

The Ontario Securities Commission

OSC Bulletin

April 26, 2012

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

The Ontario Securities Commission

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Chapter 1

Notices / News Releases

1.1 Notices

SCHEDULED OSC HEARINGS

1.1.1 Current Proceedings Before The Ontario Securities Commission

April 27, 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
Suite 1700, Box 55
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M. -----

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

April 30, 2012

10:00 a.m.

International Strategic Investments, International Strategic Investments Inc., Somin Holdings Inc., Nazim Gillani and Ryan J. Driscoll

s. 127

C. Watson in attendance for Staff

Panel: MGC

May 1, 2012

10:00 a.m.

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: MGC/SOA

May 2, 2012

11:30 a.m.

Beryl Henderson

s. 127

S. Schumacher in attendance for Staff

Panel: JEAT

May 3, 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: JEAT

May 3, 2012	Fibretek Inc.	May 18, 2012	Majestic Supply Co. Inc., Suncastle Developments Corporation, Herbert Adams, Steve Bishop, Mary Kricfalusi, Kevin Loman and CBK Enterprises Inc.
11:00 a.m.	S. 21.7	10:00 a.m.	
	J. Waechter in attendance for Staff		s. 37, 127 and 127.1
	Panel: JEAT/MGC/JNR		D. Ferris in attendance for Staff
May 9-18 and May 23-25, 2012	Crown Hill Capital Corporation and Wayne Lawrence Pushka		Panel: EPK/PLK
10:00 a.m.	s. 127		
	A. Perschy in attendance for Staff	May 28-29, May 31 – June 1, June 8, June 20 and June 22, 2012	Juniper Fund Management Corporation, Juniper Income Fund, Juniper Equity Growth Fund and Roy Brown (a.k.a. Roy Brown-Rodrigues)
	Panel: JEAT/CP/JNR		
May 15, 2012	Frank Andrew Devcich and Gobinder Kular Singh	10:00 a.m.	s. 127 and 127.1
10:00 a.m.	s. 127	May 30, 2012	D. Ferris in attendance for Staff
	J. Feasby in attendance for Staff	9:00 a.m.	Panel: VK/MCH
	Panel: EPK	May 29 – June 1, 2012	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”
May 15, 2012	Nicholas David Reeves	10:00 a.m.	s. 127
11:00 a.m.	s. 127		B. Shulman in attendance for Staff
	J. Feasby in attendance for Staff		Panel: TBA
	Panel: TBA		
May 16-18, May 23-25, June 4 and June 6, 2012	Nest Acquisitions and Mergers, IMG International Inc., Caroline Myriam Frayssignes, David Pelcowitz, Michael Smith, and Robert Patrick Zuk	June 4, 2012	Morgan Dragon Development Corp., John Cheong (aka Kim Meng Cheong), Herman Tse, Devon Ricketts and Mark Griffiths
10:00 a.m.	s. 37, 127 and 127.1	9:30 a.m.	s. 127
	C. Price in attendance for Staff		J. Feasby in attendance for Staff
	Panel: JDC/MCH		Panel: EPK
		June 4, June 6-18, and June 20-26, 2012	Peter Sbaraglia
		10:00 a.m.	s. 127
			J. Lynch in attendance for Staff
			Panel: CP

June 7, 2012 11:30 a.m.	Systematech Solutions Inc., April Vuong and Hao Quach s. 127 J. Feasby in attendance for Staff Panel: TBA	July 5, 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: MGC
June 11, 2012 9:00 a.m.	Global Consulting and Financial Services, Crown Capital Management Corporation, Canadian Private Audit Service, Executive Asset Management, Michael Chomica, Peter Siklos (Also Known As Peter Kuti), Jan Chomica, and Lorne Banks s. 127 H. Craig/C. Rossi in attendance for Staff Panel: CP	July 12, 2012 10:00 a.m.	Sino-Forest Corporation, Allen Chan, Albert Ip, Alfred C.T. Hung, George Ho and Simon Yeung s. 127 H. Craig in attendance for Staff Panel: MGC
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	July 18, 2012 10:30 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
June 21, 2012 10:00 a.m.	M P Global Financial Ltd., and Joe Feng Deng s. 127 (1) M. Britton in attendance for Staff Panel: MCH	August 1, 2012 10:00 a.m.	Marlon Gary Hibbert, Ashanti Corporate Services Inc., Dominion International Resource Management Inc., Kabash Resource Management, Power to Create Wealth Inc. and Power to Create Wealth Inc. (Panama) s. 127 J. Lynch/S. Chandra in attendance for Staff Panel: JDC
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		

