 2.35 of National Instrument 45-106 Prospectus and Registration Exemptions,

(v) Series 1 Shares and Series 2 Shares, and

(vi) Future Class A Preference Shares and Resulting Class A Preference Shares (if any Future Class A Preference Shares are convertible into other series of Class A Preference Shares) provided that BREP has provided full and unconditional joint and several subordinated guarantees of the payments to be made by the Filer in respect of such securities, as stipulated in agreements governing the rights of holders of the securities, that result in the holders of such securities being entitled to receive payment from BREP within 15 days of any failure by the Filer to make a payment, and

(e) the summary financial information referred to in section 13.4(2.1)(c) of NI 51-102 will be reconciled to the consolidated financial statements of BREP, including any minority interest adjustments;

2. in respect of the Certification Requirements, the Audit Committee Requirements and the Corporate Governance Requirements, BREP and the Filer continue to satisfy the conditions for relief from the Continuous Disclosure Requirements set forth above;

3. in respect of the Insider Reporting Requirements, an insider of the Filer can only rely on the Exemption Sought so long as:

(a) the insider complies with the conditions in sections 13.4(3)(b) and (c) of NI 51-102, and

(b) the Filer and BREP continue to satisfy the conditions for relief from the Continuous Disclosure Requirements set forth above;

4. in respect of the Qualification Requirements, Incorporation by Reference Requirement, the Earnings Coverage Requirements and the Subsidiary Credit Supporter Requirements so long as,

(a) the Filer and BREP, as applicable, comply with paragraph 46 above,

(b) the Filer and BREP satisfy the conditions set out in section 13.3 of Form 44-101F1, except as modified as follows:

(i) any reference to parent credit supporter in section 13.3 of Form 44-101F1 shall be deemed to include BREP notwithstanding its indirect ownership of the Filer through BRELP,

(ii) any reference to subsidiary credit supporter in section 13.3 of Form 44-101F1 shall be deemed to include Bermuda Holdco and CanHoldco and their affiliates, including BREP and BREP Related Entities, notwithstanding BREP's indirect ownership of such entities through BRELP,

(iii) BREP does not have to comply with the conditions in sections 13.3(1)(e) and 13.3(1)(f) of Form 44-101F1 if it meets the conditions in paragraph 1(c) of this decision above,

(iv) the Filer does not have to comply with the condition in Section 2.4 of NI 44-101 that the securities being distributed be non-convertible preferred shares and section 13.3(1)(d) of Form 44-101F1 if, on completion of any offering of Future Class A Preference Shares, it meets the conditions in paragraph 1(d) of this decision above, and

(v) the summary financial information referred to in section 13.3(1)(g) of Form 44-101F1 will be reconciled to the consolidated financial statements of BREP, including any minority interest adjustments,

(c) any preliminary short form prospectus and final short form prospectus of the Filer contains (or incorporates by reference a document containing) a corporate organizational chart showing the ownership and control relationships among Brookfield, BREP and its general partner, BRELP GP LP and its general partner, BRELP, Bermuda Holdco, CanHoldco and the Filer, and

(d) the Filer and BREP continue to satisfy the conditions for relief from the Continuous Disclosure Requirements set forth above.

As to the Exemption Sought (other than from the Insider Reporting Requirements in the *Securities Act* (Ontario)).

"Jo-Anne Matear"
Manager
Ontario Securities Commission

As to the Exemption Sought from the Insider Reporting Requirements in the *Securities Act* (Ontario).

"Sarah Kavanagh"
Commissioner
Ontario Securities Commission

"James Turner"
Vice-Chair
Ontario Securities Commission

2.1.5 Pizza Pizza Royalty Income Fund

Headnote

Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions – related party transaction – the underlying operating entity of an income trust proposes to amend an agreement with a related party – the amendment is advantageous to the operating entity, the issuer and its unitholders and does not confer any benefit or transfer of value to the related party or its related parties – relief from the requirement to obtain minority approval of the amendment granted.

Applicable Legislative Provisions

Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions, ss. 8.1(2), 9.1(2).

November 7, 2011

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

AND

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

AND

IN THE MATTER OF
PIZZA PIZZA ROYALTY INCOME FUND
(THE FILER)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction (the **Legislation**) for an exemption from the minority approval requirement for related party transactions in section 5.6 of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (**MI 61-101**) in respect of the Amendment (as defined below) (the **Exemption Sought**).

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

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

(b) the Filer has provided notice that subsection 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* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined herein.

Representations

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

1. The Filer is an unincorporated open-ended limited purpose trust governed under the laws of the Province of Ontario pursuant to an amended and restated declaration of trust dated June 24, 2005, as further amended July 24, 2007. The Filer is a reporting issuer in each province of Canada, and is not in default of securities legislation in any province of Canada.

2. The authorized capital of the Filer consists of an unlimited number of trust units, of which 21,818,392 are issued and outstanding at September 29, 2011. The Filer's units are "affected securities" for the purposes of MI 61-101.

3. Pizza Pizza Royalty Limited Partnership (the **Partnership**) is a limited partnership governed under the laws of the Province of Ontario pursuant to an amended and restated limited partnership agreement (the **Partnership Agreement**) dated July 24, 2007, as amended May 19, 2009.

4. The authorized capital of the Partnership consists of one ordinary general partnership unit and an unlimited number of Class A ordinary partnership units, Class B ordinary partnership units, Class C ordinary partnership units, Class D ordinary partnership units, Class A limited partnership units and Class C limited partnership units, of which 4,073,128 Class B ordinary partnership units, 3,000,000 Class C ordinary partnership units, 100,000 Class D ordinary partnership units, one ordinary general partnership unit and 18,310,094 Class A limited partnership units are issued and outstanding at October 26, 2011.

5. The managing general partner of the Partnership, Pizza Pizza GP Inc., is indirectly controlled by the Filer through its wholly-owned subsidiary entity, Pizza Pizza Holdings Trust. Accordingly, each of Pizza Pizza GP Inc. and the Partnership is a subsidiary entity of the Filer for the purposes of MI 61–101.

6. Pizza Pizza Limited (**PPL**) is a corporation amalgamated under the laws of the Province of Ontario on December 27, 1989. PPL is a related party of the Partnership for the purposes of MI 61-101 because, as a general partner of the Partnership, it is actively engaged in the business of the Partnership, is responsible for, and has authority in, assisting Pizza Pizza GP Inc. in the

management of the business and affairs of the Partnership and performs additional specific duties in connection with the business of the Partnership as are delegated to it by Pizza Pizza GP Inc. from time to time pursuant to the Partnership Agreement. PPL also provides consultation and management services to the Partnership as to the operation and management of the Partnership's business, in addition to the assistance provided to Pizza Pizza GP Inc.

7. The Filer completed its initial public offering on July 6, 2005, at which time it acquired from PPL, through the Partnership, certain intellectual property rights used in PPL's "Pizza Pizza" restaurant business. On July 29, 2007, the Fund acquired, through the Partnership, additional intellectual property rights used in PPL's "Pizza 73" restaurant business.

8. In connection with the acquisition of these intellectual property rights, PPL and the Partnership entered into licence and royalty agreements (the **Licence and Royalty Agreements**) under which PPL may continue to use the intellectual property rights that it sold to the Partnership, in consideration for the payment of a monthly royalty based on the system sales of a defined pool of Pizza Pizza and Pizza 73 restaurants (the **Royalty Pools**). PPL was also issued Class B ordinary partnership units and Class D ordinary partnership units of the Partnership as part of the consideration for the intellectual property rights, and it currently holds all the issued and outstanding Class B ordinary partnership units, Class C ordinary partnership units and Class D ordinary partnership units. The Class C ordinary partnership units are not exchangeable for units of the Filer, and are not proposed to be changed in connection with the Amendment.

9. There are two Royalty Pools: one for Pizza Pizza restaurants, and one for Pizza 73 restaurants. For Pizza Pizza restaurants, a royalty equal to 6% of system sales for the restaurants included in the Pizza Pizza Royalty Pool is payable monthly by PPL to the Partnership. For Pizza 73 restaurants, a royalty equal to 9% of system sales for the restaurants included in the Pizza 73 Royalty Pool is payable monthly by PPL to the Partnership.

10. Since the Partnership's royalty income will be greater when there are more restaurants included in the Royalty Pools, and when those restaurants generate greater sales, it was appropriate to develop an incentive for PPL to expand its restaurant chains and to grow sales from those restaurants. This is accomplished through the Class B ordinary partnership units and the Class D ordinary partnership units, and related provisions of the Partnership Agreement.

11. The Class B ordinary partnership units and Class D ordinary partnership units are exchangeable for units of the Filer based on specific rates (the **Class B Exchange Multiplier** and the **Class D Exchange Multiplier**, respectively), in accordance with an amended and restated exchange agreement dated July 24, 2007 between the Filer, PPL, and certain other subsidiary entities of the Filer (the **Exchange Agreement**). Pursuant to the Partnership Agreement, PPL receives distributions on the Class B ordinary partnership units and Class D ordinary partnership units based on the number of units of the Filer that it would hold if this exchange right was exercised in full.

12. The Partnership Agreement provides for a process by which the Class B Exchange Multiplier and the Class D Exchange Multiplier will be adjusted, as a result of annual changes in the number of Pizza Pizza or Pizza 73 restaurants included in the respective Royalty Pools.

13. The pool of Pizza Pizza restaurants is adjusted annually on January 1 (the **Adjustment Date**) to include new Pizza Pizza restaurants opened on or before December 31 of the prior year, and remove any Pizza Pizza restaurants that have been permanently closed during that year. Similarly the pool of Pizza 73 restaurants is adjusted annually on the Adjustment Date to include new Pizza 73 restaurants opened on or before September 1 of the prior year, and remove any Pizza 73 restaurants that have been permanently closed during that year. Where there is a net increase in the system sales generated by the restaurants that are added to and removed from a Royalty Pool as a result of these restaurant openings and closures, the Class B Exchange Multiplier and/or Class D Exchange Multiplier may be adjusted.

14. On the Adjustment Date, the adjustment to the Class B Exchange Multiplier involves first calculating the "Estimated Determined Amount", which is defined as 92.5% of the estimated net system sales added to the Royalty Pool and multiplied by the royalty rate, divided by the prevailing yield of the Filer's units. The Estimated Determined Amount is then multiplied by 80% (as this adjustment is based on an estimate of net additional system sales, the 80% calculation results in a more conservative change to the multiplier), divided by the current market price of the Filer's units, and further divided by the number of Class B ordinary partnership units outstanding. This fraction is added to the Class B Exchange Multiplier from the preceding year (which was 1 on the closing of the Filer's initial public offering; currently it is 1.4996). On the following Adjustment Date, a second adjustment to the Class B Exchange Multiplier is made in the same manner, based on the "Actual Determined Amount", once the system sales for new Pizza Pizza restaurants are known with certainty.

15. On each Adjustment Date, a separate adjustment is made to the Royalty Pool for the Pizza 73 restaurants, calculated in a similar manner as the Class B Exchange Multiplier described above, based on the estimated net additional royalty income generated from the increased Royalty Pool, with a true-up on the following Adjustment Date once the system sales for new Pizza 73 restaurants are known with certainty. At the time the Class D ordinary partnership units were issued, the Class D Exchange Multiplier was zero; currently, it is 15.4543).

16. At the time the Partnership Agreement and the Exchange Agreement were entered into, the Filer and the Partnership were not subject to taxes on their income. Accordingly, the "vend-in" formulas for calculating changes to the Class B Exchange Multiplier and the Class D Exchange Multiplier give credit to PPL for net increases in the Partnership's aggregate royalty income (and, in turn, the Filer's income available for distribution to unitholders) rather than the Partnership's and the Filer's after-tax income.

17. In June 2007, the Federal Government of Canada amended the *Income Tax Act* (Canada) to impose the specified investment flow-through trust income and distribution tax (the **SIFT Tax**). The Filer became a taxable entity effective January 1, 2011. As a result of the SIFT Tax, the Filer is required to pay tax on its income at a rate approximately equal to or less than the rate applicable to income earned by a Canadian public corporation. The SIFT Tax reduces the amount of cash available for distribution to the unitholders by the Filer.

18. Under the current terms of the Partnership Agreement, the SIFT Tax will have a negative impact, from the point of view of the Filer, on the economics associated with the adjustments for incentivizing PPL (through changes in the Class B Exchange Multiplier and the Class D Exchange Multiplier), because the formulas do not take account of the tax now payable by the Filer. As a result, PPL's entitlements are effectively over-stated, relative to the after-tax income stream that is available for distribution to the Fund's unitholders.

19. A failure to amend the Partnership Agreement to account for the SIFT Tax would therefore result in PPL receiving an unintended increase in its retained interest in the Filer through the Class B Exchange Multiplier and the Class D Exchange Multiplier and in the distributions it receives from the Partnership (which are based on the number of the units of the Filer that PPL would hold if the exchange right was exercised in full).

20. To address the impact of the SIFT Tax on the adjustment by which new Pizza Pizza and Pizza 73 restaurants are added to the respective Royalty Pools, PPL, Pizza Pizza Holdings Trust, Pizza Pizza GP Inc. and the Partnership propose to enter into an amending agreement to the Partnership Agreement that will have the effect of amending the entitlements of the Class B ordinary units and the Class D ordinary units (the **Amendment**). Under the Amendment, the definitions of the Pizza Pizza and Pizza 73 Estimated and Actual Determined Amounts (the **Determined Amounts**), which are the basis for determining changes to the Class B Exchange Multiplier and the Class D Exchange Multiplier and PPL's additional entitlements to units of the Filer, would be amended to include SIFT Tax as part of the formula to calculate the Determined Amounts.

21. Under the Amendment, the Determined Amounts would be calculated in the same manner as under the current formula, except that the resulting figures would be multiplied by a number equal to (1-Tax%). "**Tax%**" will be an estimate of the Filer's effective tax rate for the year (determined using the total income taxes paid by the Filer during the fiscal year divided by the total cash received by the Filer during that fiscal year) (i.e., for the Adjustment Date of January 1, 2012, it will be the effective Filer tax rate for the year ended December 31, 2011). This estimate of the effective tax rate will be subject to an adjustment when the actual effective entity level tax rate of the Filer for the year is known.

22. The trustees of the Filer (the **Trustees**) believe that the Amendment will eliminate the dilutive effect of the SIFT Tax at the Adjustment Date. The Amendment would be effective as of January 2, 2011 and would govern the vend-in of new Pizza Pizza and Pizza 73 restaurants to the Royalty Pools on January 1, 2012 and each January 1 thereafter.

23. PPL is under no contractual or other legal obligation to enter into the Amendment. However, PPL management has advised the Filer that it believes that an adjustment to the vend-in formula is in the best interest of all parties. If no change is made to the vend-in formula, future additions to the Royalty Pools would be dilutive to current unitholders of the Filer. The Amendment will have no positive or accretive impact on PPL's existing entitlements to distributions from the Partnership or its additional Filer unit entitlements.

24. The Trustees, each of whom is independent of PPL within the meaning of the Legislation, are also the trustees of Pizza Pizza Holdings Trust and constitute a majority of the directors of Pizza Pizza GP Inc. As such, the Trustees are in a position to independently assess the Amendment and whether it is fair to the Filer's unitholders. The Trustees have also determined that the Amendment is not prejudicial to the Filer's unitholders; as such, the Amendment does not

need to be submitted to the Filer's unitholders for approval pursuant to the constating documents of any of the Partnership, Pizza Pizza GP Inc., Pizza Pizza Holdings Trust or the Filer.

25. The proposed Amendment is advantageous to the Partnership, the Filer and its unitholders and does not confer any benefit or transfer of value to PPL or any other related party of PPL.

Decision

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

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

(i) the Amendment is implemented and approved as described in above paragraphs 20 to 25; and;

(ii) any applicable disclosure required by section 5.2 of MI 61-101 will be included in a press release to be released following the issuance of this decision.

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

2.1.6 Galileo Funds Inc.

Headnote

National Policy 11-203 – Process for Exemptive Relief Applications in Multiple Jurisdictions – approval granted for indirect change of control of mutual fund manager under s. 5.5(2) of NI 81-102 – indirect change in control of the manager will not result in any change in how the manager operates or acts in relation to the mutual funds.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, s. 5.5(2).

December 8, 2011

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)

AND

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

AND

IN THE MATTER OF
GALILEO FUNDS INC.
(the Manager)

DECISION

Background

The principal regulator in the Jurisdiction (the Decision Maker) has received an application from the Manager for a decision under the securities legislation of the Jurisdiction of the principal regulator (the Legislation) for approval pursuant to subsection 5.5(2) of National Instrument 81-102 *Mutual Funds* (NI 81-102) of an indirect change of control of the Manager (the Approval Sought).

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

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

(b) the Manager has provided notice that section 4.7(1) of Multilateral instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in Alberta, British Columbia, Manitoba, Newfoundland and Labrador, New Brunswick, Nova Scotia, Prince Edward Island, Québec, Saskatchewan, Northwest Territories, Yukon and Nunavut (together with Ontario, the Jurisdictions).

Interpretation

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

Representations

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

The Manager and the Funds

1. The Manager is a corporation incorporated under the laws of the Province of Ontario and is registered in Ontario in the category of investment fund manager. The Manager's head office is located in Ontario. The Manager is not in default of securities legislation in any Jurisdiction.

2. The Manager is the investment fund manager of Galileo High Income Plus Fund and Galileo Global Opportunities Fund (collectively, the Funds).

3. The Manager is a wholly-owned subsidiary of Galileo Global Equity Advisors Inc. (GGEA), a corporation incorporated under the laws of the Province of Ontario.

4. GGEA is registered: (a) in Ontario, as an exempt market dealer and portfolio manager; (b) in Alberta, as a portfolio manager; (c) in Manitoba, as a portfolio manager; (d) in British Columbia, as a portfolio manager, (e) in Nova Scotia, as a portfolio manager and (f) in Québec, as a portfolio manager and an exempt market dealer.

5. Investment advice and portfolio management services to the Funds are provided by GGEA.

6. The Funds are reporting issuers in the Jurisdictions and are not in default of any of the securities law requirements of those Jurisdictions. The securities of the Funds are qualified for distribution in the Jurisdictions by a simplified prospectus and annual information form.

7. The Funds are marketed and distributed through registered dealers.

The Proposed Acquisition

8. On October 18, 2011, Michael Waring, the controlling shareholder of GGEA, entered into an agreement with Michael Wekerle, Stephen Craig, Joseph MacDonald and Paul Sparkes (collectively, the Purchasers) pursuant to which Michael Waring has agreed to sell approximately 75% of the issued and outstanding common shares of GGEA to the Purchasers (the Transaction). Michael Waring currently holds 6,874,886,928 Class A common shares in the capital of GGEA, representing approximately 99.9999985% of the total issued and outstanding common shares of GGEA. Following the completion of the Transaction, the issued and outstanding common shares of GGEA will be owned as follows:

Name of Shareholder	Number of Class A Common Shares	% of Total
Michael Waring	1,718,721,732	24.9999996%
Joseph MacDonald	1,718,721,732	24.9999996%
Michael Wekerle	1,718,721,732	24.9999996%
Stephen Craig	1,374,977,386	19.9999997%
Paul Sparkes	343,744,346	4.9999999%
Other shareholders	100	0.0000015%
Totals	6,874,887,028	100%

9. The completion of the Transaction is subject to the satisfaction of closing conditions, including regulatory approvals, and is expected to close prior to December 31, 2011 following receipt of the regulatory approvals and the expiration of the notice period provided for in section 5.8(1)(a) of NI 81-102.

Proposed Change of Control

10. The Transaction will result in an indirect change of control of the Manager.

11. The current directors of GGEA and the Manager are Michael Waring, Joseph MacDonald and Evelyn Foo. Following the closing of the Transaction, Michael Wekerle, Stephen Craig and Paul Sparkes will also join the board of directors of GGEA and the Manager.

12. The Purchasers are experienced executives. By adding the Purchasers as shareholders and directors of both GGEA and the Manager, the Transaction is intended to enhance GGEA's reputation as a leading provider of specialized asset management in Canada, and to assist in growing GGEA's assets under management.

13. A press release describing the Transaction was issued by the Manager on October 18, 2011 and filed under SEDAR Project No. 01812994.

14. Securityholder notice regarding the change of control was posted on SEDAR under SEDAR Project No. 01815014 and was sent to securityholders of the Funds on October 25, 2011, pursuant to section 5.8(1)(a) of NI 81-102.

15. In respect of the impact of the proposed change of control on the Manager and the management and administration of the Funds:

    (a) The indirect change of control of the Manager will have no negative consequences on the ability of the Manager to comply with all applicable regulatory requirements or its ability to satisfy its obligations to the Funds.

    (b) Following the Transaction, while Michael Waring will no longer own a controlling indirect interest in the Manager, and the shares of the Manager will be indirectly owned by several shareholders none of whom owns more than 25% of the outstanding shares, the Transaction will not result in any change in how the Manager operates or acts in relation to the Funds. The Transaction will not have a negative impact on the Funds or their securityholders.

    (c) There are no current plans to change the Funds' portfolio manager or the individual portfolio managers of GGEA who are responsible for managing the investment portfolios of the Funds within a foreseeable period of time following the closing of the Transaction.

    (d) Following the Transaction, while there will be changes to the board of directors and the officers of GGEA and the Manager, the individuals chiefly responsible for the management and administration of the Funds, namely, Michael Waring (President, Chief Executive Officer, Chief Investment Officer and Chief Compliance Officer), Evelyn Foo (Chief Financial Officer and Secretary) and Joseph MacDonald (Chief Operating Officer), will continue in their current capacities. All directors and officers of the Manager following closing of the Transaction will continue to have the requisite integrity and experience to fulfil their roles.

    (e) Although the current members of the Funds' independent review committee (IRC) will automatically cease to be members of the IRC by operation of section 3.10(1)(c) of National Instrument 81-107 *Independent Review Committee for Investment Funds* upon the closing of the Transaction, the Manager intends to reappoint them immediately after the closing of the Transaction.

    (f) It is not expected that there will be any change to the investment objectives and strategies of the Funds or the expenses that are charged to the Funds as a result of the Transaction.

    (g) The proposed Transaction is not expected to impact the financial stability of the Manager or its ability to fulfill its regulatory obligations.

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 Approval Sought is granted.

"Darren McKall"
Manager, Investment Funds
Ontario Securities Commission

2.1.7 BRP Finance ULC

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Filer wants to put in place a credit support issuer structure, but is unable to rely on the exemption for credit support issuers in applicable securities legislation – Relief granted from continuous disclosure requirements, certification requirements, insider reporting requirement, audit committee requirements and corporate governance requirements – Relief also granted from short form prospectus requirements, incorporation by reference requirement, earnings coverage requirements and subsidiary credit supporter requirements – Filer unable to rely on exemption for credit support issuers in applicable securities legislation since Filer's parent only owns 50.1% of an intermediate holding entity (a limited partnership) that indirectly owns 100% of the voting securities of the Filer – When the characteristics of the limited partnership units of the holding limited partnership (including that the majority are held by the parent) are viewed together with a voting agreement, control and direction of the holding limited partnership is held by the Filer's parent as if the parent beneficially owned all the outstanding voting securities of holding limited partnership – Relief subject to conditions, including conditions relating to minority interest in holding limited partnership.

Applicable Legislative Provisions

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

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
BRP FINANCE ULC
(THE "FILER")

DECISION

Background

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

(a) the Filer from the requirements of National Instrument 51-102 *Continuous Disclosure Obligations* ("**NI 51-102**") (the "**Continuous Disclosure Requirements**");

(b) the Filer from the requirements of National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* ("**NI 52-109**") (the "**Certification Requirements**");

(c) insiders of the Filer from the insider reporting requirement (as defined in National Instrument 14-101 *Definitions*) (the "**Insider Reporting Requirements**");

(d) the Filer from the requirements of National Instrument 52-110 *Audit Committees* ("**NI 52-110**") (the "**Audit Committee Requirements**");

(e) the Filer from the requirements of National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("**NI 58-101**") (the "**Corporate Governance Requirements**");

(f) the Filer from the requirement to incorporate by reference into a short form prospectus the documents under paragraphs 1 to 4 and 6 to 8 of subsection 11.1(1) of Form 44-101F1 *Short Form Prospectus* ("**Form 44-101F1**") (the "**Incorporation by Reference Requirements**");

(g) the Filer from the requirement to include in a short form prospectus the earnings coverage ratios under section 6.1 of Form 44-101F1 (the "**Earnings Coverage Requirements**"); and

(h) the Filer from the requirement to include in a short form prospectus the disclosure of one or more subsidiary credit supporters required by section 12.1 of Form 44-101F1 (the "**Subsidiary Credit Supporter Requirements**");

(collectively, the "**Exemption Sought**")

in each case to accommodate a transaction, effected by way of a plan of arrangement under the *Business Corporations Act* (Ontario) (the "**Arrangement**"), that was completed on November 28, 2011, involving, among others, Brookfield Renewable Power Inc. ("**BRPI**") and BRPI's 5.25% Medium Term Notes, Series 3, 5.84% Medium Term Notes, Series 4, 6.132% Medium Term Notes, Series 6, and 5.14% Medium Term Notes, Series 7 (collectively, the "**Bonds**").

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

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

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* ("**MI 11-102**") is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Newfoundland & Labrador, Prince Edward Island, the Northwest Territories, Yukon and the Nunavut Territory.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined. In this decision, "**BREP Related Entities**" means, collectively, Brookfield Renewable Energy L.P. ("**BRELP**") and subsidiary entities (as this term is defined in Multilateral Instrument 61-101 – *Take-Over Bids and Special Transactions*) of BRELP.

Representations

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

The Filer

1. The Filer has been incorporated under the laws of Alberta since September 14, 2011.

2. The registered office of the Filer is in Calgary, Alberta and head office of the Filer is located in Ottawa, Ontario.

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

The Arrangement

4. The Arrangement resulted in the combination of all of the renewable power assets of BRPI and Brookfield Renewable Power Fund (the "**Fund**"). Pursuant to the terms of the Arrangement:

   (a) public unitholders of the Fund exchanged their trust units in the Fund ("**Fund Units**") for limited partnership units ("**LP Units**") in Brookfield Renewable Energy Partners L.P. ("**BREP**"), a Bermuda exempted limited partnership formed by BRPI;

   (b) the LP Units were listed on the Toronto Stock Exchange ("**TSX**") and the Fund Units were de-listed;

   (c) the Fund was wound up;

(d) all the issued and outstanding voting securities of the Filer are held by Brookfield BRP Holdings (Canada) Inc. ("**CanHoldco**"), which is in effect an indirect subsidiary of BREP;

(e) the Filer assumed the obligations of BRPI under the Bonds and the indenture dated December 16, 2004 as supplemented, amended and restated from time to time (the "**Indenture**") governing the Bonds in consideration for a promissory note;

(f) in connection with the Filer assuming all of the obligations of BRPI under the Bonds and the Indenture, the Filer was substituted for BRPI as the issuer of the Bonds, BRPI was released from all of its obligations under the Bonds and the Indenture, and each of BREP, BRELP, CanHoldco and BRP Bermuda Holdings I Limited ("**Bermuda Holdco**") (collectively, the "**Guarantors**") provided full and unconditional joint and several guarantees (the "**Guarantees**") of the payments to be made by the Filer in respect of the Bonds.

5. At a special meeting held on October 25, 2011, holders of Bonds (collectively, "**Bondholders**") approved an extraordinary resolution authorizing the assumption of the Bonds by the Filer, the release of BRPI and certain amendments to the Indenture and the execution of an amended and restated indenture facilitating, among other things, the same.

6. In connection with the Arrangement, the Filer became a reporting issuer, or the equivalent, in all provinces and territories of Canada except Ontario.

7. Once the Filer is eligible to use the short form prospectus system, the Filer intends to file a short form base shelf prospectus qualifying the distribution of additional bonds under the Indenture in the Jurisdictions and become a reporting issuer in Ontario.

8. The authorized share capital of the Filer consists of an unlimited number of common shares (the "**Common Shares**").

9. The only voting securities of the Filer are the Common Shares, all of which are directly held by CanHoldco.

10. As of the date hereof, 1 Common Share is issued and outstanding.

11. The Filer operates as a financing company and has no significant assets or liabilities unrelated to the Bonds and does not have any ongoing business operations of its own.

12. The Filer is a "credit support issuer" (as defined in NI 51-102).

13. In connection with the Arrangement, the Filer assumed the obligations of BRPI under the Bonds and the Indenture in consideration for a promissory note (which was subsequently assigned to CanHoldco in exchange for a promissory note from CanHoldco to the Filer) and, in connection with the Filer assuming all of the obligations of BRPI under the Bonds and the Indenture, the Filer was substituted for BRPI as the issuer of the Bonds, BRPI was released from all of its obligations under the Bonds and the Indenture and the Guarantors provided the Guarantees in respect of the Bonds.

14. The Filer may, subject to market conditions, desire to issue additional bonds under the Indenture that, but for the fact that BREP does not directly satisfy the definition of "parent credit supporter" (as defined in NI 51-102), would be designated credit support securities (as defined in NI 51-102) (the "**Future Bonds**").

15. In connection with the Arrangement, the Guarantors provided full and unconditional joint and several guarantees of the payments to be made by the Filer in respect of the Bonds and any Future Bonds, as stipulated in agreements governing the rights of holders of the securities, that result in the holders of such securities being entitled to receive payment from the Guarantors within 15 days of any failure by the Filer to make a payment, as contemplated by paragraph (d) of the definition of "designated credit support security" in NI 51-102.

16. The Bonds and any Future Bonds satisfy the definition of "designated credit support securities" (as defined in NI 51-102), other than the fact that BREP does not directly satisfy the definition of "parent credit supporter" (as defined in NI 51-102) because: (i) BREP is not the beneficial owner of all of the voting securities of the Filer as required under Section 13.4(2)(a) of NI 51-102; and (ii) all of the Filer's voting securities are directly held by CanHoldco, which does not technically fall within the definition of an "affiliate" of BREP as required under Section 13.4(2)(c)(ii) of NI 51-102 (because BREP is a partnership and not a company). Therefore, the Filer does not meet the test set forth in Section 13.4(2.1)(a) of NI 51-102 by virtue of not being able to meet the test in 13.4(2)(c).

17. If the Exemption Sought is granted, BREP and the Filer will: (i) treat BREP as a parent credit supporter and comply with the conditions in section 13.4(2.1) of NI 51-102 that apply to parent credit supporters; and (ii) treat the Bonds and

any Future Bonds as designated credit support securities and comply with the conditions in section 13.4(2.1) that apply to designated credit support securities, in accordance with the terms and conditions of the order granted.

18. The Filer is a wholly-owned subsidiary of CanHoldco, which is in effect a wholly-owned subsidiary of BRELP. BREP owns an approximate 50.1% limited partnership interest in BRELP, with the remaining limited partnership interest being held by BRPI, directly or indirectly. The limited partnership units held by BRPI are subject to a redemption-exchange mechanism pursuant to which BRPI will be able to acquire LP Units in exchange for its BRELP limited partnership units on a one for one basis. BREP would have a 100% limited partnership interest in BRELP on a fully exchanged basis.

BREP, BRELP, CanHoldco and Bermuda Holdco

19. BREP is a Bermuda exempted limited partnership that was established on June 27, 2011.

20. BREP is, to the best of the Filer's knowledge, not in default of any requirement of Canadian securities laws.

21. BREP is a reporting issuer, or the equivalent, in all provinces of Canada that files all documents it is required to file under NI 51-102.

22. The LP Units are listed on the TSX under the symbol "BEP". BREP also intends to apply to have the LP Units listed for trading on the New York Stock Exchange.

23. 2288509 Ontario Inc., a corporation incorporated under the laws of Ontario, acts as the general partner of BREP. The general partner of BREP holds a 0.01% general partnership interest in BREP. The general partner of BREP 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 BREP.

24. BREP has entered into a management agreement with certain affiliates of BRPI (collectively, the "**Manager**") to provide BREP and specified BREP Related Entities with management and other services.

25. The LP Units are non-voting limited partnership units and the general partner of BREP controls BREP.

26. BREP's sole asset is an approximate 50.1% limited partnership interest in BRELP, a Bermuda exempted limited partnership that was established on June 27, 2011.

27. 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 BREP, through its general partner, pursuant to the Voting Agreement described below.

28. CanHoldco is a corporation incorporated under the laws of Canada on June 22, 2011.

29. Bermuda Holdco is a corporation incorporated under the laws of Bermuda on June 22, 2011.

30. BREP, BRELP, CanHoldco and Bermuda Holdco are "credit supporters" as defined in NI 51-102.

31. BREP does not satisfy the definition of "parent credit supporter" (as defined in NI 51-102) because: (i) BREP is not the beneficial owner of all of the voting securities of the Filer as required under Section 13.4(2)(a) of NI 51-102 and; (ii) all of the Filer's voting securities are directly held by CanHoldco, which does not technically fall within the definition of an "affiliate" of BREP as required under Section 13.4(2)(c)(ii) of NI 51-102 (because BREP is a partnership and not a company).

32. BRELP owns all the common shares of CanHoldco and Bermuda Holdco. These securities are the only assets of BRELP.

33. BRPI holds special shares of Bermuda Holdco ("**Bermuda Holdco Special Shares**"). The Bermuda Holdco Special Shares are not entitled to vote, except as required by law, and are redeemable for cash at the option of BRPI or Bermuda Holdco, subject to certain limitations. Each series of Bermuda Holdco Special Shares is tied to a particular development project that was indirectly acquired by Bermuda Holdco as part of the Arrangement. Upon the completion of each development project (or a sale prior to completion), the redemption amount will be the amount that would reimburse BRPI for its expenses in connection with the project prior to the Arrangement as well as pay BRPI 50% of the amount by which the equity value of the project exceeds the total invested equity in the project. Equity value means

BREP's pro rata percentage of the fair market value of a development project measured on the date on which substantial completion of the development project has been achieved, or, if earlier, the date that the project is sold.

34. As of the date hereof, the aggregate redemption value of the Bermuda Holdco Special Shares is a nominal amount. The redemption value will only increase once substantial completion of the project has been achieved, or if the project is sold; at which time the Bermuda Holdco Special Shares will be redeemed for cash. In the event of a liquidation, the Bermuda Holdco Special Shares will rank equally with the common shares of Bermuda Holdco (the "**Bermuda Holdco Common Shares**") except that if there is a distribution of assets in the event of a liquidation, the holders of Bermuda Holdco Special Shares and Bermuda Holdco Common Shares will participate pro rata provided that the maximum amount the holders of Bermuda Holdco Special Shares will be entitled to receive will be equal to the redemption price for the Bermuda Holdco Special Shares.

35. BRPI and its affiliates other than BREP and BREP Related Entities (collectively, "**Brookfield**") own all the Bermuda Holdco Special Shares and the preferred shares of Bermuda Holdco (the "**Bermuda Holdco Preferred Shares**"). The Bermuda Holdco Preferred Shares are redeemable for a total of $5 million of cash at the option of Bermuda Holdco, subject to certain limitations, and are not entitled to vote, except as required by law. The Bermuda Holdco Preferred Shares are not equity securities as such term is defined in the *Securities Act* (Ontario).

36. BRELP owns all the issued and outstanding equity and voting securities of Bermuda Holdco except for the Bermuda Holdco Special Shares. BRELP owns all the issued and outstanding equity and voting securities of CanHoldco.

37. CanHoldco owns all the equity and voting securities of the Filer.

38. BREP owns 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 held by BRPI are subject to a redemption-exchange mechanism pursuant to which BRPI will be able to acquire LP Units in exchange for its BRELP limited partnership units on a one for one basis. At any time after two years from November 28, 2011, BRPI will have the right to require BRELP to redeem for cash all or a portion of the limited partnership units held by BRPI subject to BREP's right of first refusal, entitling it, at its sole discretion, to elect to acquire all (but not less than all) of the units to be redeemed in exchange for LP Units of BREP on a one for one basis.

39. BREP 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 BREP 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.

40. BREP will consolidate BRELP (and all of BRELP's assets, including CanHoldco, Bermuda Holdco and the Filer) in its financial statements.

Offering of Bonds

41. At the time of the filing of any short form prospectus in connection with an offering of Future Bonds:

    (a) the Filer will comply with all of the filing requirements and procedures set out in NI 44-101, except as permitted by the Legislation;

    (b) the prospectus will be prepared in accordance with the short form prospectus requirements of NI 44-101 other than the Incorporation by Reference Requirements, the Earnings Coverage Requirements and the Subsidiary Credit Supporter Requirements, except as permitted by the Legislation;

    (c) BREP will continue to exercise its voting rights in accordance with the Voting Agreement;

    (d) BREP will continue to be a reporting issuer under the Legislation that files all documents it is required to file under NI 51-102;

    (e) BREP will continue to provide its Guarantee;

(f) the prospectus will incorporate by reference the documents of BREP set forth under Item 11.1 of Form 44-101F1;

(g) the prospectus disclosure required by Item 11 of Form 44-101F1 will be addressed by incorporating by reference BREP's public disclosure documents referred to in paragraph 41(f) above; and

(h) BREP will continue to satisfy all of the criteria in section 2.2 of NI 44-101.