August 7-13,
August 15-16
and August 21,
2012

10:00 a.m.

**Irwin Boock, Stanton Defreitas,
Jason Wong, Saudia Allie, Alena
Dubinsky, Alex Khodjaiaants
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

D. Campbell in attendance for Staff

Panel: VK

September
4-10,
September
12-14,
September
19-24, and
September 26 –
October 5, 2012

**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

10:00 a.m.

Panel: TBA

September
5-10,
September
12-14 and
September
19-21, 2012

Vincent Ciccone and Medra Corp.

s. 127

M. Vaillancourt in attendance for
Staff

10:00 a.m.

Panel: TBA

September 21,
2012

**Oversea Chinese Fund Limited
Partnership, Weizhen Tang and
Associates Inc., Weizhen Tang
Corp., and Weizhen Tang**

10:00 a.m.

s. 127 and 127.1

H. Craig in attendance for Staff

Panel: TBA

September 24,
September 26 –
October 5 and
October 10-19,
2012

10:00 a.m.

**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

October 19,
2012

10:00 a.m.

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

s. 127

C. Watson in attendance for Staff

Panel: PLK

October 22 and
October 24 –
November 5,
2012

10:00 a.m.

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

s. 37, 127 and 127.1

C. Rossi in attendance for staff

Panel: TBA

October 31 –
November 5,
November 7-9,
December 3,
December 5-17
and December
19, 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: TBA

November 5, 2012	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.	TBA	Yama Abdullah Yaqeen
10:00 a.m.			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		s. 127
	B. Shulman in attendance for Staff		J. Waechter in attendance for Staff
	Panel: TBA	TBA	Frank Dunn, Douglas Beatty, Michael Gollogly
			s. 127
November 12-19 and November 21, 2012	Sandy Winick, Andrea Lee Mccarthy, Kolt Curry, Laura Mateyak, Gregory J. Curry, American Heritage Stock Transfer Inc., American Heritage Stock Transfer, Inc., BFM Industries Inc., Liquid Gold International Inc., and Nanotech Industries Inc.		K. Daniels in attendance for Staff
10:00 a.m.			Panel: TBA
	s. 127	TBA	MRS Sciences Inc. (formerly Morningside Capital Corp.), Americo DeRosa, Ronald Sherman, Edward Emmons and Ivan Cavric
	J. Feasby in attendance for Staff		s. 127 and 127(1)
	Panel: TBA		D. Ferris in attendance for Staff
November 21 – December 3 and December 5-14, 2012	Bernard Boily		Panel: TBA
	s. 127 and 127.1		
10:00 a.m.	M. Vaillancourt/U. Sheikh in attendance for Staff	TBA	Gold-Quest International, 1725587 Ontario Inc. carrying on business as Health and Harmony, Harmony Club Inc., Donald Iain Buchanan, Lisa Buchanan and Sandra Gale
	Panel: TBA		
January 7 – February 5, 2013	Jowdat Waheed and Bruce Walter		s. 127
	s. 127		H. Craig in attendance for Staff
10:00 a.m.	J. Lynch in attendance for Staff		Panel: TBA
	Panel: TBA		