Decision

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

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

1. in respect of the Continuous Disclosure Requirements, the Filer and BREP continue to satisfy the conditions set out in subsection 13.4(2.1) of NI 51-102, except as modified as follows:

(a) any reference to parent credit supporter in section 13.4 shall be deemed to include BREP notwithstanding its indirect ownership of the Filer through BRELP,

(b) any reference to subsidiary credit supporter in section 13.4 shall be deemed to include Bermuda Holdco and CanHoldco and their affiliates, including BREP and BREP Related Entities, notwithstanding BREP's indirect ownership of such entities through BRELP,

(c) BREP does not have to comply with the conditions in section 13.4(2)(a) and section 13.4(2.1)(b) of NI 51-102 if

(i) the Voting Agreement remains in force with the terms described in paragraph 39 above and the Voting Agreement is disclosed in BREP's AIF (as defined in NI 51-102),

(ii) BREP directly holds at least a 50.01% ownership interest in BRELP,

(iii) the aggregate ownership interest of Brookfield and BRELP GP LP in BRELP does not exceed 49.99%,

(iv) no party other than BREP, Brookfield and BRELP GP LP will have any direct or indirect ownership of, or control or direction over, voting securities of BRELP,

(v) no party other than BREP, Brookfield, BRELP GP LP and BRELP will have any direct or indirect ownership of, or control or direction over, voting securities of Bermuda Holdco and CanHoldco,

(vi) no party other than BREP, Brookfield, BRELP GP LP, BRELP, CanHoldco and their affiliates, including BREP and BREP Related Entities, will have any direct or indirect ownership of, or control or direction over, voting securities of the Filer,

(vii) BREP is a reporting issuer, or the equivalent, in all provinces of Canada that files all documents it is required to file under NI 51-102, and does not comply with any of the requirements of NI 51-102 by relying on a provision of National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers*,

(viii) BREP consolidates in its financial statements BRELP, Bermuda Holdco, CanHoldco and the Filer as well as any entities consolidated by any of the foregoing, and

(ix) the issued and outstanding voting securities of Bermuda Holdco, CanHoldco and the Filer are 100% owned by their respective parent companies or entities,

(d) the Filer does not have to comply with the conditions in section 13.4(2)(c) of NI 51-102 if the Filer does not issue any securities, and does not have any securities outstanding, other than

(i) designated credit support securities,

(ii) securities issued to and held by BREP or BREP Related Entities, and

(iii) debt securities issued to and held by banks, loan corporations, loan and investment corporations, savings companies, trust corporations, treasury branches, saving or credit unions, financial services cooperatives, insurance companies or other financial institutions,

(iv) securities issued under the exemptions from the prospectus requirements in Section 2.35 of National Instrument 45-106 Prospectus and Registration Exemptions,

(v) Bonds, and

(vi) Future Bonds,

(e) the summary financial information referred to in section 13.4(2.1)(c) of NI 51-102 will be reconciled to the consolidated financial statements of BREP, including any minority interest adjustments;

2. in respect of the Certification Requirements, the Audit Committee Requirements and the Corporate Governance Requirements, BREP and the Filer continue to satisfy the conditions for relief from the Continuous Disclosure Requirements set forth above;

3. in respect of the Insider Reporting Requirements, an insider of the Filer can only rely on the Exemption Sought so long as:

(a) the insider complies with the conditions in sections 13.4(3)(b) and (c) of NI 51-102, and

(b) the Filer and BREP continue to satisfy the conditions for relief from the Continuous Disclosure Requirements set forth above;

4. in respect of the Incorporation by Reference Requirement, the Earnings Coverage Requirements and the Subsidiary Credit Supporter Requirements so long as,

(a) the Filer and BREP, as applicable, comply with paragraph 41 above,

(b) the Filer and BREP satisfy the conditions set out in section 13.3 of Form 44-101F1, except as modified as follows:

(i) any reference to parent credit supporter in section 13.3 of Form 44-101F1 shall be deemed to include BREP notwithstanding its indirect ownership of the Filer through BRELP,

(ii) any reference to subsidiary credit supporter in section 13.3 of Form 44-101F1 shall be deemed to include Bermuda Holdco and CanHoldco and their affiliates, including BREP and BREP Related Entities, notwithstanding BREP's indirect ownership of such entities through BRELP,

(iii) BREP does not have to comply with the conditions in sections 13.3(1)(e) and 13.3(1)(f) of Form 44-101F1 if it meets the conditions in paragraph 1(c) of this decision above,

(iv) the summary financial information referred to in section 13.3(1)(g) of Form 44-101F1 will be reconciled to the consolidated financial statements of BREP, including any minority interest adjustments,

(c) any preliminary short form prospectus and final short form prospectus of the Filer contains (or incorporates by reference a document containing) a corporate organizational chart showing the ownership and control relationships among Brookfield, BREP and its general partner, BRELP GP LP and its general partner, BRELP, Bermuda Holdco, CanHoldco and the Filer, and

(d) the Filer and BREP continue to satisfy the conditions for relief from the Continuous Disclosure Requirements set forth above.

As to the Exemption Sought (other than from the Insider Reporting Requirements in the *Securities Act* (Ontario)).

"Jo-Anne Matear"
Manager
Ontario Securities Commission

As to the Exemption Sought from the Insider Reporting Requirements in the *Securities Act* (Ontario).

"Sarah Kavanagh"
Commissioner
Ontario Securities Commission

"James Turner"
Vice-Chair
Ontario Securities Commission

2.1.8 Wellington West Capital Inc. and National Bank Financial Ltd.

Headnote

Multilateral Instrument 11-102 Passport System – National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – National Instrument 33-109 Registration Information (NI 33-109) – relief from certain filing requirements of NI 33-109 in connection with a bulk transfer of business locations and registered and non-registered individuals under a reorganization in accordance with section 3.4 of Companion Policy 33-109CP to NI 33-109.

Applicable Legislative Provisions

Multilateral Instrument 11-102 Passport System.
National Instrument 33-109 Registration Information.
Companion Policy 33-109CP.
National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions.

October 28, 2011

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)

AND

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

AND

IN THE MATTER OF
WELLINGTON WEST CAPITAL INC. (WWCI)

AND

NATIONAL BANK FINANCIAL LTD.
(NBFL, and, together with WWCI, the Filers)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filers for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for relief from sections 2.2, 2.3, 2.5, 3.2 and 4.2 pursuant to section 7.1 of National Instrument 33-109 *Registration Information* (**NI 33-109**) to allow the bulk transfer (the **Bulk Transfer**) of all the registered individuals and all the locations, to the exception of those in Quebec and New Brunswick, of WWCI to NBFL, on or about October 31, 2011 in accordance with section 3.4 of the Companion Policy to NI 33-109 (the **Exemption Sought**).

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

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

b) the Filers have provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon by the Filers in all of the other provinces and territories of Canada, excluding Quebec and New Brunswick.

Interpretation

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

Representations

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

1. WWCI is registered in each of the provinces and territories in Canada in the category of investment dealer and as a derivatives dealer in Quebec, is a member of the Investment Industry Regulatory Organization of Canada (**IIROC**) and the TSX Venture Exchange (**TSXV**). WWCI has its head office in Manitoba.

2. NBFL is registered in each of the provinces and territories in Canada, excluding Quebec and New Brunswick, in the category of investment dealer and as a futures commission merchant in each of Manitoba and Ontario, is a member of IIROC and has its head office in Ontario.

3. Each of the filers is an indirectly wholly-owned subsidiary of National Bank of Canada (**NBC**), a Schedule I Canadian chartered bank.

4. The Filers are not, to the best of their knowledge, in default of any requirement of securities legislation in any province or territory of Canada.

5. Effective on or about October 31, 2011, as part of a proposed integration/combination of Wellington West registered firms into or with NBC registered firms, the Quebec and New Brunswick business of WWCI will be transferred to National Bank Financial Inc.(**NBFI**), another wholly-owned subsidiary of NBC. Shares of WWCI will then be transferred to NBFL, at which time WWCI will wind up into NBFL so that NBFL will continue to carry on the registerable activities formerly carried on by WWCI outside of Quebec and New Brunswick.

6. On September 30, 2011, appropriate notifications to, and requests for non-objections/approvals from the securities regulatory authorities, IIROC and TSXV are being made by letter in regards to the proposed integration/combination of Wellington

West registered firms into or with NBC registered firms.

7. Effective on or about October 31, 2011, all of the current existing registrations and approvals for all WWCI's registered individuals, permitted individuals, other employees and business locations outside of Quebec and New Brunswick will be transferred to NBFL (the **Bulk Transfer**). The Quebec and New Brunswick business of WWCI will be transferred manually to NBFI.

8. The Filers do not anticipate that there will be any disruption in the ability of the Filers to trade or advise on behalf of their respective clients either immediately before or immediately after the Bulk Transfer.

9. NBFL will carry on the same securities business of WWCI in substantially the same manner as WWCI prior to the Bulk Transfer and with essentially the same personnel.

10. NBFL will accept responsibility for WWCI's outstanding liabilities effective as of October 31, 2011.

11. NBFL is registered in the same category of registration that WWCI is currently registered in each of the provinces and territories in Canada, excluding Quebec and New Brunswick.

12. Clients of WWCI whose accounts will be transferred to NBFL have been given prior notice in accordance with section 14.11 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*.

13. Given the significant number of individuals and affected business locations of WWCI, it would be unduly time-consuming to individually transfer all affected business locations and individuals to NBFL in accordance with the requirements set out in NI 33-109. Moreover, it is imperative that the transfer of the affected business locations and individuals occur on the same date, in order to ensure that there is no break in registration.

14. The Bulk Transfer will not be contrary to the public interest and will have no negative consequence on the ability of the Filers to comply with all applicable regulatory requirements or the ability to satisfy any obligations to their clients.

Decision

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

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted provided that the Filers make acceptable arrangements with CDS Inc. for the payment of the costs associated with the Bulk Transfer, and make such arrangement in advance of the Bulk Transfer.

"Erez Blumberger"
Deputy Director,
Compliance and Registrant Regulation
Ontario Securities Commission

2.1.9 National Bank Financial Inc. and National Bank Financial Ltd.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – paragraph 4.1(1)(b) of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations – a registered firm must not permit an individual to act as a dealing, advising or associate advising representative of the registered firm if the individual is registered as a dealing, advising or associate advising representative of another registered firm – individuals will engage in the same activities with the same clients but only through a different entity – policies in place to handle potential conflicts of interest – clients provided disclosure regarding the transition of client accounts and relationship between the Filers – Filers (who are large bank-owned investment dealers with institutional and retail businesses) exempted from prohibition for all current and future representatives.

Applicable Legislative Provisions

Multilateral Instrument 11-102 Passport System, s. 4.7.
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 4.1, 15.1.

December 12, 2011

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
QUÉBEC AND ONTARIO
(THE "JURISDICTIONS")

AND

THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
NATIONAL BANK FINANCIAL INC.
("NBFI")

AND

NATIONAL BANK FINANCIAL LTD.
("NBFL" and, together with NBFI, the "Filers")

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions ("**Decision Maker**") has received an application from the Filers for decisions under the securities legislation of the Jurisdictions (the "**Legislation**") for relief from the restriction contained in paragraph 4.1(1)(b) of *Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("**31-103**") that the Filers must not permit their respective current and future registered dealing representatives to act as dealing representatives of their firm if such dealing representatives are registered as dealing representatives of the other Filer, and instead seeks to be allowed to permit their respective registered current and future dealing representatives to act as dealing representatives of their firm if such dealing representatives are registered as dealing representatives of the other Filer (the "**Exemption Sought**").

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

(a) the *Autorité des marchés financiers* ("**AMF**") is the principal regulator of NBFI and the Ontario Securities Commission ("**OSC**") is the principal regulator of NBFL for this application;

(b) the Filers have provided notice that subsection 4.7(1) of *Regulation 11-102 respecting Passport System* ("**11-102**") is intended to be relied upon in all of the other Canadian jurisdictions (all such jurisdictions together with the provinces of Québec and Ontario, the "**Filing Jurisdictions**"); and

(c) the decisions are the decisions of the principal regulators and evidence the decisions of the securities regulatory authority or regulator in all Canadian jurisdictions.

Interpretation

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

Representations

These decisions are based on the following facts represented by the Filers:

1. NBFI was incorporated and is a subsisting corporation under the laws of the Province of Québec. NBFI is an indirectly wholly-owned subsidiary of National Bank of Canada ("**National Bank**"), a Schedule I Canadian chartered bank. NBFI is registered in the category of "investment dealer" in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, the Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island, Québec, Saskatchewan and Yukon. NBFI is also registered in the category of "futures commission merchant" in Ontario and in the category of "derivatives dealer" in Québec. NBFI is a member of the TSX Venture Exchange, the Canadian National Stock Exchange and the Montreal Exchange, a "participating organization" of the Toronto Stock Exchange, and a "dealer member" of the Investment Industry Regulatory Organization of Canada ("**IIROC**").

2. NBFL was incorporated and is a subsisting corporation under the laws of the Province of Ontario. NBFL is a wholly-owned subsidiary of NBFI and, as a result, is also an indirectly wholly-owned subsidiary of National Bank. NBFL is registered in the category of "investment dealer" in Alberta, British Columbia, Manitoba, Newfoundland and Labrador, the Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island, Saskatchewan and Yukon. NBFL is also registered in the category of "futures commission merchant" in Manitoba and Ontario and in the category of "investment fund manager" in Ontario. NBFL is a "dealer member" of IIROC.

3. The Filers are not, to the best of their knowledge, in default of any requirement of securities legislation in any of the Filing Jurisdictions.

4. For various business and other reasons, National Bank has historically caused, and continues to require, the full-service securities brokerage businesses of its subsidiaries to be carried out through two registrants whereby, in certain Canadian jurisdictions, the retail brokerage business is carried out through one registrant and the institutional brokerage business is carried out through a second registrant. Currently, this is reflected through the respective businesses of the Filers as follows:

   a) all institutional brokerage business of the Filers is carried out through NBFI;

   b) retail brokerage business in all jurisdictions other than the provinces of Québec and New Brunswick is carried out through NBFL; and

   c) retail brokerage business in the provinces of Québec and New Brunswick is carried out through NBFI.

5. For purposes of discharging their obligations under applicable securities legislation, stock exchange requirements and IIROC requirements, the Filers have been, and continue as of the date of this application to be, considered in all material respects as a combined entity, including:

   a) for reporting purposes and regulatory capital adequacy purposes, the Filers prepare a single monthly financial report in which their net capital is computed on a joint basis;

   b) a single statement of policies governs each of the Filers; and

   c) in compliance with IIROC requirements, the respective obligations of the Filers are cross-guaranteed.

6. Each of the Filers carries on business under the name "National Bank Financial". It is on this basis that clients deal with each of the Filers.

7. Consistent with the foregoing, National Bank Financial has established a fully harmonized compliance organization that oversees the operations and activities of both Filers in accordance with National Bank Financial's two distinct lines of securities business, which are based on the nature of the clients served: an "**Institutional**" division and a "**Retail**" division:

   a) The Institutional division forms part of the **Financial Markets** group of National Bank Financial Group, and consists of fixed income, institutional equities, corporate and investment banking, and certain derivatives and proprietary trading businesses. The rest of the Financial Markets group includes specialty finance and US merchant banking. The Financial Markets group includes two support units, being Corporate Development and Governance and Business Strategy Management;

   b) The Retail division forms part of the **Wealth Management** group of National Bank Financial Group, and provides discretionary managed and non-discretionary advisory and other wealth management related services to retail clients through both Filers. The Wealth Management group is also supported by Corporate Development and Governance;

   c) Although the Filers together form National Bank Financial through their operations and activities, the Institutional and Retail divisions have separate and distinct senior management structures with each a co-President and co-Chief Executive Officer ("**co-CEO**"), each of which reports independently to the Chief Executive Officer of National Bank and has final authority to effect decisions in respect of its division.

   d) in addition, there is a separate compliance department with its own Chief Compliance Officer ("CCO") for each of the Institutional division and Retail division, and each CCO has access to its co-CEO. Note that on August 24, 2010, the Filers obtained from the AMF and the OSC a exemption notably from section 11.3 of 31-103 in order to permit the Filers to name two (2) CCOs for each of the Institutionnal and Retail divisions.

e) With respect to institutional client compliance matters, the CCO of the Institutional division heads an institutional compliance department which is supported by eleven (11) compliance officers, analysts and managers. National Bank Financial's institutional compliance department supervises all institutional activity for National Bank Financial;

f) With respect to retail client compliance matters, the CCO of the Retail division heads a retail compliance department which is supported by thirty (30) compliance officers, analysts and managers. The retail compliance department of National Bank Financial supervises all retail activity for this entity, irrespective of whether such activity is conducted through NBFI or NBFL; and

g) The National Bank Financial compliance structure has been designed to ensure that all activities conducted by National Bank Financial, whether relating to retail client trading or institutional client trading, are supervised according to the requirements established by all applicable regulatory bodies and self-regulatory organizations, irrespective of which of the Filers is conducting the subject activity.

8. National Bank Financial's compliance structure has been in place for a significant period and, accordingly, the persons responsible for compliance for the Filers are particularly sensitive to, and well structured to effectively monitor and address, the respective compliance obligations of the Filers relating to institutional client trading on the one hand and retail client trading on the other hand.

9. The Filers require the Exemption Sought because the structure of National Bank Financial does not allow for their registered dealing representatives to take full advantage of the business opportunities available to them, for the following reasons:

a) certain registered dealing representatives of NBFL have opportunities to market their services to retail clients in Québec and New-Brunswick, where NBFI is duly registered but not NBFL;

b) certain registered dealing representatives of NBFI have opportunities to market their services to retail clients in Alberta, British Columbia, Manitoba, Newfoundland and Labrador, the Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island, Saskatchewan and Yukon, where NBFI does not offer any retail brokerage business services, contrarily to NBFL; and

c) certain registered dealing representatives can, as a practical matter, successfully establish accounts for both retail and institutional clients (and, in certain cases, have done so during their tenure as dealing representatives of other registrants). In most jurisdictions, such individuals could only do so through being a registered dealing representative with both NBFI (through which institutional brokerage business is carried out) and NBFL (through which retail brokerage business is carried out).

10. On October 11, 2002, the Filers obtained from the OSC, on their behalf and on behalf of their current and future registered dealing representatives, exemptions from certain of the "dual" registration restrictions of OSC Rule 31-501 – *Registrant Relationships* and subsection 127(1) of *Ontario Regulation 1015 – General Regulation* made under the *Securities Act* (Ontario), to the extent that such subsection would be interpreted to restrict dual registration of dealing representatives (the "**OSC Exemptive Relief**").

11. At the time the Filers obtained the OSC Exemptive Relief, the province of Ontario was the only Canadian jurisdiction which securities legislation provided that no person registered as a salesperson of a registered firm could act or be registered as a director, partner or officer of the registrant or as a salesperson, officer, partner or director of another registered firm.

12. The OSC Exemptive Relief remains valid in Ontario.

13. The National Bank Financial operational structure, which has always been organized in two distinct full-service investment dealer firms, is based on business, historical and other reasons. This operational structure has not been modified by the Filers in connection with the implementation of 31-103. The Filers now seek to ensure that the National Bank Financial operational structure remains aligned with its business model while effectively meeting the policy objectives of 31-103.

14. 31-103 was implemented on September 28, 2009.

15. On July 11, 2011, certain amendments were made to section 4.1 of 31-103, notably on subsection 1)b), whereby a registered firm must not permit an individual to act as a registered dealing representative of the registered firm if the individual is registered as a dealing representative of another registered firm.

16. As provided under subsection 4.1(2) of 31-103, the foregoing restriction does not apply in respect of a representative whose registration as a dealing representative of more than one registered firm was granted before July 11, 2011.

17. Prior to 31-103, except in the province of Ontario, there was no restriction under the securities legislation of any of the Filing Jurisdiction for a registered firm not to permit an individual to act as a registered dealing representative of the registered firm if the individual is registered as a dealing representative of another registered firm.

Decisions

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

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

(a) the circumstances described in paragraphs 5, 6 and 8 above remain in place; and

(b) the Filers comply with all requirements of IIROC from time to time for permitting such dual registration.

"Erez Blumberger"
Deputy Director,
Compliance and Registrant Regulation
Ontario Securities Commission

2.1.10 Goodman & Company, Investment Counsel Ltd. and the Funds Listed in Schedule A

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted to mutual funds for extension of lapse date of prospectus for 37 days – Lapse date extended to permit adding additional funds and classes or series – Extension of lapse date will not affect the currency or accuracy of the information contained in the prospectus – Securities Act (Ontario).

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 62(5).

December 13, 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
GOODMAN & COMPANY,
INVESTMENT COUNSEL LTD.
(the "Filer")

AND

IN THE MATTER OF
THE FUNDS LISTED IN SCHEDULE A
(the "Existing Funds")

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Existing Funds for a decision under the securities legislation of the Jurisdiction of the principal regulator ("**Legislation**") for an exemption that the time limits pertaining to filing the renewal prospectuses of the Existing Funds be extended as if the lapse date of the simplified prospectus and annual information form of the Existing Funds dated December 14, 2010 (the "**Current Prospectus**") is January 20, 2012 (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* is intended to be relied upon in each of the other provinces and territories of Canada (together with Ontario, the "**Jurisdictions**").

Interpretation

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

Representations

1. Pursuant to the Legislation, the "lapse date" for the Current Prospectus is December 14, 2011.

2. On November 14, 2011, a pro forma simplified prospectus and a pro forma annual information form (the "**Pro Forma Prospectus**") were filed with the principal regulator. In order to comply with the requirements of the Legislation the final simplified prospectus and annual information form (the "**Final Renewal Prospectus**") must be filed on or before December 24, 2011.

3. The Filer has decided to establish and make available for distribution to the public two new mutual funds (collectively, the "**New Funds**"). The Filer has also decided to offer additional series of securities of certain Existing Funds (the "**New Series**"). The Filer would like to qualify the New Funds and the New Series in each of the Jurisdictions by including the New Funds and New Series in (i) an amended and restated pro forma and preliminary simplified prospectus and annual information form (the "**Amended and Restated Pro Forma Prospectus**") and (ii) the Final Renewal Prospectus.

4. The Filer is a corporation existing under the laws of the Province of Ontario, is registered with the principal regulator as a portfolio manager in the category of adviser, is further registered in that category in each of British Columbia, Alberta, Manitoba, Saskatchewan, Quebec, New Brunswick, Prince Edward Island and Nova Scotia and is registered as a commodity trading manager and investment fund manager with the principal regulator. For each of the Existing Funds and New Funds, the Filer is or will be the (i) trustee (where applicable), principal distributor and registrar and (ii) manager and/or portfolio adviser.

5. Each of the Existing Funds is an open-ended mutual fund trust or corporation established under the laws of the Province of Ontario. The securities of each of the Existing Funds are qualified for distribution in the Jurisdictions pursuant to the Current Prospectus.

6. Neither the Filer nor the Existing Funds are in default of securities legislation in any of the Jurisdictions.

7. Each of the New Funds will be an open-ended mutual fund trust or corporation established under the laws of the Province of Ontario. The securities of each of the New Funds will be qualified for distribution in the Jurisdictions pursuant to the Final Renewal Prospectus.

8. There have been no material changes in the affairs of the Existing Funds since the date of the Current Prospectus, other than those for which amendments have been filed. Accordingly, the Current Prospectus represents current information regarding each Existing Fund.

9. The Requested Relief will not affect the accuracy of the information in the Current Prospectus and therefore will not be prejudicial to the public interest. The granting of the Requested Relief will allow sufficent time for (i) the Filer to prepare and file with the principal regulator the Amended and Restated Pro Forma Prospectus; (ii) the principal regulator to review and comment on the Amended and Restated Pro Forma Prospectus and (iii) the Filer to prepare and file with the principal regulator the Final Renewal Prospectus.

Decision

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

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

"Sonny Randhawa"
Manager, Investment Funds
Ontario Securities Commission

SCHEDULE "A"

The Existing Funds

Dynamic Blue Chip Balanced Fund
Dynamic Blue Chip Equity Fund
Dynamic Dividend Fund
Dynamic Dividend Income Fund
Dynamic Energy Income Fund
Dynamic Equity Income Fund
Dynamic Small Business Fund
Dynamic Strategic Yield Fund
Dynamic Advantage Bond Fund
Dynamic Canadian Bond Fund
Dynamic High Yield Bond Fund
Dynamic Real Return Bond Fund
Dynamic Power American Currency Neutral Fund
Dynamic Power American Growth Fund
Dynamic Power Balanced Fund
Dynamic Power Canadian Growth Fund
Dynamic Power Global Growth Fund
Dynamic Power Small Cap Fund
Dynamic Diversified Real Asset Fund
Dynamic Financial Services Fund
Dynamic Focus+ Resource Fund
Dynamic Global Infrastructure Fund
Dynamic Global Real Estate Fund
Dynamic Precious Metals Fund
Dynamic Strategic All Income Portfolio
Dynamic Strategic Growth Portfolio
Dynamic American Value Fund
Dynamic Canadian Dividend Fund
Dynamic Dividend Value Fund
Dynamic European Value Fund
Dynamic Far East Value Fund
Dynamic Global Asset Allocation Fund
Dynamic Global Discovery Fund
Dynamic Global Dividend Value Fund
Dynamic Global Value Fund
Dynamic Value Balanced Fund
Dynamic Value Fund of Canada
DynamicEdge Balanced Portfolio
DynamicEdge Balanced Growth Portfolio
DynamicEdge Equity Portfolio
DynamicEdge Growth Portfolio
DynamicEdge 2020 Portfolio
DynamicEdge 2025 Portfolio
DynamicEdge 2030 Portfolio
Dynamic Aurion Total Return Bond Fund
Dynamic Blue Chip Balanced Class
Dynamic Dividend Income Class
Dynamic Strategic Yield Class
Dynamic Advantage Bond Class
Dynamic Power American Growth Class
Dynamic Power Balanced Class
Dynamic Power Canadian Growth Class
Dynamic Power Global Balanced Class
Dynamic Power Global Growth Class
Dynamic Power Global Navigator Class
Dynamic Canadian Dividend Class
Dynamic Canadian Value Class
Dynamic EAFE Value Class
Dynamic Global Discovery Class
Dynamic Global Dividend Value Class
Dynamic Global Value Class
Dynamic Value Balanced Class
Dynamic Emerging Markets Class
Dynamic Strategic Energy Class
Dynamic Strategic Gold Class
DynamicEdge Balanced Class Portfolio
DynamicEdge Balanced Growth Class Portfolio
DynamicEdge Equity Class Portfolio
DynamicEdge Growth Class Portfolio
DynamicEdge 2020 Class Portfolio
DynamicEdge 2025 Class Portfolio
DynamicEdge 2030 Class Portfolio
Dynamic Aurion Canadian Equity Class
Dynamic Aurion Tactical Balanced Class
Dynamic Aurion Total Return Bond Class
DMP Canadian Dividend Class
DMP Canadian Value Class
DMP Global Value Class
DMP Power Canadian Growth Class
DMP Power Global Growth Class
DMP Resource Class
DMP Value Balanced Class

2.1.11 0920496 B.C. Ltd.

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., ss. 1(10)(a)(ii).
CSA Staff Notice 12-307 Applications for a Decision that an Issuer is not a Reporting Issuer.

January 9, 2012

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

AND

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

AND

IN THE MATTER OF
0920496 B.C. LTD. (the FILER)

DECISION

Background

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

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

(i) the Ontario Securities Commission is the principal regulator for the application, and

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

Interpretation

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

Representations

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

(i) The Filer is a corporation governed by the *Business Corporations Act* (British Columbia) (the **BCBCA**) with its head office located in Vancouver, British Columbia.

(ii) The authorized capital of the Filer consists of an unlimited number of common shares. As of the date hereof, 1 common share is issued and outstanding, which is held by Compañía Minera Milpo S.A.A. (**Milpo**).

(iii) The Filer is a reporting issuer in each of the Jurisdictions.

(iv) Milpo and Inca Pacific Resources Inc. (**Inca**), a predecessor by amalgamation to the Filer, entered into an arrangement agreement dated as of September 5, 2011, pursuant to which the parties agreed that Milpo would cause a wholly-owned subsidiary to acquire all of the issued and outstanding shares of Inca by way of a plan of arrangement (the **Plan of Arrangement**) pursuant to the BCBCA.

(v) On October 19, 2011, Inca held a special meeting of its shareholders at which a special resolution was passed approving the Plan of Arrangement involving Inca and 0920496 B.C. Ltd. (the **Acquiror**), a wholly-owned subsidiary of Milpo.

(vi) The Plan of Arrangement was completed on October 26, 2011, whereby the Acquiror acquired all of the issued and outstanding common shares of Inca.

(vii) On October 27, 2011, Inca amalgamated with the Acquiror under the BCBCA to form the Filer under the name 0920496 B.C. Ltd. As a result of this amalgamation, the Filer became a reporting issuer in the Jurisdictions and in British Columbia.

(viii) The Filer's common shares were delisted from the TSX Venture Exchange on October 27, 2011 and delisted from the Lima Stock Exchange on November 21, 2011.

(ix) As a result of the transactions described above, Milpo became the holder of all of the outstanding securities of the Filer, and no securities of the Filer are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*.

(x) The Filer has no intention to seek public financing by way of an offering of securities.

(xi) The Filer applied to voluntarily surrender its status as a reporting issuer in British Columbia under BC

11-502, and ceased to be a reporting issuer in British Columbia effective December 9, 2011.

(xii) Upon the grant of the relief sought herein, the Filer will not be a reporting issuer or the equivalent in any jurisdiction of Canada.

(xiii) The Filer is not in default of any of its obligations as a reporting issuer under the Legislation other than its obligation to file interim financial statements, related management's discussion and analysis and certificates under Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* for its third quarter ended August 31, 2011 (the "**Interim Filings**"). On October 30, 2011 the last date by which the Filer was required to make such filings, Milpo owned 100% of the common shares of the Filer.

(xiv) The Filer is not eligible to use the simplified procedure under CSA Staff Notice 12-307 *Application for a Decision that an Issuer is not a Reporting Issuer* because it is in default of its obligation to file the Interim Filings.

Decision

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

The decision of the Decision Makers under the Legislation is that the Exemptive Relief Sought is granted.

"E.P. Kerwin"
Commissioner
Ontario Securities Commission

"P.L. Kennedy"
Commissioner
Ontario Securities Commission

2.1.12 Aston Hill Asset Management Inc. and Aston Hill Global High Income Fund

Headnote

NP 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Approval of mutual fund mergers – approval required because mergers do not meet the criteria for pre-approval – Differing investment objectives, one continuing fund does not have a current simplified prospectus – Terminating fund's unitholders provided with timely and adequate disclosure regarding the merger and disclosure regarding the continuing fund.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 5.6(1)(a), 5.6(1)(b).

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
ASTON HILL ASSET MANAGEMENT INC.
(the Filer)

AND

ASTON HILL GLOBAL HIGH INCOME FUND
(the Terminating Fund)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Terminating Fund for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for approval of the merger (the **Merger**) of the Terminating Fund into Aston Hill Global Convertible Bond Class (the **Continuing Corporate Fund**) and Aston Hill Global Convertible Bond Fund (the **Continuing Trust Fund** and, together with the Continuing Corporate Fund, the **Continuing Funds**) pursuant to subsection 5.5(1)(b) of National Instrument 81-102 *Mutual Funds* (**NI 81-102**) (the **Approval Sought**).

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

1. the Ontario Securities Commission is the principal regulator for this application; and

2. the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland and Labrador (the **Non-Principal Jurisdictions**).

Interpretation

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

Representations

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

1. The Filer is a corporation subsisting under the laws of Ontario. The Filer is registered under the Securities Act (Ontario) as an investment fund manager, portfolio manager and exempt market dealer. The Filer is the manager of the Terminating Fund and each Continuing Fund (collectively, the **Funds**). The Filer also is the trustee of the Terminating Fund and the Continuing Trust Fund. The head office of the Filer is located in Toronto, Ontario.

2. The Terminating Fund was formed on May 22, 2009 and completed its initial public offering (**IPO**) of Class A Units and Class F Units on June 9, 2009 for gross proceeds of $12,700,000. The Fund invested the proceeds of the IPO in a portfolio of common shares of Canadian public companies (the **Common Share Portfolio**). The Fund then entered into a forward agreement (the **Forward Agreement**) with a counterparty (the **Counterparty**) pursuant to which the Counterparty agreed to the pay to the Fund on June 10, 2012 (the **Forward Termination Date**) as the purchase price for the Common Share Portfolio an amount based on the value of the units of the Aston Hill Global High Income Trust (formerly called the Navina/Lazard Strategic Trust). In this manner, the Fund obtained exposure to the returns of the investment portfolio held by the Trust.

3. At the completion of the IPO, the Fund incurred and paid offering expenses aggregating approximately $1,100,000. Rather than causing the Fund's net asset value (**NAV**) to immediately decline by that amount, the Fund arranged for its NAV to be reduced by its offering expenses over a period of time. This was accomplished by having the Manager agree to reimburse the Fund for such expenses over a period of 8 years using funds provided by the Fund to the Manager in the form of an additional 1% of management fees each year. The arrangement is evidenced primarily by a promissory note (the **Note**) issued by the Manager to the Fund. Since the principal amount of the Note constitutes an asset that matches the Fund's offering expenses, the Fund did not reduce its NAV at the closing of the IPO by the offering expenses it incurred, and instead has been reducing its NAV gradually through the higher management fees it pays each year. Notwithstanding that this arrangement has helped the Fund maintain a higher NAV per unit, any unitholder who redeems his or her units is entitled to receive only the NAV per unit after the unitholder's proportionate share of the IPO offering expenses are deducted. When this occurs, the terms of the Note and the attributes of the units provide that a proportionate amount of the Note is forgiven and the redemption proceeds payable to the redeeming unitholder are reduced by the corresponding amount. This effectively results in the Fund accelerating the pace at which the Fund's NAV is reduced by its offering expenses.

4. Each of the Terminating Fund and the Continuing Trust Fund is a reporting issuer under the securities legislation of the Jurisdiction and each Non-Principal Jurisdiction. The Continuing Corporate Fund is a reporting issuer under the securities legislation of the Jurisdiction and each Non-Principal Jurisdiction other than Québec. The Terminating Fund does not currently offer its securities to the public. Each Continuing Fund currently offers its securities to the public under a simplified prospectus filed under the securities legislation of the Jurisdiction and each Non-Principal Jurisdiction other than Québec.

5. Neither the Filer nor any of the Funds is in default of the securities legislation of the Jurisdiction or any Non-Principal Jurisdiction. Each Fund is a mutual fund that is subject to the requirements of NI 81-102 and National Instrument 81-101 *Mutual Fund Prospectus Disclosure*.

6. The Filer proposes to merge the Terminating Fund into the Continuing Funds. The principal difference between the Continuing Funds is that the Continuing Corporate Fund may be more suitable than the Continuing Trust Fund for investors (**Taxable Investors**) who hold their investment outside of a registered retirement savings plan, registered retirement income fund, deferred profit sharing plan or other similar tax-advantaged plan (collectively, **Registered Plans**). An objective of the Merger is to transfer the existing unitholders of the Terminating Fund to the Continuing Fund that is most suitable for them based on their tax status. Accordingly, but subject to paragraph 7, Taxable Investors will become securityholders in the Continuing Corporate Fund and investors (**Non-Taxable Investors**) who hold their investments inside of a Registered Plan will become securityholders of the Continuing Trust Fund.

7. All unitholders of the Terminating Fund who are resident in Québec will become unitholders of the Continuing Trust Fund, regardless of their tax status. As a result, by becoming unitholders of the Continuing Trust Fund, Taxable Investors resident in Québec will not have the future benefit of being able to switch such investment to other mutual funds within Aston Hill Corporate Funds Inc. on a tax-deferred basis.

8. As required by National Instrument 81-107 *Independent Review Committee for Investment Funds*, the Filer presented the Merger to the independent review committee of the Funds (the **IRC**) for its review. The IRC met to consider the matter presented and, as part of such consideration, were provided by the Filer with a draft version of the Circular (as defined below), background financial data describing the tax implications of the Merger, and the Filer's written policies

and procedures relating to mergers of public mutual funds. After due consideration and reasonable inquiry, the IRC determined that the decision of the Filer to proceed with the Merger:

(a) has been proposed by the Filer free from any influence by an entity related to the Filer and without taking into account any consideration relevant to an entity related to Filer;

(b) represents the business judgement of the Filer uninfluenced by considerations other than the best interest of the Funds;

(c) is in compliance with the Filer's written policies and procedures relating to the Merger; and

(d) achieves a fair and reasonable result for the Funds.

9. The proposed Merger was announced in a press release and material change report dated November 15, 2011, each of which has been filed on SEDAR.

10. The Filer is convening a special meeting (the **Meeting**) of the unitholders of the Terminating Fund in order to seek the approval of unitholders to complete the Merger, as required by subsection 5.1(f) of NI 81-102. The Meeting will be held on or about December 20, 2011. In connection with the Meeting, the Filer has mailed to unitholders of the Terminating Fund a notice of meeting and management information circular (the **Circular**), a related form of proxy and the fund facts relating to the series of securities of the Continuing Funds (collectively, the **Meeting Materials**). The Meeting Materials have been filed on SEDAR.

11. If all required approvals for the Merger are obtained, it is intended that the Merger will occur after the close of business on or about December 20, 2011, but not later than January 31, 2012, (the **Effective Date**). The Terminating Fund will be wound-up as soon as reasonably possible following the Effective Date.

12. All costs of implementing the Merger (consisting primarily of proxy solicitation, printing, mailing, legal, regulatory fees and brokerage charges) will be borne by the Filer.

13. Unitholders of each Terminating Fund will continue to have the right to redeem their units of the Terminating Fund at any time up to the close of business on the Effective Date.