TBA	Shane Suman and Monie Rahman s. 127 and 127(1) C. Price 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	Gold-Quest International, Health and Harmoney, Iain Buchanan and Lisa Buchanan s. 127 H. Craig in attendance for Staff Panel: TBA	TBA	Paul Donald s. 127 C. Price in attendance for Staff Panel: TBA
TBA	Brilliant 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	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	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	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	<p>FactorCorp Inc., FactorCorp Financial Inc. and Mark Twerdun</p> <p>s. 127</p> <p>C. Price in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p>Simply Wealth Financial Group Inc., Naida Allarde, Bernardo Giangrosso, K&S Global Wealth Creative Strategies Inc., Kevin Persaud, Maxine Lobban and Wayne Lobban</p> <p>s. 127 and 127.1</p> <p>C. Johnson in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p>2196768 Ontario Ltd carrying on business as Rare Investments, Ramadhar Dookhie, Adil Sunderji and Evgueni Todorov</p> <p>s. 127</p> <p>D. Campbell in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p>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.</p> <p>s. 127</p> <p>M. Britton in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p>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</p> <p>s. 127</p> <p>H. Craig/C. Watson in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p>Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Ciavarella and Michael Mitton</p> <p>s. 127</p> <p>H. Craig in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p>Innovative Gifting Inc., Terence Lushington, Z2A Corp., and Christine Hewitt</p> <p>s. 127</p> <p>M. Vaillancourt in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p>David M. O'Brien</p> <p>s. 37, 127 and 127.1</p> <p>B. Shulman in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p>Richvale Resource Corp., Marvin Winick, Howard Blumenfeld, John Colonna, Pasquale Schiavone, and Shafi Khan</p> <p>s. 127(7) and 127(8)</p> <p>J. Feasby in attendance for Staff</p> <p>Panel: TBA</p>		

TBA	<p>Ground Wealth Inc., Armadillo Energy Inc., Paul Schuett, Doug DeBoer, James Linde, Susan Lawson, Michelle Dunk, Adrion Smith, Bianca Soto and Terry Reichert</p> <p>s. 127</p> <p>S. Schumacher in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p>Empire Consulting Inc. and Desmond Chambers</p> <p>s. 127</p> <p>D. Ferris in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p>Sage Investment Group, C.A.D.E Resources Group Inc., Greenstone Financial Group, Fidelity Financial Group, Antonio Carlos Neto David Oliveira, and Anne Marie Ridley</p> <p>s. 127</p> <p>C. Watson in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p>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</p> <p>s. 127</p> <p>J. Feasby in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p>Maitland Capital Ltd., Allen Grossman, Hanoeh Ulfan, Leonard Waddingham, Ron Garner, Gord Valde, Marianne Hyacinthe, Dianna Cassidy, Ron Catone, Steven Lanys, Roger McKenzie, Tom Mezinski, William Rouse and Jason Snow</p> <p>s. 127 and 127.1</p> <p>D. Ferris in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p>Shaun Gerard McErlan, Securus Capital Inc., and Acquiesce Investments</p> <p>s. 127</p> <p>M. Britton in attendance for Staff</p> <p>Panel: VK/JDC</p>
TBA	<p>Eda Marie Agueci, Dennis Wing, Santo Iacono, Josephine Raponi, Kimberley Stephany, Henry Fiorillo, Giuseppe (Joseph) Fiorini, John Serpa, Ian Telfer, Jacob Gornitzki and Pollen Services Limited</p> <p>s. 127</p> <p>J, Waechter/U. Sheikh in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p>Moncasa Capital Corporation and John Frederick Collins</p> <p>s. 127</p> <p>T. Center in attendance for Staff</p> <p>Panel: TBA</p>
		TBA	<p>Energy Syndications Inc., Green Syndications Inc. , Syndications Canada Inc., Daniel Strumos, Michael Baum and Douglas William Chaddock</p> <p>s. 127</p> <p>C. Johnson in attendance for Staff</p> <p>Panel: TBA</p>

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 **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: JEAT