14. In the opinion of the Filer, the Merger satisfies all of the criteria for pre-approved reorganizations and transfers set forth in section 5.6(1) of NI 81-102, except as follows:

(a) the Merger will not be implemented as either a "qualifying exchange" within the meaning of section 132.2 of the *Income Tax Act* (Canada) (the **Tax Act**) or a tax-deferred transaction under section 85(1), 85.1(1), 86(1) or 87(1) of the Tax Act (in each case, a **Prescribed Rollover**). Consequently, the Merger will not meet the criteria for pre-approved reorganizations and transfers under subsection 5.6(1)(b) of NI 81-102;

(b) a reasonable person may not consider the investment objectives of the Terminating Fund to be substantially similar to the investment objectives of the Continuing Funds. Accordingly, the Merger may not meet the criteria for pre-approved reorganizations and transfers under subsection 5.6(1)(a)(ii) of NI 81-102; and

(c) the Continuing Trust Fund does not have a current simplified prospectus under the securities legislation of Québec. Consequently, the Merger will not meet the criteria for pre-approved reorganizations and transfers under subsection 5.6(1)(a)(iv) of NI 81-102.

15. The Circular explains that the Merger will not be implemented as a Prescribed Rollover because:

(a) there will be no tax advantage to the Terminating Fund or its unitholders from implementing the Merger as Prescribed Rollover since:

(i) all of the Terminating Fund's assets will be converted to cash immediately prior to completing the Merger; and

(ii) unitholders of the Terminating Fund are expected to realize a capital gain on the redemption of their units as part of the Merger of not more than 3.1% of their net asset value per unit; and

(b) by not implementing the Merger as a Prescribed Rollover, the Terminating Fund will have the flexibility to transfer unitholders to the Continuing Fund more suitable for them based on their current tax status, as described above.

16. The Circular also provides:

    (a) a summary of the anticipated tax implications of completing the Merger;

    (b) a comparison of the investment objectives and strategies of the Terminating Fund to the investment objectives and strategies of each Continuing Fund; and

    (c) the discussion of the Note and the implications of the Merger on the Note.

17. The Filer believes that the Merger will be beneficial to securityholders of each Fund for the following reasons:

    (a) unitholders of the Terminating Fund will become investors in a Continuing Fund that is able to provide them with exposure to a more broadly diversified investment portfolio than is currently possible through the Terminating Fund;

    (b) unitholders of the Terminating Fund will become investors in a Continuing Fund that will have a lower management expense ratio than the Terminating Fund due to lower costs and economies of scale;

    (c) unitholders of the Terminating Fund will have enhanced liquidity following the Merger since securities of the Continuing Funds are redeemable daily while units of the Terminating Fund are redeemable weekly;

    (d) Taxable Investors in the Terminating Fund will be transferred to the Continuing Corporate Fund which will provide them with the flexibility to switch to other mutual funds within Aston Hill Corporate Funds Inc. on a tax-deferred basis (except for unitholders who are resident in Québec);

    (e) following the Merger, each Continuing Fund will have more assets, thereby allowing for:

        (i) increased portfolio diversification exposure;

        (ii) a smaller proportion of assets set aside to fund redemptions; and

        (iii) lower annual operating expenses as a percentage of their net asset values; and

    (f) following the Merger, unitholders of the Fund will become unitholders or shareholders of an equivalent series in a Continuing Fund that pays annual management fees that are lower, by 1% or more, than the management fees currently paid by the Fund.

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 Approval Sought is granted.

“Darren McKall”
Manager, Investment Funds
Ontario Securities Commission

2.1.13 Lincluden Investment Management Limited and Lincluden Balanced Fund

Headnote

NP 11-203 – Process for Exemptive Relief Applications in Multiple Jurisdictions – approval granted for change of control of mutual fund manager under s. 5.5(2) of NI 81-102 and approval for abridgement of the related 60 day notice requirement to 37 days under s. 5.8(1)(a) of NI 81-102 – 37 days notice to unitholders provided, no changes being made to the management, administration or portfolio management of the fund for at least 60 days after the notice delivered.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 5.5(2), 5.8(1), 19.1.

December 30, 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
LINCLUDEN INVESTMENT MANAGEMENT LIMITED
(THE NEW LINCLUDEN)

AND

LINCLUDEN BALANCED FUND
(THE FUND)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the New Lincluden for a decision under the securities legislation of the Jurisdiction (the **Legislation**) for relief pursuant to section 19.1 of National Instrument 81-102 *Mutual Funds* (**NI 81-102**) from:

(a) Section 5.5(2) of NI 81-102 to effectively allow a change of control of the manager of the Fund by means of a transaction (the **Transaction**) whereby the management of Lincluden Management Limited, the existing manager of the Fund, (the **Existing Lincluden**) will through the New Lincluden acquire the business of the Existing Lincluden, including the management of the Fund; and

(b) Section 5.8(1)(a) of NI 81-102 to allow the New Lincluden to abridge the 60 day notice period that is given to the unitholders of the Fund about the effective change of control of the manager of the Fund to 37 days (collectively, the **Approvals Sought**).

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

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

(b) the New Lincluden has provided notice that section 4.7(1) of Multilateral Instrument 11-102 Passport System (**MI 11-102**) is intended to be relied upon in each province and territory of Canada other than Ontario (collectively with Ontario, the **Jurisdictions**).

Interpretation

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

Representations

The decision is based on the following facts represented by the New Lincluden:

The Existing Lincluden

1. The Existing Lincluden is a corporation incorporated under the Business Corporations Act (Ontario) and has its head office in Oakville, Ontario.

2. The Existing Lincluden is the investment fund manager, trustee, portfolio manager and principal distributor of the Fund.

3. The Existing Lincluden is registered as a portfolio manager, investment fund manager and exempt market dealer in Ontario, and as a portfolio manager in each of the other Jurisdictions.

4. The Existing Lincluden is indirectly, a wholly-owned subsidiary of Old Mutual (US) Holdings Inc. (**Old Mutual**).

5. The Existing Manager is not in default of applicable securities legislation in any of the Jurisdictions.

The Fund

6. The Fund is a reporting issuer in all of the Jurisdictions pursuant to a simplified prospectus and annual information form, each dated April 29, 2011.

7. Units of the Fund can only be purchased by interested investors in each of the Jurisdictions pursuant to a front end sales charge, and cannot be purchased pursuant to a deferred sales charge option.

8. The Fund is not in default of applicable securities legislation in any of the Jurisdictions.

The New Lincluden

9. The New Lincluden is a corporation incorporated under the *Canada Business Corporations Act* and has its head office in Oakville, Ontario.

10. The New Lincluden has applied to become registered as a portfolio manager, investment fund manager and exempt market dealer in Ontario, and as a portfolio manager in each of the other Jurisdictions.

11. The New Lincluden is not in default of applicable securities legislation in any of the Jurisdictions.

The Transaction

12. The shareholder of the New Lincluden, the Existing Lincluden and Old Mutual have entered into an asset purchase agreement whereby the New Lincluden will on the receipt of all required regulatory approvals acquire the business of the Existing Lincluden, including the management of the Fund, which is expected to occur on or about December 30, 2011, which is effectively a change of control of the manager of the Fund.

13. The Transaction was structured as an asset purchase transaction instead of a share purchase transaction as certain liabilities of the Existing Lincluden are not being assumed by the New Lincluden.

14. A press release was issued on September 6, 2011 announcing the Transaction (the **Press Release**).

15. The independent review committee of the Fund has approved of the effective change of control of the manager of the Fund to the New Lincluden pursuant to the Transaction.

16. At the time that the New Lincluden becomes registered in the same capacities as the Existing Lincluden in the Jurisdictions, the registered individuals at the Existing Lincluden will become registered individuals of the New Lincluden and the registrations of the Existing Lincluden will be suspended.

17. Concurrently with the registration of the New Lincluden, the business of the Existing Lincluden will be purchased by the New Lincluden.

18. After the completion of the Transaction, the personnel of the New Lincluden will manage and advise the Fund in exactly the same manner as they did when they worked for the Existing Lincluden.

19. There will not be any change to the investment objective or any other material aspects of the Fund, except that the individuals managing and advising the Fund will work for, and in some cases have an equity interest in, the New Lincluden instead of working for the Existing Lincluden.

20. The Transaction is not expected to have any material impact on the unitholders of the Fund.

21. It is not expected that there will be any change in the expenses that are charged to the Fund as a result of the Transaction.

Notice

22. Pursuant to the requirements of Section 5.8(1)(a) of NI 81-102, unitholders of the Fund were advised of the Transaction on October 17, 2011 (the **Mailing**) and November 24, 2011 (the **Notice**), which means that if the Transaction occurs on December 30, 2011, such unitholders will have received the Notice approximately 37 days in advance of the effective change of control of the manager of the Fund.

23. The New Lincluden submits that it would not be prejudicial to the unitholders of the Fund to abridge the notice period prescribed by Section 5.8(1)(a) of NI 81-102 from 60 days to 37 days for the following reasons:

    (a) as noted above, the personnel of the New Lincluden will manage and advise the Fund in exactly the same manner as they did when they worked for the Existing Lincluden;

    (b) the Transaction will not have any impact on unitholders' interests in the Fund;

    (c) the unitholders of the Fund may redeem their units of the Fund at any time without incurring any penalty or cost as units of the Fund are only sold on a front end sales charge basis; and

    (d) the Transaction was publicly announced through the Press Release and the Mailing, such that most unitholders of the Fund are likely already aware of the Transaction.

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 Approvals Sought are granted provided that the New Lincluden does not initiate any changes to the management, administration or portfolio management of the Fund for at least 60 days following the Notice.

"Sonny Randhawa"
Manager, Investment Funds Branch
Ontario Securities Commission

2.2 Orders

2.2.1 HEIR Home Equity Investment Rewards Inc. – ss. 127(1), 127.1

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

AND

IN THE MATTER OF
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.

ORDER
(Sections 127(1) and 127.1)

WHEREAS on March 29, 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 in connection with a Statement of Allegations filed by Staff of the Commission ("Staff") on March 29, 2011 in respect of HEIR Home Equity Investment Rewards Inc., FFI First Fruit Investments Inc., Wealth Building Mortgages Inc., Archibald Robertson, Eric Deschamps (collectively, the "HEIR Respondents") and 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. (collectively, the "Canyon Respondents");

AND WHEREAS the HEIR Respondents and the Canyon Respondents were served with the Notice of Hearing and Statement of Allegations on March 29 and 30, 2011 and April 5, 2011;

AND WHEREAS counsel for the Canyon Respondents wished to attend the hearing but was not available on April 27, 2011;

AND WHEREAS on consent of all the parties, on April 20, 2011, the Commission ordered that the hearing scheduled to commence on April 27, 2011 be rescheduled to commence on May 17, 2011 at 11:00 a.m. or as soon thereafter as the hearing could be held;

AND WHEREAS on May 17, 2011, a first appearance on this matter was held before the Commission, at which Staff attended, counsel from Borden

Ladner Gervais LLP attended on behalf of all of the HEIR Respondents, and counsel from Cassels Brock & Blackwell LLP attended on behalf of all of the Canyon Respondents, and at that first attendance, Staff submitted that the hearing on the merits should be scheduled at a future pre-hearing conference or at a subsequent attendance;

AND WHEREAS on May 17, 2011, the Commission ordered that the hearing be adjourned to June 28, 2011 at 10:00 a.m., or to such other date as may be agreed to by the parties and fixed by the Office of the Secretary, for the purpose of addressing scheduling and any other procedural matters or for such other purposes as may be requested;

AND WHEREAS on June 28, 2011, Staff and counsel for the HEIR Respondents attended, and Staff advised the Commission that counsel for the Canyon Respondents, while not in attendance, had recently indicated that the Canyon Respondents would likely retain new counsel in the near future to represent them before the Commission;

AND WHEREAS on June 28, 2011, the Commission ordered that the hearing be adjourned to July 19, 2011 at 2:30 p.m., for the purpose of addressing scheduling and any other procedural matters or for such other purposes as may be requested;

AND WHEREAS on July 19, 2011, McCarthy Tétrault LLP served notice that it had been engaged to represent the Canyon Respondents as of that date;

AND WHEREAS at the attendance before the Commission on July 19, 2011, counsel from McCarthy Tétrault LLP attended on behalf of the Canyon Respondents and confirmed the firm's engagement;

AND WHEREAS at the attendance before the Commission on July 19, 2011, counsel made submissions regarding the scheduling of a further status conference or a pre-hearing conference in light of McCarthy Tétrault LLP having been retained that day and the on-going investigation by the Commission;

AND WHEREAS on July 19, 2011, the Commission ordered that the hearing be adjourned to August 22, 2011 at 10:00 a.m. for the purpose of discussing scheduling and any other procedural matters or for such other purposes as may be appropriate;

AND WHEREAS on August 22, 2011, Staff and counsel for each of the HEIR Respondents and the Canyon Respondents appeared and made submissions regarding the scheduling of a pre-hearing conference, and the Commission ordered that a pre-hearing conference be held on Tuesday, October 11, 2011 at 3:30 p.m.;

AND WHEREAS on October 11, 2011, Staff and counsel for each of the HEIR Respondents and the Canyon Respondents appeared before the Commission for a confidential pre-hearing conference and the Commission ordered that a further pre-hearing conference be held on Tuesday, December 20, 2011 at 2:30 p.m.;

AND WHEREAS on December 2, 2011, Norton Rose LLP served notice that it had been retained on behalf of Eric Deschamps ("Deschamps"), and as of that date, Deschamps is no longer included in the defined term "HEIR Respondents" used herein;

AND WHEREAS on December 20, 2011 Staff and counsel for each of the HEIR Respondents, the Canyon Respondents and Deschamps appeared before the Commission for a confidential pre-hearing conference;

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

IT IS ORDERED that a further pre-hearing conference shall be held on Wednesday, February 1, 2012 at 9:00 a.m. for the purpose of confirming September 10, 2012 as the target date for the commencement of the hearing on the merits and the schedule for such hearing.

DATED at Toronto this 20th day of December, 2011.

"Christopher Portner"

2.2.2 Frank Dunn et al. – s. 17(1)

IN THE MATTER OF
AN APPLICATION UNDER SECTION 17 OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
FRANK DUNN, DOUGLAS BEATTY AND
MICHAEL GOLLOGLY

ORDER
(Subsection 17(1) of the Securities Act)

WHEREAS a Motion was brought by Frank Dunn (the "Moving Party") before the Ontario Securities Commission (the "Commission") on January 6, 2012 for an Order pursuant to subsection 17(1) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") authorizing the disclosure and use of the evidence referred to in Schedule "A" to this Order, which evidence was obtained by Staff of the Commission in the course of its investigation of the Respondents;

AND WHEREAS the Commission has reviewed the Notice of Motion, the Affidavits of Helen Burnett, the Affidavits of Sandy Allan, the Factum of the Moving Party, and the Factum of Staff of the Commission, heard submissions from counsel for the Moving Party, counsel for Staff of the Commission, counsel for Nortel Networks Corporation and Nortel Networks Limited (collectively, "Nortel"), and counsel for Michael Gollogly, who joined in the submissions of Mr. Dunn, and received a subsequent written request from counsel for Douglas Beatty for the same relief as Mr. Dunn;

AND WHEREAS no one appeared for the respondents to the Motion, Messrs. A and B, whose compelled testimony is the subject of this Order, although both of those respondents were properly served with the Motion;

AND WHEREAS the Commission has considered and balanced all of the competing interests raised by the Motion and this Order;

AND WHEREAS the Commission is of the opinion that it is in the public interest under subsection 17(1) of the Act to make this Order;

IT IS ORDERED THAT Frank Dunn, Douglas Beatty and Michael Gollogly be permitted to disclose and use the evidence listed in Schedule "A" for the purpose of making full answer and defense in their criminal trials in the Superior Court of Justice on Indictment #10-00145, and for all appeals therefrom, but for no other purpose.

DATED at Toronto this 6th day of January, 2012.

"James E. A. Turner"

Schedule "A"

1. Transcripts of interviews of Mr. A identified as Bates Numbers 0002856-0003107 and 0003108-0003345.

2. Transcript of interview of Mr. B identified as Bates Numbers 0009437-0009869.

3. Records of Nortel's Disclosure Committee as identified by the following Bates Numbers:

   (a) NN 031013

   (b) NNOSC0004650 - NNOSC0004679

   (c) NNOSC0004996 - NNOSC0005006

   (d) NNOSC0005057 - NNOSC0005077

   (e) NNOSC0006185 - NNOSC0006460

   (f) NNOSC0004500 - NNOSC0004537

   (g) NNOSC0004538 - NNOSC0004592

   (h) NNOSC0004680 - NNOSC0004756

   (i) NNOSC0004757 - NNOSC0004780

   (j) NNOSC0006236 - NNOSC0006299

   (k) NNOSC0004798 - NNOSC0004863

   (l) NNOSC0006099 - NNOSC0006142

   (m) NNOSC0005012 - NNOSC0005056

   (n) NNOSC0006171 - NNOSC0006182

   (o) NNOSC0004781 - NNOSC0004797

   (p) NNOSC0004864 - NNOSC0004890

   (q) NNOSC0004893 - NNOSC0004962

   (r) NNOSC0004966 - NNOSC0004995

   (s) NNOSC0006154 - NNOSC0006170

   (t) NNOSC0005007 - NNOSC0005009

   (u) NNOSC0005010 - NNOSC0005011

   (v) NNOSC0006234 - NNOSC0006235

4. Nortel accounting document identified as Bates Number NN014898 – NN014937

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Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions, Orders and Rulings

3.1.1 M.H. – s. 31

IN THE MATTER OF
STAFF'S RECOMMENDATION FOR THE REFUSAL OF REGISTRATION OF
M.H.

OPPORTUNITY TO BE HEARD BY THE DIRECTOR
Section 31 of the Securities Act, R.S.O. 1990, c. S.5, as amended
(the Act)

Decision

1. This matter relates to an opportunity to be heard proceeding (OTBH) held on December 6, 2011 pursuant to section 31 of the Act to consider whether M.H. (M.H.) should be denied registration as dealing representative of a mutual fund dealer.

2. For the reasons set out below, my decision is to refuse the registration of M.H.

3. My decision is based on the verbal submissions of Mark Skuce, Legal Counsel, Compliance and Registrant Regulation Branch of the Ontario Securities Commission (OSC) for Staff, and M.H., on his own behalf.

4. I have also made a decision, pursuant to subsections 8(c) and 10(a) of the Procedures for Opportunities to be Heard Before Director's Decisions on Registration Matters (the OTBH procedures), that the transcript from this proceeding and any exhibits introduced therein be sealed and not disclosed to or made available to the public; and that the identity of M.H. be protected in the title of proceedings through the use of initials. Subsection 8(c) the OTBH procedures provides that: "[t]he proceedings will be open to the public unless intimate financial, personal and other matters may be disclosed that, in the opinion of the Director, would outweigh the public benefit of openness in Ontario Securities Commission proceedings". Subsection 10(a) of the OTBH procedures provides that: "[a]ll written submissions and transcripts of appearances will be available to the public upon request, unless intimate financial, personal or other matters may be disclosed that, in the opinion of the Director, would outweigh the public benefit of openness in Ontario Securities Commission Proceedings". As discussed below, M.H. entered into a direct accountability program (also known as a diversion program) relating to a criminal charge of theft under $5000. I consider this to be an intimate personal matter, and in light of the fact that the theft charge was dropped (by virtue of M.H. completing the program), I believe that the harm that would inure to M.H. resulting from public disclosure of this information would outweigh the public benefit of openness of Ontario Securities Commission proceedings.