TBA **Bunting & Waddington Inc.,**
Arvind Sanmugam, Julie Winget
and Jenifer Brekelmans

s. 127

S. Schumacher in attendance for
Staff

Panel: TBA

TBA **New Solutions Capital Inc., New**
Solutions Financial Corporation,
New Solutions Financial (II)
Corporation, New Solutions
Financial (III) Corporation, New
Solutions Financial (VI)
Corporation and Ron Ovenden

s. 127

S. Horgan in attendance for Staff

Panel: JEAT

TBA **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

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: CP/CWMS

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
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Ed Moore, Kim Moore, Jason Rogers and Dave
Urrutia

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

TBA **Colby Cooper Capital Inc., Colby**
Cooper Inc., Pac West Minerals
Limited, John Douglas, Lee
Mason

s. 127

B. Shulman in attendance for Staff

Panel: TBA

1.1.2 CSA Staff Notice 45-308 – Guidance for Preparing and Filing Reports of Exempt Distribution under National Instrument 45-106 Prospectus and Registration Exemptions



**Canadian Securities
Administrators**

**Autorités canadiennes
en valeurs mobilières**

CSA Staff Notice 45-308
***Guidance for Preparing and Filing Reports of Exempt Distribution under
National Instrument 45-106 Prospectus and Registration Exemptions***

April 26, 2012

Introduction and Purpose

Staff of the Canadian Securities Administrators (Staff or we) are publishing this Staff Notice (the Notice) to highlight issues identified in some reports of exempt distribution filed in Form 45-106F1 *Report of Exempt Distribution* (the F1) under National Instrument 45-106 *Prospectus and Registration Exemptions* (NI 45-106). The Notice also provides guidance to issuers, underwriters and their advisors for preparing and filing the F1.

Background

Securities legislation prohibits issuers and underwriters from distributing securities without a prospectus for which a receipt has been issued. NI 45-106 contains a number of exemptions from the prospectus requirement. Part 6 of NI 45-106 requires issuers or underwriters relying on prospectus exemptions specified in that Part to report exempt distributions, and sets out the form required to be filed and the deadlines for filing. Responsibility for compliance with NI 45-106 rests with the issuer or underwriter purporting to rely on the applicable exemption(s).

The use of a prospectus exemption under NI 45-106 is subject to regulatory oversight and monitoring. Staff may review filings required by NI 45-106 and/or an issuer's or underwriter's reliance on a prospectus exemption as a result of planned compliance-monitoring programmes, observed market activity, or following specific complaints or referrals. Identified non-compliance may result in appropriate corrective action.

Guidance and Identified Issues

Outlined below are issues we have observed when reviewing F1s filed with us. We are communicating these issues to assist issuers, underwriters and their advisors in avoiding similar deficiencies when preparing and filing the F1.

1. Failing to use the correct form

The required form for a report of exempt distribution is the F1, except in British Columbia (BC). Effective October 3, 2011, the British Columbia Securities Commission (the BCSC) introduced a new form of report of exempt distribution, Form 45-106F6 *British Columbia Report of Exempt Distribution* (the F6).¹

We have seen instances of issuers or underwriters filing the F6 outside BC. The filing of the F6 is only accepted in BC.

If a distribution occurs in BC and elsewhere, the issuer or underwriter is required to file the F6 with the BCSC² and file the F1 in the other applicable jurisdictions.

2. Failing to file the F1 on time

Part 6 of NI 45-106 requires issuers or underwriters relying on certain prospectus exemptions to file the F1 in each applicable jurisdiction where the distribution takes place. Some (but not all) of these prospectus exemptions include:

¹ In BC, the F6 generally must be filed electronically using the BCSC's E-services filing system. See BC Instrument 13-502 *Electronic filing of reports of exempt distribution*. Except in limited circumstances, the BCSC will not accept F6s delivered in paper or via other electronic means (such as a PDF attachment to an email).

² In limited cases, the BCSC will accept the F1 instead of the F6. Issuers that have distributed securities in BC should review BC Instrument 45-533 *Exemptions from Form 45-106F6 requirements* to determine if they may file the F1 in BC instead of the F6.