Background

5. On September 13, 2011 M.H. was involved in a shoplifting incident at a local Zellers store. He was detained by security personnel when he left the store with an item that he later admitted he did not pay for. Police were called and M.H. was issued a notice of appearance, pursuant to which he was ordered to make a first appearance in court on October 4, 2011.

6. On September 29, 2011 M.H. submitted an application for registration to the Compliance and Registrant Regulation branch of the OSC as a mutual fund dealing representative.

7. On September 29, 2011, in the course of reviewing his application, Staff conducted a series of normal course security checks, including a search of the Canadian Police Information Centre (CPIC) database. The CPIC search revealed that M.H. had an outstanding charge of Theft Under $5000 relating to the Zellers incident that took place on September 13, 2011.

8. On the same day, Staff wrote to M.H. seeking clarification about why in his registration application he answered 'No' to the following question: "Are there any outstanding or stayed charges alleging a criminal offence that was committed in any province, territory, state or country?"

9. On October 5, 2011, M.H. faxed to Staff the letter of September 29, 2011 marked with the following handwritten notation: "… the charge has been dropped, I do not have any outstanding charge. Please go ahead with my application".

10. On October 6, 2011, OSC staff received from M.H. a two page document entitled "Consent to Participate Direct Accountability Program" (the DAP Consent). It was signed by M.H. and dated October 4, 2011. The following heading appears on page 1 of the document: "Charge(s): Theft Under". Paragraph 1 of the document states the following: "I take responsibility for the actions which gave rise to the above noted charges". Paragraph 5 of the document states: "I understand that once I have completed the terms and conditions of my Direct Accountability Program Agreement to the satisfaction of the Community Justice worker, the above-noted charges shall be withdrawn as soon as practicable…". Paragraph 7 of the document states: "I understand that my participation in Direct Accountability Programming may involve sharing of information about me… which is relevant for the purpose of the Community Justice Worker determining the most appropriate consequence for my offending behaviour…" Under M.H.'s signature is a notation indicating M.H. spoke to duty counsel.

11. Further OSC enquiries ensued, including an email from Staff dated October 7, 2011 stating in part as follows: "It appears that you were charged with shoplifting on September 13, 2011. You applied for registration on September 29, 2011, and in response to the question 'Are there any outstanding or stayed charges against you alleging a criminal offence that was committed in any province, territory, state or country?' you wrote 'No'. Please explain why you answered this question 'No' on September 29, 2011".

12. On the same day M.H. sent an email response to Staff stating that "The charge was wrong. I did not shoplifting (sic). I was accused shoplifting. This is why I have to go to court to explain to the judge … and fight for my right. And the charge had been dropped".

13. Further correspondence took place between Staff and M.H. in an apparent attempt to reconcile the information in M.H.'s original registration application of September 29 ('No' to the question about outstanding criminal charges); the information in the fax M.H. sent to Staff on October 5 (stating "the charge had been dropped"); and the information in the DAP Consent document alluding to existence of theft under charges against M.H.

14. By letter dated November 11, 2011, Staff recommended that the registration of M.H. in the category of dealing representative for a mutual fund dealer be refused.

Staff's submissions

15. Staff submits that M.H. should be denied registration as a dealing representative because he lacks the requisite level of integrity required of an individual that would be licensed to deal with the investing public. The salient elements of Staff's submissions are that M.H.:

    a. Engaged in theft; and

    b. Made the following misrepresentations to Staff and his sponsoring firm during the course of the registration process:

        i Despite signing the DAP Consent stating that he took responsibility for his actions giving rise to the theft charge, he later denied the conduct to Staff;

        ii He informed his employer that the OSC was not responding to him in relation to his application for registration, when in fact Staff had been in regular contact with him; and

        iii In response to staff enquiries about his sponsoring firm's views about the DAP Consent M.H. misinformed Staff with respect to nature of his meetings with his sponsoring firm.

M.H. Submissions

16. M.H. submits that staff's refusal to recommend that he be registered is based on "really a lot of misunderstanding". In particular, he submits his application for registration was accurate when he submitted it on September 29, 2011, because at that point in time he had not technically been charged with a criminal offence. He claims that the shoplifting incident that took place on September 13, 2011 was too a misunderstanding: "… I went to buy a telephone set, and a salesman told me it was buy one get one free. So I took two telephone sets and paid for one. And at the door, the security stopped me and accused me stealing the telephone set. And it was supposed to be free, from my understanding. I said to him that the salesman told me that if I buy one then I get one free". According to M.H., the salesman that told him about the two for one sale could not be found.

17. M.H. went on to explain that the Police were called, that he explained his story to them and was issued a notice of appearance for a court date on October 4, 2011. He also explained that it was his understanding from speaking with the police that "at that time I am not charged until I go to court".

18. M.H. did not make any submissions regarding entering into the direct accountability program. Accordingly, I asked him about the DAP Consent that he signed as a condition for the theft charge being withdrawn. In particular, I asked him about Paragraph 1 of the document which states: "I take responsibility for the actions which gave rise to the above noted charges"; paragraph 5 of the document, which states: "I understand that once I have completed the terms and conditions of my Direct Accountability Program Agreement to the satisfaction of the Community Justice worker, the above-noted charges shall be withdrawn as soon as practicable…"; and paragraph 7 of the document, which states: "I understand that my participation in Direct Accountability Programming may involve sharing of information about me… which is relevant for the purpose of the Community Justice Worker determining the most appropriate consequence for my offending behaviour…". He responded by saying "I didn't really have time to read it. Honest." When I asked him why he agreed to pay $200 as part of the direct accountability program if he had truly done nothing wrong, he said " the lady [at court] was saying that if you agree to a donation, $200, then you are free to go… that's what I understand. So I think, okay, it's a donation, so I make a donation. I don't really understand the whole thing".

Suitability for registration generally

19. Subsection 25(1) of the Act requires any person that trades in securities to be registered in the relevant category. As set out in numerous prior decisions, a registrant is in a position to perform valuable services to the public, both in the form of direct services to individual investors and as part of the larger system that provides the public benefits of fair and efficient capital markets. A registrant also has a corresponding capacity to do material harm to individual investors and to the public at large. Therefore, determining whether an applicant should be registered is an important component of the work undertaken by the OSC.

20. Subsection 27(1) of the Act provides that the Director shall register a person unless it appears to the Director that the person is not suitable for registration or that the registration is otherwise objectionable. In the recent case of *Ittihad Securities Inc., Re* (2010) 33 OSCB 10458, the Director discussed the well established criteria that have been identified by the OSC when considering whether an applicant is suitable for registration:

> The OSC has, over time, articulated three fundamental criteria for determining suitability for registration – integrity (which includes honesty and good faith, particularly in dealings with clients, and compliance with Ontario securities law), proficiency, and solvency. These three fundamental criteria have been codified in subsection 27(2) of the Act, which provides that in determining whether a person is suitable for registration, the Director shall consider whether the person has satisfied the requirements prescribed in the regulations relating to proficiency, solvency and integrity, and such other factors as the Director considers relevant.

The issue in this proceeding relates to the integrity of M.H.

Reasons

21. Staff submits that M.H.'s proposed registration should be refused on the grounds that he is unsuitable for registration because he lacks the requisite integrity of a securities professional. In this regard, Staff's main submissions were that M.H. engaged in theft; and made numerous misrepresentations in the course of the registration application process.

<u>M.H. engaged in theft</u>

22. As discussed above, M.H. was engaged in a shoplifting incident on September 13, 2011. According to M.H., he purchased a telephone from Zellers and was detained by store security personnel when he left the store with two telephones, one of which he admitted not paying for. Police were called and M.H. was issued a notice of appearance, pursuant to which he was ordered to make a first appearance in court on October 4, 2011.

23. His explanation was that he was told by a salesperson in the store that the phones were on a two-for-one sale and that the whole incident was simply a misunderstanding. In my mind, his explanation does not have the ring of truth to it. I was particularly troubled by two points in his story. Firstly, the salesperson who supposedly told M.H. about the two-for-one sale was nowhere to be found to corroborate his story (either on the date of the incident or in the future and M.H. apparently made no independent effort to track this person down in support of his claim). Secondly, M.H. claimed he intended to buy two phones for the price of one yet he presented only one phone to the Zellers cashier. If he believed the phones were indeed part of a two for one sale why would he not present both phones to the cashier? He had no credible explanation for this.

24. I do agree with M.H. that his application for registration was accurate when he submitted it on September 29, 2011; as Staff acknowledged during the proceeding, at that point in time it does not appear that he had technically been charged with a criminal offence. Nonetheless, I find that Staff did take appropriate steps to follow up with M.H. as a result of its CPIC search indicating that M.H. was involved in a theft incident on September 13, 2011.

M.H. made misrepresentations

25. Staff also submits that M.H.'s proposed registration should be refused on the grounds that in the course of the registration application process he made numerous misrepresentations to his sponsoring firm and to OSC staff, particularly that:

    i Despite signing the DAP Consent stating that he took responsibility for his actions giving rise to the theft charge, he later denied the conduct to Staff;

    ii He informed his employer that the OSC was not responding to him in relation to his application for registration, when in fact Staff had been in regular contact with him; and

    iii In response to Staff enquiries about his sponsoring firm's views about the DAP Consent, he misinformed Staff with respect to nature of his meetings with his sponsoring firm.

26. In my view, Staff was justifiably concerned with M.H.'s conduct relating to the above. In response to a request by Staff for an explanation about the theft incident, on October 7, 2011 M.H. faxed a note to Staff, stating: "The charge was wrong. I did not shoplifting (sic). I was accused shoplifting. This is why I have to go to court to explain to the judge … and fight for my right and the charge had been dropped." As it turns out, this response was patently false. M.H. did go to court on October 4, 2011, but court transcripts from this session submitted by Staff make it plain that M.H. did not 'fight for his right' as he claimed to Staff or say even one word in court to indicate that he believed the theft under charge was 'wrong'. He did not convince the court to drop the charge, per his note to Staff. His only action in court on October 7, 2011 was to consent to enter the DAP program.

27. M.H. would have me believe that each of the above examples was simply a product of misunderstanding between him and Staff. I find this explanation difficult to accept. In my view, seen in the best possible light, M.H. cut corners with the truth in his representations to both Staff and his sponsoring firm. Why he did this is open to speculation, but from my perspective it was done to keep his sponsoring firm in the dark about Staff's integrity concerns, while he tried to cajole Staff into recommending that his registration be issued in the face of Staff's questions surrounding the theft incident.

Conclusion

28. Even if I give M.H. the benefit of the doubt with respect to whether he intentionally made the misrepresentations discussed above, I can not overlook the biggest blow to his integrity in this proceeding – the theft incident. By virtue of completing the DAP program, which included taking responsibility for his action and making a $200 donation, M.H. does not have a criminal record. The test for registration is, however, whether M.H. possesses the requisite integrity and high standards demanded of a securities professional licensed to deal with the investing public. M.H. signed the DAP Consent and in so doing he acknowledged his responsibility for the theft and his bad judgement in the matter. The evidence presented also confirms that he spoke to duty counsel. It is clear to me that he understood what he was doing (and if he did not, I would question whether he possesses the requisite level of proficiency and competency to be licensed as a dealing representative).

29. In order to effectively protect members of the investing public from future harm, it is necessary for securities regulators to be aggressive and vigilant gatekeepers. Part of this work necessarily entails ensuring, to the extent possible, that as a precondition to receiving the privilege of working with the investing public, an applicant has met the high standard of integrity necessary to work in the Ontario capital market. Based on the information that was presented to me in this proceeding, I find that M.H. has not met this standard. Accordingly, it is my decision that his registration be refused.

"Erez Blumberger", LL.B.
Deputy Director
Compliance and Registrant Regulation Branch
Ontario Securities Commission

January 5, 2012

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

THERE ARE NO ITEMS FOR THIS WEEK.

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
Pacrim International Capital Inc.	30 Dec 11	11 Jan 12	11 Jan 12		

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
Pacrim International Capital Inc.	30 Dec 11	11 Jan 12	11 Jan 12		

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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
12/16/2011	1	1650702 Ontario Inc. - Units	605,967.00	605,967.00
12/15/2011	1	2278419 Ontario Inc. - Common Shares	500.00	10,000.00
12/15/2011	1	6Harmonics Inc. - Common Shares	750,000.00	1,446,927.00
12/16/2011	3	Algoma Power Inc. - Notes	52,000,000.00	3.00
11/29/2011	2	Alpaca Resources Inc. - Units	100,250.00	802,000.00
12/20/2011	35	Atacama Minerals Corp. - Receipts	60,000,000.00	50,000,000.00
12/12/2011	1	Atlas VI Capital Limited - Note	4,623,750.00	1.00
12/15/2011	1	A.M. Castle & Co. - Note	1,550,550.00	1.00
12/15/2011	17	Bard Ventures Ltd. - Flow-Through Shares	187,300.00	3,446,667.00
12/16/2011	1	Bending Lake Iron Group Limited - Common Shares	50,000.00	25,000.00
12/16/2011	45	Bentley Oil & Gas Ltd. - Common Shares	3,154,946.70	2,251,641.00
12/13/2011	2	Big North Capital Inc. - Common Shares	54,600.00	546,000.00
12/13/2011	38	Big North Capital Inc. - Units	882,500.00	8,825,000.00
12/22/2011	23	Birchwood Resources Inc. - Common Shares	1,218,500.00	1,218,500.00
12/14/2011	41	Blackbird Energy Inc. - Common Shares	861,500.00	4,182,000.00
12/13/2011	3	BR Capital Limited Partnership - Limited Partnership Units	765,000.00	148.00
12/23/2011	3	Bravo Gold Corp. - Flow-Through Shares	750,000.00	10,714,285.00
12/12/2011	15	Britanica Resources Corp. - Common Shares	800,020.00	4,000,000.00
11/24/2011 to 11/30/2011	65	Britannica Resources Corp. - Units	1,985,000.00	9,925,000.00
12/21/2011	9	Brookfield Office Properties Canada LP - Bonds	405,000,000.00	405,000.00
11/30/2011	36	Canada Bay Resources Corporation - Flow-Through Units	189,973.57	855,271.00
12/15/2011	36	Canamex Resources Corp. - Units	2,270,000.00	22,700,000.00
11/25/2011	11	Canoel International Energy Ltd. - Units	366,002.02	6,100,034.00
12/21/2011	65	Canterra Minerals Corp. - Common Shares	1,972,990.00	13,153,266.00
12/14/2011	19	Carube Resources Inc. - Common Shares	450,000.00	1,500,000.00

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
12/01/2011	2	Caxton Global Investments Limited - Common Shares	5,965,534.13	8,411.00
09/01/2011 to 09/12/2011	12	Century Mining Corporation - Flow-Through Shares	2,647,336.11	11,510,157.00
07/19/2011 to 08/16/2011	2	Century Mining Corporation - Units	1,065,000.00	4,260,000.00
12/21/2011	1	CFI Trust - Note	10,000,000.00	1.00
12/19/2011	3	Cheniere Energy, Inc. - Common Shares	5,775,000.00	700,000.00
12/02/2011	33	Clear Energy Systems, Inc. - Units	4,274,275.70	5,601,567.00
12/13/2011	1	Clearwire Corporation - Common Shares	824,000.00	400,000.00
12/13/2011	10	Cline Mining Corporation - Common Shares	7,875,000.00	4,500,000.00
12/01/2011	43	Closing Time Limited Partnership - Units	35,450,000.00	35,450.00
12/13/2011 to 12/19/2011	49	Cobalt Coal Ltd. - Common Shares	3,704,287.56	30,869,063.00
12/12/2011 to 12/14/2011	4	Colwood City Centre Limited Partnership - Notes	350,000.00	350,000.00
11/17/2011	1	Compass Re Ltd. - Notes	3,067,800.00	N/A
12/09/2011	20	Contact Exploration Inc. - Common Shares	1,010,672.00	7,774,400.00
12/16/2011	1	Conundrum Residential Property Income Fund III - Limited Partnership Interest	15,000,000.00	15,000,000.00
12/15/2011	1	Copper One Inc. - Common Shares	0.00	2,000,000.00
12/14/2011	1	Cynapsus Therapeutics Inc. - Common Shares	27,000.00	540,000.00
12/14/2011	2	Cynapsus Therapeutics Inc. - Debentures	108,000.00	3.00
12/21/2011	3	Cyrium Technologies Incorporated - Debentures	399,999.99	3.00
12/23/2011	40	Decade Resources Ltd. - Units	1,350,000.00	13,500,000.00
12/22/2011 to 12/29/2011	97	Donnycreek Energy Inc. - Common Shares	5,435,681.95	6,560,105.00
12/09/2011	1	DSF Capital Partners IV, LP - Limited Partnership Interest	25,500,000.00	1.00
12/15/2011	75	East Asia Minerals Corporation - Units	12,545,000.00	25,090,000.00
12/15/2011	19	East Asia Minerals Corporation - Warrants	0.00	3,450,000.00
12/19/2011	36	Ecuador Capital Corp. - Units	1,513,100.00	3,362,445.00
12/08/2011	1	Eloro Resources Ltd. - Units	950,000.00	3,080,580.00
02/17/2010	7	EMC Metals Corp. - Units	455,000.00	2,275,000.00
12/07/2011	39	EquiGenesis 2011 Preferred Investment LP - Units	23,771,880.00	667.00

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
12/05/2011	1	Exact Sciences Corporation - Common Shares	811,280.00	100,000.00
11/04/2011 to 11/11/2011	1	Fallbrook Technologies Inc. - Notes	20,360.00	N/A
12/16/2011	11	Fancamp Exploration Ltd. - Units	1,121,550.78	2,702,532.00
12/09/2011	8	Fieldex Exploration Inc. - Common Shares	635,875.00	2,543,500.00
12/21/2011	15	Firestone Ventures Inc. - Units	472,000.00	9,440,000.00
11/17/2011	77	Fission Energy Corp. - Flow-Through Shares	10,030,000.00	11,800,000.00
12/09/2011	4	Fleet Leasing Receivables Trust - Notes	446,372,320.18	3.00
12/19/2011	1	Ford Auto Lease Trust - Note	527,564,774.50	1.00
12/16/2011	35	Forent Energy Ltd. - Flow-Through Shares	1,867,245.94	13,337,471.00
12/15/2011	9	Galore Resources Inc. - Flow-Through Shares	404,900.10	2,699,334.00
10/01/2010 to 09/30/2011	2	GE Institutional International Equity Fund Investment Class - Units	5,728,323.60	511,499.34
12/14/2011	5	Gemoscan Canada, Inc. - Common Shares	142,999.85	408,571.00
12/16/2011	33	Glen Eagle Resources Inc. - Flow-Through Shares	1,857,675.00	6,718,500.00
12/05/2011	1	Golden State Re Ltd. - Notes	8,112,800.00	8,000.00
10/07/2011	7	Greenscape Capital Group Inc. - Common Shares	1,002,240.00	6,074,182.00
11/03/2011	10	Groupon, Inc. - Common Shares	11,200,462.00	35,000,000.00
12/22/2011	2	Guinea Iron Limited - Units	60,000.00	300,000.00
08/08/2011	2	Guyana Frontier Mining Corp. (Formerly Shoreham Resources Ltd.) - Common Shares	42,000.00	200,000.00
07/04/2011 to 10/07/2011	3	Hillsdale Global Long/Short Equity Fund - Units	116,600.00	12,682.61
12/23/2010 to 11/08/2011	20	Hillsdale US Performance Equity Fund - Units	7,604,858.96	211,174.47
06/30/2011	1	HRG Healthcare Resource Group Inc. - Common Shares	5,000.00	5,000.00
03/01/2011	1	Hunter Global Investors Offshore Fund Ltd. - Common Shares	48,715,000.00	50,000.00
12/15/2011	2	IGW Diversified Redevelopment Fund Limited Partnership - Units	40,000.00	50,000.00
12/12/2011 to 12/16/2011	10	IGW Real Estate Investment Trust - Units	368,000.00	368,000.00
12/08/2011	1	India Equity Partners Fund II, LLC - Capital Commitment	510,000.00	510,000.00
12/15/2011	49	Integra Gold Corp. - Units	5,750,000.00	11,875,000.00