- the accredited investor exemption (section 2.3 of NI 45-106)
- the family, friends and business associates exemption (section 2.5 of NI 45-106)
- the offering memorandum exemption (section 2.9 of NI 45-106, the OM exemption)
- the minimum amount investment exemption (section 2.10 of NI 45-106)
- the additional investment in investment funds exemption (section 2.19 of NI 45-106)

The deadline for filing the F1 is generally 10 days after the distribution.

Investment funds have the option of filing the F1 on an annual basis, within 30 days of their financial year-end, when relying on section 2.3, 2.10 or 2.19 of NI 45-106. **This option is not available for investment funds using the OM exemption** (in jurisdictions where such exemption is available).

Staff have observed that many issuers or underwriters have filed the F1 late and, in some cases, not at all.

3. *Failing to pay the required fee*

Some issuers or underwriters have filed the F1 with an incorrect fee or with no fee. Issuers or underwriters must pay the applicable fee in each jurisdiction in which a distribution is made, when the report is filed.

4. *Failing to include a complete list of purchasers in the F1*

Some F1s filed by issuers or underwriters only identified purchasers from the jurisdiction in which the F1 was filed, even though the distribution included purchasers from other jurisdictions. If distributions are made in more than one jurisdiction, the issuer or underwriter must complete a single F1 identifying all purchasers, including purchasers that reside in the jurisdiction and those that do not, and file that report in each of the jurisdictions in which the distribution is made (see Instruction 2 of the F1).

5. *Failing to reconcile information in the F1*

Issuers or underwriters have frequently reported a different total number of securities distributed, total dollar value raised, number of purchasers and/or exemptions used in items 6 and 7 of the F1 when compared to Schedule I of the F1 (Schedule I). Information in items 5, 6, and 7 of the F1 must reconcile with the information in Schedule I (see Instruction 5 of the F1).

6. *Incorrectly identifying the number of purchasers*

Item 7 of the F1 requires the total number of purchasers in each jurisdiction to be reported. The number of purchasers refers to the number of investors and not to the number of securities each purchaser purchased.

7. *Relying on unavailable exemptions*

In certain instances, issuers distributing in more than one jurisdiction, have reported in the F1 distributions under an exemption that is not available in one of the jurisdictions. Issuers or underwriters should note that not all exemptions are available in all jurisdictions. For example, section 2.5 of NI 45-106 *Family, friends and business associates* (the 2.5 exemption) is not available in Ontario, although Ontario offers a similar exemption (section 2.7 of NI 45-106 *Founder, control person and family – Ontario*) (the 2.7 exemption).

An issuer or underwriter should indicate in Schedule I the appropriate exemption for each purchaser. This may require the issuer or underwriter to report (in Schedule I) multiple exemptions relied on for the same purchaser in circumstances where the distribution is made in more than one jurisdiction and the same exemption is not available in those jurisdictions. For example, an issuer or underwriter relying on the 2.5 exemption in Alberta and the 2.7 exemption in Ontario, for a distribution to the same purchaser, would identify both section 2.5 and section 2.7 in Schedule I as the applicable exemptions relied on for that purchaser.

8. *Failing to disclose all commissions and finder's fees*

We have observed that some issuers or underwriters are not reporting compensation paid in connection with a distribution. In some of these cases, the payment was not disclosed because it was not called a "commission" or a "finder's fee."

Item 8 of the F1 requires an issuer or underwriter to disclose compensation received or to be received by any person in connection with the distribution. Compensation includes commissions, discounts or other fees or payments of a similar nature,

which result from a distribution of securities, regardless of what the payment is called. For example, a “brokerage fee” or “finance fee” for a syndicated mortgage is compensation in connection with a distribution. Compensation does not include payments for services incidental to the distribution (such as clerical, printing, legal or accounting services).

9. Failing to provide complete information regarding convertible or exchangeable securities distributed

Item 6 of the F1 requires information regarding the security distributed. If the security is convertible or exchangeable into an underlying security, the F1 states that the issuer or underwriter must include:

- a description of the underlying security,
- the terms of conversion or exercise, and
- any expiry date.

10. Improperly reporting distributions under the minimum amount exemption

In order to rely on the prospectus exemption in section 2.10 *Minimum amount investment* of NI 45-106, the purchase price must be at least \$150,000 (among other conditions). If an issuer or underwriter relies on this exemption, it should ensure that the purchase price reported is at least that minimum amount. We also remind issuers or underwriters that it is not permitted to distribute securities under this exemption to multiple purchasers acting in concert or as a “syndicate” in order to pool individual purchases and reach the \$150,000 minimum.

11. Failing to certify the F1

We have received some reports with unsigned certificates. An issuer or underwriter must include the date and the signature of the person identified as signing the F1 in the certificate section of the F1.

Questions

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1.2 Notices of Hearing

1.2.1 Trapeze Asset Management Inc. et al. – ss. 127, 127.1

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

AND

**IN THE MATTER OF
TRAPEZE ASSET MANAGEMENT INC.,
RANDALL ABRAMSON AND
HERBERT ABRAMSON**

**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, 20 Queen Street West, 17th Floor, commencing on April 27, 2012 at 2:00 p.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 to:

- (a) approve the Settlement Agreement dated April 19, 2012 between Staff of the Commission and Trapeze Asset Management Inc., Randall Abramson and Herbert Abramson (together, the “Respondents”); and
- (b) such other order as the Commission may consider appropriate.

BY REASON OF the allegations set out in the Statement of Allegations dated April 20, 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 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 20th day of April, 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
TRAPEZE ASSET MANAGEMENT INC.,
RANDALL ABRAMSON AND
HERBERT ABRAMSON**

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

**STAFF OF THE ONTARIO SECURITIES COMMISSION
MAKE THE FOLLOWING ALLEGATIONS:**

1. Between September 30, 2006 and August 31, 2010 (the “Relevant Time”), Trapeze Asset Management Inc. (“Trapeze”) was registered under Ontario securities law as an adviser in the category of portfolio manager (previously investment counsel and portfolio manager), and as a dealer in the category of exempt market dealer (previously limited market dealer).
2. During the Relevant Time, Randall Abramson was the President and Chief Executive Officer, a director and an indirect majority shareholder of Trapeze, registered under Ontario securities law as a dealing representative and advising representative (formerly trading and advising officer), the Ultimate Designated Person (formerly Ultimate Responsible Person) and Chief Compliance Officer of Trapeze. Randall Abramson resigned as Chief Compliance Officer of Trapeze on September 7, 2011.
3. During the Relevant Time, Herbert Abramson was the Chairman and a director of Trapeze and was registered under Ontario securities law as a dealing representative and advising representative of Trapeze (formerly trading and advising officer).
4. During the Relevant Time, Trapeze, Randall Abramson and Herbert Abramson (together, the “Respondents”):
 - a. inaccurately assessed the risk associated with many of the investments purchased on behalf of clients in managed accounts;
 - b. did not give sufficient weight to sector and individual security concentration risk, price volatility risk and liquidity risk (the “Risks”), resulting in purchased securities being assessed as medium risk, with the exception of authorized short-selling which was considered high risk. Adequate consideration of the Risks would have resulted in higher than medium risk ratings being assigned to

- securities and client portfolios during the Relevant Time;
- c. managed accounts on a discretionary basis and invested the assets predominantly in securities of the same issuers in varying proportions depending on the investment mandate selected by clients;
 - d. as a result of the Respondents' misclassifications of risk of securities and their investments on behalf of virtually all clients in securities of the same issuers, the Respondents failed to ensure that investments made during the Relevant Time were suitable for all of their clients, the vast majority of whom had a medium risk tolerance;
 - e. in some cases the Respondents did not adequately ascertain clients' investment needs, investment objectives and risk tolerance prior to investing their assets;
 - f. at certain points in time during the Relevant Time, many clients experienced substantial declines in the market value for their accounts at Trapeze;
 - g. as a consequence of the Respondents' risk misclassification, statements made in marketing materials distributed to clients did not adequately present the risks of investing with the Respondents; and
 - h. thereby engaged in conduct contrary to section 1.5 of OSC Rule 31-505, sections 13.2 and 13.3 of NI 31-103, section 129.2 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended, and conduct contrary to the public interest.