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
12/15/2011	3	Invenio Resources Corp. - Common Shares	113,250.00	525,000.00
12/22/2011	2	Ironstone Resources Ltd. - Debt	55,600.00	37,067.00
12/22/2011	12	Ironstone Resources Ltd. - Flow-Through Shares	373,000.00	233,125.00
12/22/2011	17	Ironstone Resources Ltd. - Units	373,650.00	249,100.00
12/08/2011	1	Ivernia Inc. - Common Shares	5,896,450.00	69,370,000.00
12/16/2011	14	Jive Software, Inc. - Common Shares	15,470,787.00	329,500.00
11/14/2011	1	JPMorgan AIRRO India Sidecar Fund Cayman, L.P. - Limited Partnership Interest	10,178,000.00	10,178,000.00
12/13/2011	2	Kennedy Road Hospitality - Units	403,010.48	403,010.48
12/16/2011	1	Ki Exploration Inc. - Flow-Through Shares	809,499.00	539,666.00
12/16/2011	33	Ki Exploration Inc. - Units	838,245.90	504,864.00
12/02/2011	10	Knight Metals Ltd. - Common Shares	2,400,000.00	16,000,000.00
12/02/2011	85	Knight Metals Ltd. - Receipts	3,011,989.05	20,079,930.00
12/20/2011	1	Laredo Petroleum Holdings, Inc. - Common Shares	14,429,250.00	825,000.00
12/19/2011	21	Liberty Silver Corp. - Units	1,313,750.00	2,627,500.00
12/16/2011	11	Lloyds TSB Bank plc - Notes	387,324,000.00	387.32
11/18/2011	1	Logan Copper Inc - Flow-Through Units	151,250.00	2,750,000.00
11/18/2011	5	Logan Copper Inc - Non-Flow Through Units	497,500.00	9,950,000.00
12/08/2011	122	Lumina Copper Corp. - Common Shares	15,000,000.00	1,500,000.00
12/15/2011	2	Mag Copper Limited - Flow-Through Units	1,000,000.00	5,882,353.00
12/15/2011	18	Maintenance Assistant Inc. - Common Shares	840,797.00	3,884,039.00
12/08/2011 to 12/15/2011	9	Manicouagan Minerals Inc. - Units	334,010.00	5,293,000.00
12/01/2011 to 12/13/2011	7	McLaren Resources Inc. - Units	850,000.00	3,000,000.00
12/12/2011 to 12/16/2011	12	Member-Partners Solar Energy Limited Partnership - Units	540,000.00	857,000.00
12/16/2011	2	Mexivada Mining Corp. - Units	700,000.00	7,000,000.00
12/20/2011	5	Michael Kors Holdings Limited - Common Shares	11,046,090.00	47,200,000.00
12/07/2011	7	Micromem Technologies Inc. - Debentures	285,000.00	7.00
12/19/2011	5	Mihealth Global Systems Inc. - Units	1,000,000.00	6,250,000.00
12/12/2011	1	Mineral Mountain Resources Ltd. - Common Shares	150,000.00	300,000.00

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
11/30/2011	9	Mitomics Inc. - Notes	1,258,000.00	9.00
11/30/2011	40	Morrison Laurier Mortgage Corporation - Preferred Shares	2,344,000.00	234,400.00
12/22/2011	3	Mountain Lake Resources Inc. - Flow-Through Units	2,000,000.58	3,447,276.00
12/19/2011	3	MOVE Trust - Notes	16,422,707.17	N/A
12/15/2011	53	New World Lenders Corp. - Bonds	5,400,354.00	576.00
12/19/2011	1	New World Mining Enterprises Inc. - Flow-Through Units	25,000.00	250,000.00
12/05/2011 to 12/14/2011	8	Newport Balanced Fund - Trust Units	88,891.83	901.00
12/05/2011 to 12/14/2011	13	Newport Canadian Equity Fund - Trust Units	347,732.84	2,662.00
12/05/2011 to 12/14/2011	2	Newport Fixed Income Fund - Trust Units	157,957.94	1,414.00
12/05/2011 to 12/14/2011	7	Newport Global Equity Fund - Trust Units	182,891.04	3,179.00
12/05/2011 to 12/14/2011	13	Newport Yield Fund - Trust Units	553,849.42	4,778.00
11/30/2011	5	Newstart Financial Inc. - Notes	690,000.00	5.00
12/14/2011	4	Nexon Co., Ltd. - Common Shares	27,987,950.00	1,615,000.00
12/14/2011	3	Nexon Co; Ltd. - Common Shares	27,726,400.00	1,600,000.00
12/20/2011	135	North Country Gold Corp. - Common Shares	12,009,600.00	13,971,791.00
12/21/2011	24	Northstar Gold Corp. - Flow-Through Units	1,090,950.00	14,613,571.00
12/06/2011	6	NWM Mining Corporation - Common Shares	3,342,000.00	41,775,000.00
10/25/2011 to 10/27/2011	8	Ocean Thermal Energy Corporation - Units	232,691.00	115,194.00
10/06/2011	8	Ocean Thermal Energy Corporation - Units	232,691.00	115,194.00
12/05/2011	1	Optima Specialty Steel, Inc. - Note	1,425,600.00	1.00
12/13/2011	39	Peak Positioning Technologies Inc. - Units	918,000.00	9,180,000.00
11/25/2011	6	Pearson International Fuel Facilities Corporation - Bonds	85,000,000.00	6.00
11/29/2011	146	Pennant Energy Inc. - Units	3,996,000.00	19,980,000.00
12/09/2011	75	Performance Energy Services Inc. - Common Shares	10,724,000.00	21,448,000.00
12/07/2011	1	Petroleos Mexicanos - Certificates	14,960,000.00	14,960.00
12/16/2011	16	Petrosands Resources (Canada) Inc. - Common Shares	999,997.22	6,060,606.00

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
11/14/2011	2	Pioneer Natural Resources Company - Units	5,887,700.00	65,000.00
12/20/2011	6	Prestigious Properties Kings Castle RRSP Inc. - Units	135,000.00	2,700.00
12/19/2011	3	ProMetic Life Sciences Inc. - Common Shares	520,000.00	4,636,363.00
12/06/2011 to 12/15/2011	33	Quantum Rare earth Developments Corp. - Units	647,849.96	4,318,999.73
12/14/2011	1	RedWater Energy Corp. - Flow-Through Shares	680,000.00	1,658,536.00
12/15/2011	1	RioCan (GTA Marketplace) Limited Partnership - Units	74,915,767.93	2,945,320.00
12/22/2011	1	ROI Capital Ltd. - Units	4,000,000.00	4,000,000.00
12/08/2011	1	RWE AG - Common Shares	22,399,428.15	52,340,499.00
12/28/2011	1	RWE AG - Common Shares	3,840,048.72	9,154,511.00
02/01/2010	8	Sable Fish Canada Inc. - Common Shares	873,244.00	4,366,220.00
12/14/2011	13	Salmon River Resources Ltd. - Common Shares	1,440,002.00	4,800,006.00
12/13/2011	2	Sarup Enterprises Incorporated - Units	654,155.00	654,155.00
12/06/2011	53	Seabridge Gold Inc. - Flow-Through Shares	27,355,000.00	1,000,000.00
12/16/2011	1	Seahold Investments Inc. - Note	20,000.00	1.00
12/21/2011	1	SGX Resources Inc. - Common Shares	27,500.00	100,000.00
12/22/2011	43	SGX Resources Inc. - Flow-Through Shares	790,966.00	3,163,864.00
12/22/2011	111	SGX Resources Inc. - Flow-Through Shares	2,500,000.00	10,000,000.00
12/15/2011	75	Skyline Apartment Real Estate Investment Trust - Trust Units	11,354,541.00	1,032,231.00
11/18/2011 to 11/21/2011	2	Smart Employee Solutions Inc. - Notes	60,000.00	60,000.00
12/12/2011 to 12/15/2011	8	Solace Systems, Inc. - Units	2,500,000.00	2,500,000.00
12/15/2011	13	Solantro Semiconductor Corp. - Preferred Shares	5,000,000.00	1,212,004.00
12/16/2011	4	Solara Exploration Ltd. - Flow-Through Shares	650,000.00	3,250,000.00
12/09/2011	1	Span-America Medical Systems, Inc. - Common Shares	1,469,897.96	100,000.00
12/09/2011	70	Spire Real Estate Limited Partnership - Units	14,910,780.00	140,667.74
12/15/2011	6	Strike Minerals Inc. - Flow-Through Units	115,200.00	1,355,294.00
12/15/2011	32	Stone 2011-WCPD Flow-Through Limited Partnership - Limited Partnership Units	1,970,000.00	78,800.00
12/15/2011	2	Strike Minerals Inc. - Units	359,750.00	5,534,615.00

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
12/19/2011	26	Sunridge Energy Corp. - Flow-Through Units	675,000.00	3,375,000.00
03/01/2011 to 09/30/2011	2	Templeton Global Summits (Cayman) Fund, Ltd. - Units	1,942,435.21	2,014.71
12/07/2011	16	The Governing Council of the University of Toronto - Debentures	100,000,000.00	100,000.00
12/09/2011	1	The Toronto United Church Council - Notes	700,000.00	700,000.00
12/28/2011	5	Tiex Inc. - Flow-Through Units	55,960.00	466,333.00
12/28/2011	8	Tiex Inc. - Units	309,800.00	3,098,000.00
12/15/2011	1	TopHatMonocle Corp. - Common Shares	14.00	383,238.00
12/15/2011	5	TopHatMonocle Corp. - Debentures	399,986.00	6.00
11/30/2011	19	TransGaming Inc. - Common Shares	1,500,000.00	3,000,000.00
12/14/2011	5	TriWest Capital Partners IV (US), L.P. - Limited Partnership Interest	37,950,000.00	5.00
12/14/2011	16	TriWest Capital Partners IV, L.P. - Limited Partnership Interest	65,750,000.00	16.00
12/05/2011 to 12/09/2011	29	UBS AG, Jersey Branch - Certificates	8,549,966.96	29.00
11/14/2011	9	Undur Tolgoi Minerals Inc. - Common Shares	401,000.00	5,124,965.00
12/06/2011	1	Urbana Corporation - Common Shares	200,000.00	200,000.00
12/01/2011	1	Valinor Capital Partners Offshore, Ltd. - Common Shares	1,070,304.80	1,052.00
12/23/2011	16	Vantex Resources Ltd. - Units	482,000.00	482.00
11/30/2011	50	Vertex Fund - Trust Units	3,195,755.03	95,036.14
12/16/2011	9	Villabar Belmont At Duck Creek Limited Partnership - Limited Partnership Units	1,460,618.10	9.00
12/16/2011	22	Walton Canadian Land 1 Development Investment Corporation - Common Shares	412,340.00	43,404.20
12/22/2011	42	Walton Canadian Land 1 Development Investment Corporation - Common Shares	1,072,837.00	112,930.20
12/16/2011	33	Walton Canadian Land Development LP 1 - Units	2,632,340.00	277,088.42
12/22/2011	98	Walton Canadian Land Development LP 1 - Units	4,698,337.00	494,561.78
12/09/2011	14	Walton Fletcher Mills Investment Corporation - Common Shares	554,910.00	55,491.00
12/22/2011	12	Walton Fletcher Mills Investment Corporation - Common Shares	306,680.00	30,668.00
12/09/2011	11	Walton Fletcher Mills LP - Units	1,094,910.00	109,491.00
12/22/2011	13	Walton Fletcher Mills LP - Units	707,680.00	70,768.00

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
12/09/2011	11	Walton GA Crossroads Corporation LP - Units	1,546,677.00	153,000.00
12/22/2011	27	Walton GA Crossroads Investment Corporation - Common Shares	526,750.00	52,675.00
12/09/2011	56	Walton GA Crossroads Investment Corporation - Units	1,324,070.00	132,407.00
12/16/2011	8	Walton GA Crossroads LP - Units	684,076.03	66,025.00
12/22/2011	11	Walton GA Crossroads LP - Units	739,463.93	71,205.00
12/22/2011	31	Walton Income 4 Corporation - Notes	2,311,000.00	4,622.00
12/16/2011	5	Walton MD Gardner Heights Investment Corporation - Common Shares	156,690.00	15,669.00
12/16/2011	14	Walton MD Gardner Heights Investment Corporation - Common Shares	523,970.00	52,397.00
12/16/2011	12	Walton MD Gardner Ridge LP - Units	872,095.73	84,171.00
12/16/2011	23	Wilcox Energy Corp. - Common Shares	1,527,042.25	2,111,239.00
12/15/2011 to 12/16/2011	22	WIP Investment Limited Partnership - Units	8,109,100.00	81,091.00
12/01/2011	4	York Investment Limited - Common Shares	31,844,620.00	31,844,620.00
12/21/2011	2	Zynga Inc. - Common Shares	109,074.00	10,600.00

Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
Brookfield Office Properties Canada
Principal Regulator - Ontario
Type and Date:
Preliminary Base Shelf Prospectus dated January 10, 2012
NP 11-202 Receipt dated January 10, 2012
Offering Price and Description:
$750,000,000.00:
Trust Units
Debt Securities
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1847563

Issuer Name:
Guide Exploration Ltd.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated January 10, 2012
NP 11-202 Receipt dated January 10, 2012
Offering Price and Description:
$36,600,000.00 - 12,000,000 Class A Shares Price: $3.05 per Class A Share
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
National Bank Financial Inc.
Cormark Securities Inc.
BMO Nesbitt Burns Inc.
Canaccord Genuity Corp.
Peters & Co. Limited
Promoter(s):
-
Project #1847591

Issuer Name:
Horizons Diversified Commodity Yield ETF
Horizons Crude Oil Yield ETF
Horizons Gold Yield ETF
Horizons Natural Gas Yield ETF
Horizons Silver Yield ETF
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated January 4, 2012
NP 11-202 Receipt dated January 6, 2012
Offering Price and Description:
Class E and Advisor Class Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
ALPHAPRO MANAGEMENT INC.
Project #1846659

Issuer Name:
Sea Dragon Energy Inc.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated January 6, 2012
NP 11-202 Receipt dated January 6, 2012
Offering Price and Description:
$75,000,000.00 - * Subscription Receipts* each Subscription Receipt representing the right to receive one Common Share Price: $ * per Subscription Receipt
Underwriter(s) or Distributor(s):
FIRSTENERGY CAPITAL CORP.
GMP SECURITIES L.P.
DUNDEE SECURITIES LTD.
MAISON PLACEMENTS CANADA INC.
RAYMOND JAMES LTD.
SALMAN PARTNERS INC.
STIFEL NICOLAUS CANADA INC.
Promoter(s):
-
Project #1846918

Issuer Name:
SOLUTIONS4CO2 INC.
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated January 6, 2012
NP 11-202 Receipt dated January 9, 2012
Offering Price and Description:
* TRANCHE 3 SPECIAL WARRANTS,
7,580,000 COMMON SHARES ISSUABLE ON THE EXERCISE OF
7,580,000 TRANCHE 1 SPECIAL WARRANTS,
3,075,000 COMMON SHARES ISSUABLE ON THE EXERCISE OF
3,075,000 TRANCHE 2 SPECIAL WARRANTS AND
297,550 COMMON SHARES ISSUABLE ON THE EXERCISE OF
297,550 AGENT'S SPECIAL WARRANTS
Price: $0.20 per Special Warrant
Underwriter(s) or Distributor(s):
MACQUARIE PRIVATE WEALTH INC.
Promoter(s):
Samuel Kanes
Douglas Kemp-Welch
Project #1846894

Issuer Name:
WhiteKnight Acquisitions II Inc.
Type and Date:
Preliminary CPC Prospectus dated January 9, 2012
Receipted on January 9, 2012
Offering Price and Description:
Minimum of $300,000.00 - 1,500,000 Common Shares;
Maximum of $400,000.00 - 2,000,000 Common Shares
Price: $0.20 per Common Share
Underwriter(s) or Distributor(s):
Canaccord Genuity Corp.
Promoter(s):
David Mitchell
Project #1847134

Issuer Name:
Brookfield Office Properties Inc.
Principal Regulator - Ontario
Type and Date:
Final Base Shelf Prospectus dated January 3, 2012
NP 11-202 Receipt dated January 4, 2012
Offering Price and Description:
US$1,000,000,000.00:
Class AAA Preference Shares
Common Shares
Debt Securities
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1842206

Issuer Name:
Series A units, Series T6 units, Series T8 units and Series I units (unless otherwise indicated) of:
Empire Life Emblem Conservative Portfolio (not available in Series T8 units)
Empire Life Emblem Balanced Portfolio
Empire Life Emblem Moderate Growth Portfolio
Empire Life Emblem Growth Portfolio
Empire Life Emblem Aggressive Growth Portfolio
Empire Life Small Cap Equity Mutual Fund
Empire Life Canadian Equity Mutual Fund
Empire Life Dividend Growth Mutual Fund
Empire Life Monthly Income Mutual Fund
Empire Life Money Market Mutual Fund (not available in Series T6 units or Series T8 units)
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated January 4, 2012
NP 11-202 Receipt dated January 5, 2012
Offering Price and Description:
Series A units, Series T6 units, Series T8 units and Series I units @ Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
EMPIRE LIFE INVESTMENTS INC.
Project #1819734

Issuer Name:
Exemplar Global Infrastructure Fund
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated December 15, 2011 to the Simplified Prospectus and Annual Information Form dated August 24, 2011
NP 11-202 Receipt dated January 6, 2012
Offering Price and Description:
Series A, F and I Units @ Net Asset Value
Underwriter(s) or Distributor(s):
Blumont Capital Corporation
Promoter(s):
Blumont Capital Corporation
Project #1775304

Issuer Name:
Series LB, Series LM, Series LP and/or Series LX Securities (as indicated below) of:
Mackenzie Sentinel Cash Management Fund (only offers Series LB securities)
Mackenzie Sentinel Money Market Fund (only offers Series LP securities)
Mackenzie Sentinel Canadian Short-Term Yield Class* (only offers Series LB securities)
Mackenzie Sentinel Short-Term Income Fund (only offers Series LB securities)
Symmetry Registered Fixed Income Fund (only offers Series LB securities)
Symmetry Fixed Income Class* (only offers Series LB securities)
Mackenzie Sentinel Bond Fund (only offers Series LB securities)
Mackenzie Sentinel Corporate Bond Fund (only offers Series LB securities)
Mackenzie Sentinel Real Return Bond Fund (only offers Series LB securities)
Mackenzie Sentinel Income Fund (only offers Series LB securities)
Mackenzie Sentinel Registered Strategic Income Fund (only offers Series LX securities)
Mackenzie Sentinel Strategic Income Class* (offers Series LB and LX securities)
Mackenzie Saxon Balanced Class* (offers Series LB and LX securities)
Symmetry One Registered Ultra Conservative Portfolio Fund (offers Series LB and LM securities)
Symmetry One Ultra Conservative Portfolio Class* (offers Series LB, LM and LX securities)
Symmetry One Registered Conservative Portfolio Fund (offers Series LB and LM securities)
Symmetry One Conservative Portfolio Class* (offers Series LB, LM and LX securities)
Symmetry One Registered Balanced Portfolio Fund (offers Series LB and LM securities)
Symmetry One Balanced Portfolio Class* (offers Series LB, LM and LX securities)
Symmetry One Registered Moderate Growth Portfolio Fund (offers Series LB and LM securities)
Symmetry One Moderate Growth Portfolio Class* (offers Series LB and LM securities)
Symmetry One Registered Growth Portfolio Fund (offers Series LB and LM securities)
Symmetry One Growth Portfolio Class* (offers Series LB and LM securities)
Mackenzie Ivy Canadian Fund (only offers Series LB securities)
Mackenzie Universal American Growth Class (unhedged class)* (only offers Series LB securities)
Mackenzie Maxxum All-Canadian Equity Class* (only offers Series LB securities)
Symmetry Equity Class* (only offers Series LB securities)
Mackenzie Universal Global Growth Class* (only offers Series LB securities)
Mackenzie Saxon Dividend Income Class* (offers Series LB and LX securities)
Mackenzie Saxon Stock Class* (only offers Series LB securities)
Mackenzie Saxon Small Cap Class* (only offers Series LB securities)
Mackenzie Founders Global Equity Class* (only offers Series LB securities)
Mackenzie Universal Canadian Resource Fund (only offers Series LB securities)
Mackenzie Cundill Recovery Fund (only offers Series LB securities)
*(Classes of Mackenzie Financial Capital Corporation)
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated December 30, 2011
NP 11-202 Receipt dated January 5, 2012
Offering Price and Description:
Series LB, Series LM, Series LP and/or Series LX securities @ Net Asset Value
Underwriter(s) or Distributor(s):
LBC Financial Services Inc.
Promoter(s):
Mackenzie Financial Corporation
Project #1825561

Issuer Name:
Class A Units, Class C Units, Class D Units, Class F Units and Class O Units of:
McLean Budden Balanced Growth Fund
McLean Budden Balanced Value Fund
McLean Budden Canadian Equity Growth Fund
McLean Budden Canadian Equity Fund
McLean Budden Canadian Equity Value Fund
McLean Budden Dividend Income Fund
McLean Budden American Equity Fund
McLean Budden Global Equity Fund
McLean Budden International Equity Fund
McLean Budden Fixed Income Fund
McLean Budden Real Return Bond Fund
McLean Budden Global Bond Fund
McLean Budden Money Market Fund
Class A Units, Class F Units, Class O Units and Class VMD Units of:
McLean Budden LifePlan® 2020 Fund
McLean Budden LifePlan® 2030 Fund
McLean Budden LifePlan® Retirement Fund
Principal Regulator - Ontario
Type and Date:
Amendment #2 dated December 15, 2011 to the Simplified Prospectuses and Annual Information Form dated April 4, 2011
NP 11-202 Receipt dated January 9, 2012
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
McLean Budden Limited
Project #1700830

Issuer Name:
NovaGold Resources Inc.
Principal Regulator - British Columbia
Type and Date:
Final Base Shelf Prospectus dated January 5, 2012
NP 11-202 Receipt dated January 6, 2012
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:
PowerShares Senior Loan (CAD Hedged) Index ETF
PowerShares S&P 500 Low Volatility (CAD Hedged) Index ETF
PowerShares FTSE RAFI Canadian Fundamental Index ETF
PowerShares FTSE RAFI US Fundamental (CAD Hedged) Index ETF
PowerShares FTSE RAFI Emerging Markets Fundamental Index ETF
(Units)
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated January 9, 2012
NP 11-202 Receipt dated January 10, 2012
Offering Price and Description:
Mutual fund units @ net asset value
Underwriter(s) or Distributor(s):
-
Promoter(s):
INVESCO CANADA LTD.
Project #1823582

Issuer Name:
Russell Fixed Income Pool (Series A, B, E, F and O units)
Russell Core Plus Fixed Income Pool (Series A, B, E, F and O units)
Russell Canadian Dividend Pool (Series A, B, E, F and O units)
Russell Canadian Equity Pool (Series A, B, E, F and O units)
Russell Smaller Companies Pool (Series A, B, E, F and O units)
Russell US Equity Pool (Series A, B, E, F and O units)
Russell Overseas Equity Pool (Series A, B, E, F and O units)
Russell Global Equity Pool (Series A, B, E, F and O units)
Russell Emerging Markets Equity Pool (Series A, B, E, F and O units)
Russell Money Market Pool (Series A, B, E, F and O units)
Russell Income Essentials Portfolio (formerly Russell Retirement Essentials Portfolio) (Series B, E, E-5, E-6, E-7, F, F-5, F-6, F-7, I-5, I-6, I-7 and O units)
Russell Diversified Monthly Income Portfolio (Series E-5, E-7, F-5, F-7, I-5, I-7 and OS units)
Russell Enhanced Canadian Growth & Income Portfolio (Series B, E, E-5, E-6, E-7, F, F-5, F-6, F-7, I-5, I-6, I-7 and O units)
Russell Managed Yield Class (Series B, E, E-3, E-5, F, F-3, F-5, I-3, I-5, US Dollar Hedged Series B, US Dollar Hedged Series F and US Dollar Hedged Series I-5 Shares)
Principal Regulator - Ontario
Type and Date:
Amendment #2 dated December 19, 2011 to the Simplified Prospectuses and Annual Information Form dated June 29, 2011
NP 11-202 Receipt dated January 10, 2012
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Russell Investments Canada Limited
Promoter(s):
-
Project #1751755

Issuer Name:
Russell Focused US Equity Pool
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated December 19, 2011 to the Simplified Prospectus and Annual Information Form dated September 12, 2011
NP 11-202 Receipt dated January 10, 2012
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Russell Investments Canada Limited
Promoter(s):
Russell Investments Canada Limited
Project #1786250

Issuer Name:
Shoppers Drug Mart Corporation
Principal Regulator - Ontario
Type and Date:
Final Base Shelf Prospectus dated January 6, 2012
NP 11-202 Receipt dated January 9, 2012
Offering Price and Description:
Up to $1,000,000,000.00 - Medium Term Notes (unsecured) To be unconditionally guaranteed as to principal, interest and premium, if any, by each of the Guarantors (as defined herein)
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:
Renaissance Lifestyle Communities Inc.
Principal Jurisdiction - Ontario
Type and Date:
Preliminary Long Form Prospectus dated October 14, 2011
Withdrawn on January 9, 2012
Offering Price and Description:
$ * - * COMMON SHARES Price: $10.00 per Common Share
Underwriter(s) or Distributor(s):
BMO NESBITT BURNS INC.
CIBC WORLD MARKETS INC.
TD SECURITIES INC.
NATIONAL BANK FINANCIAL INC.
HSBC SECURITIES (CANADA) INC.
CANACCORD GENUITY CORP.
DESJARDINS SECURITIES INC.
GMP SECURITIES L.P.
MACQUARIE CAPITAL MARKETS CANADA LTD.
RAYMOND JAMES LTD.
Promoter(s):
SPECTRUM SENIORS HOUSING
HALLMARK PROPERTIES LTD.
Project #1811671

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Name Change	From: Simplicity Investment Group Ltd. To: Quartz Capital Group Ltd.	Exempt Market Dealer	December 30, 2011
New Registration	Empire Life Investments Inc.	Portfolio Manager and Investment Fund Manager	January 3, 2012
New Registration	Javelin Partners Inc.	Exempt Market Dealer	January 4, 2012
New Registration	Niagara Capital Partners Ltd.	Exempt Market Dealer and Investment Fund Manager	January 4, 2012
Consent to Suspension (Pending Surrender)	NCP Securities Inc.	Exempt Market Dealer	January 4, 2012
Consent to Suspension (Pending Surrender)	The Winnington Capital Group Inc.	Portfolio Manager and Exempt Market Dealer	January 4, 2012
Name Change	From: Gestion de Capital Afina / Afina Capital Management Inc. To : Afina Capital Management Inc.	Portfolio Manager, Investment Fund Manager and Exempt Market Dealer	January 6, 2012
New Registration	Hamilton Lane Advisors, L.L.C.	Exempt Market Dealer	January 6, 2012
Consent to Suspension (Pending Surrender)	Scrim Investments Inc.	Portfolio Manager	January 9, 2012
New Registration	Network Capital Management Inc.	Exempt Market Dealer	January 10, 2012

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Chapter 13

SROs, Marketplaces and Clearing Agencies

13.2 Marketplaces

13.2.1 Alpha ATS LP – Notice for Proposed Changes and Request for Feedback

Alpha ATS LP
Notice of Proposed Changes and Request for Feedback

Alpha ATS LP has announced its plans to implement the change described below in Q1 2012. It is publishing this Notice of Proposed Changes in accordance with the requirements set out in OSC Staff Notice 21-703 – *Transparency of the Operations of Stock Exchanges and Alternative Trading Systems*. Pursuant to OSC Staff Notice 21-703, Commission Staff invite market participants to provide the Commission with feedback on the proposed change.

Feedback on the proposed changes should be in writing and submitted by **February 13, 2012** to:

Market Regulation Branch
Ontario Securities commission
Suite 1903, Box 55
20 Queen Street West
Toronto, ON M5H 3S8
Fax (416) 595-8940
Email:marketregulation@osc.gov.on.ca

And to:

Randee Pavalow
Head of Operations and Legal
Alpha ATS LP
70 York Street, suite 1501
Toronto, ON M5J 1S9
Email: randee.pavalow@alphatradingsystems.ca

Feedback received will be made public on the OSC website. Upon completion of the review by OSC staff, and in the absence of any regulatory concerns, notice will be published to confirm the completion of Commission staff's review and to outline the intended implementation date of the changes.

Alpha ATS LP
NOTICE OF PROPOSED CHANGES

Alpha ATS LP has announced its plans to implement the change described below in Q1 2012. In addition, upon the effective launch of Alpha Exchange, these changes would also be applied to the Trading Policies of Alpha Exchange.

Alpha is publishing this Notice of Proposed Changes in accordance with the requirements set out in OSC Staff Notice 21-703.

Any questions regarding these changes should be addressed to Randee Pavalow, Head of Operations and Legal, Alpha ATS LP: randee.pavalow@alpha-group.ca, T: 647-259-0420

1. Amended definition of "Retail Client".

Description of Proposed Changes and Reasons for Changes

Section 1.2.2 of the Alpha Trading Policies have been amended to reflect a revised definition of 'Retail Client' for purposes of trading in the Alpha IntraSpread Facility. As part of Section 5.7.12 (3.) of the Trading Policies, SDL (Seek Dark Liquidity) orders for Alpha IntraSpread can only be entered on behalf of Retail Customers. The definition was amended to explicitly state that Retail Clients of Foreign Dealers are included as part of the Alpha Definition of 'Retail Client'. While this definition expands the current definition used by IIROC by including the retail flow of institutional customers of dealers, it is consistent with the Alpha's original intent for who can use SDL orders.

Expected Impact of the changes

The amended Trading Polices will provide subscribers' with clarity and direction on what portions of their order flow can be defined as "retail" for purposes of routing to the Alpha IntraSpread Facility. Alpha intends to apply the same monitoring procedures to the revised definition as it did prior to this amendment to its Trading Policies.

Consultations

Alpha received several requests for clarity on the definition of "retail client" from its Subscribers. For purposes of SDL order entry, Alpha used the IIROC definition of Retail Customer which is defined as "a customer of a Dealer Member that is not an institutional customer". As a result, the Alpha Definitions Section of its Trading Policies stated that Retail Customers are "defined in accordance with Rule 1 of IIROC's dealer member rules." At the time of implementation, Alpha did not consider that this definition would exclude retail customer order flow that comes in through dealers outside of Canada. Alpha received feedback from Subscribers requesting clarification on this point.

Current implementation of changes in the Canadian marketplace and any alternatives considered

Currently, other Canadian Equity Marketplaces with no pre-trade transparency (i.e. Dark Liquidity Pools) do not have restrictions regarding order entry by 'non-retail' clients. As a result, there is no benchmark with regards to how this change should be addressed and no alternatives were considered.

Chapter 25

Other Information

25.1 Approvals

25.1.1 Pursuit Financial Management Corporation – s. 213(3)(b) of the LTCA

Headnote:

Clause 213(3)(b) of the Loan and Trust Corporations Act – Application by manager, with prior track record acting as trustee, for approval to act as trustee of an existing pooled fund and future pooled funds to be established and managed by the applicant and offered pursuant to a prospectus exemption.

Statutes Cited:

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

December 23, 2011

Blakes, Cassels & Graydon LLP
600 de Maisonneuve Boulevard West, Suite 2200
Montreal, QC H3A 3J2

Attention: Eric Poole

Dear Sirs/Medames:

Re: Pursuit Financial Management Corporation (the "Applicant")

Application pursuant to clause 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario) (LTCA) for approval to act as trustee

Application No. 2011/0423

Further to your application dated May 31, 2011 (the "Application") filed on behalf of the Applicant, and based on the facts set out in the Application and the representation by the Applicant that

- the Applicant has, inadvertently, been acting as trustee of Pursuit High Income Fund (the "Fund") since it was established in 2004, without having previously obtained the required approval under the LTCA; and
- the assets of the Fund and such other funds as the Applicant may establish from time to time (the "Future Funds"), are or will be held in the custody of a trust company incorporated, and licensed or registered, under the laws of Canada or a jurisdiction, or a bank listed in Schedule I, II, or III of the *Bank Act* (Canada), or an affiliate of such bank or trust company,

the Ontario Securities Commission (the "Commission") now makes the following order:

Pursuant to the authority conferred on the Commission in clause 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario), the Commission approves the proposal that the Applicant act as trustee of the Fund and the Future Funds, the securities of which will be offered pursuant to a prospectus exemption.

Yours truly,

"Christopher Portner"
Commissioner

"Judith Robertson"
Commissioner

25.1.2 Galileo Funds Inc. – s. 213(3)(b) of the LTCA

Headnote

Clause 213(3)(b) of the Loan and Trust Corporations Act – application by manager, with prior track record acting as trustee, for approval to act as trustee of pooled funds and future pooled funds to be managed by the applicant and offered pursuant to a prospectus exemption.

Statutes Cited

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

December 30, 2011

Baldwin Anka Sennecke Halman LLP.
Suite 900, 25 Adelaide Street East
Toronto, Ontario M5C 3A1

Attention: Mati E. Pajo

Dear Sirs/Mesdames:

Re: Galileo Funds Inc. (the "Applicant")

Application pursuant to clause 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario) for approval to act as trustee

Application No. 2011/0888

Further to your application dated November 23, 2011 (the "Application") filed on behalf of the Applicant, and based on the facts. set out in the Application and the representation by the Applicant that the assets of Galileo Partners Fund, Galileo Long Fund, Galileo Grizzly Fund, Galileo Performance Plus Fund and Galileo Media Technology Fund and any other future mutual fund trusts (the "Funds") that the Applicant may establish and manage from time to time will be held in the custody of a trust company incorporated and licensed or registered under the laws of Canada or a jurisdiction, or a bank listed in Schedule I, II or III of the *Bank Act* (Canada), or an affiliate of such bank or trust company, the Ontario Securities Commission (the "Commission") makes the following order:

Pursuant to the authority conferred on the Commission in clause 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario), the Commission approves the proposal that the Applicant act as trustee of the Funds and any other future mutual fund trusts which may be established and managed by the Applicant from time to time, the securities of which will be offered pursuant to a prospectus exemption.

Yours truly,

"Edward P. Kerwin"
Commissioner

"Paulette Kennedy"
Commissioner

25.2 Exemptions

25.2.1 Laurentian Funds – Part 6 of NI 81-101 Mutual Fund Prospectus Disclosure

Headnote

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

Applicable Legislative Provisions

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

December 21, 2011

Mackenzie Financial Corporation
180 Queen Street West
Toronto, Ontario
M5V 3K1

Attention: Matthew Grant

Dear Mr. Grant:

Re: Laurentian Funds (the "Laurentian Funds")

Exemptive Relief Application under Part 6 of National Instrument 81-101 *Mutual Fund Prospectus Disclosure* (NI 81-101)

Application No. 2011/0917; SEDAR Project No. 1825561

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

This letter confirms that, based on the information and representations made in the Application, and for the purposes described in the Application, the Director intends to grant the requested exemption to be evidenced by the issuance of a receipt for the Laurentian Funds' prospectus.

Yours very truly,

"Sonny Randhawa"
Manager, Investment Funds Branch
Ontario Securities Commission

25.2.2 Mackenzie Cundhill Recovery Class – Part 6 of NI 81-101 Mutual Fund Prospectus Disclosure

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Exemption from general instruction 8 of Form 81-101F3 to include fund codes in the Fund Facts document.

Applicable Legislative Provisions

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

December 9, 2011

Mackenzie Financial Corporation
180 Queen Street West
Toronto, ON M5V 3K1

Attention: Nancy M. Mehrad

Dear Sirs/Mesdames:

Re: Mackenzie Cundhill Recovery Class (the Fund)

Exemptive Relief Application under Part 6 of National Instrument 81-101 *Mutual Fund Prospectus Disclosure* (NI 81-101)

Application No. 2011/0920; SEDAR Project No. 1819679

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

This letter confirms that, based on the information and representations made in the Application, and for the purposes described in the Application, the Director intends to grant the requested exemption to be evidenced by the issuance of a receipt for the Fund's prospectus.

Yours very truly,

"Chantal Mainville"
Acting Manager, Investment Funds Branch
Ontario Securities Commission

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