DATED at Toronto this 20th day of April, 2012

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

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

AND

**IN THE MATTER OF
NEW SOLUTIONS CAPITAL INC., NEW SOLUTIONS
FINANCIAL CORPORATION, NEW SOLUTIONS
FINANCIAL (II) CORPORATION, NEW SOLUTIONS
FINANCIAL (III) CORPORATION, NEW SOLUTIONS
FINANCIAL (VI) CORPORATION AND RON OVENDEN**

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

WHEREAS on April 11, 2012, the Ontario Securities Commission (the "**Commission**") issued a temporary cease trade order pursuant to sections 127(1) and 127(5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "**Act**") that:

- (i) all trading in the securities of New Solutions Financial Corporation ("**NSFC**"), New Solutions Financial (II) Corporation ("**NSF2**"), New Solutions Financial (III) Corporation ("**NSF3**") and New Solutions Financial (VI) Corporation ("**NSF6**") shall cease immediately;
- (ii) New Solutions Capital Inc. ("**NSCI**"), NSFC, NSF2, NSF3, NSF6, their employees, representatives and Ron Ovenden shall cease trading in all securities of NSFC, NSF2, NSF3 and NSF6 immediately;
- (iii) any exemptions contained in Ontario securities law do not apply to NSCI, NSFC, NSF2, NSF3, NSF6, their employees, representatives and Ron Ovenden; and
- (iv) the order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by order of the Commission (the "**Temporary Order**").

TAKE NOTICE THAT the Commission will hold a hearing pursuant to subsections 127(7) and (8) of the Act at the offices of the Commission, 20 Queen Street West, 17th Floor, commencing on April 25, 2012 at 2:00 p.m., or as soon thereafter as the hearing can be held;

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

- 1) to extend the Temporary Order pursuant to subsections 127(7) and (8) of the Act

until the conclusion of the hearing, or until such further time as considered necessary by the Commission;

- 2) to make such further orders as the Commission considers appropriate;

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

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

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

DATED at Toronto this 18th day of April, 2012.

"John Stevenson"
Secretary to the Commission

1.4 Notices from the Office of the Secretary

1.4.1 Trapeze Asset Management Inc. et al.

FOR IMMEDIATE RELEASE
April 20, 2012

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

AND

**IN THE MATTER OF
TRAPEZE ASSET MANAGEMENT INC.,
RANDALL ABRAMSON AND
HERBERT ABRAMSON**

TORONTO – The Office of the Secretary issued a Notice of Hearing for a hearing to consider whether it is in the public interest to approve a settlement agreement entered into by Staff of the Ontario Securities Commission and Trapeze Asset Management Inc., Randall Abramson and Herbert Abramson. The hearing will be held on April 27, 2012 at 2:00 p.m. in Hearing Room A on the 17th floor of the Commission's offices located at 20 Queen Street West, Toronto.

A copy of the Notice of Hearing dated April 20, 2012 and Statement of Allegations of Staff of the Ontario Securities Commission dated April 20, 2012 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
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1.4.2 Irwin Boock et al.

**FOR IMMEDIATE RELEASE
April 20, 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 KHODJAINTS, SELECT AMERICAN
TRANSFER CO., LEASESMART, INC.,
ADVANCED GROWING SYSTEMS, INC.,
INTERNATIONAL ENERGY LTD., NUTRIONE
CORPORATION, POCKETOP CORPORATION,
ASIA TELECOM LTD., PHARM CONTROL LTD.,
CAMBRIDGE RESOURCES CORPORATION,
COMPUSHARE TRANSFER CORPORATION,
FEDERATED PURCHASER, INC., TCC INDUSTRIES,
INC., FIRST NATIONAL ENTERTAINMENT
CORPORATION, WGI HOLDINGS, INC.
AND ENERBRITE TECHNOLOGIES GROUP**

TORONTO – The Commission issued an Order in the above named matter which provides that the hearing on the merits is adjourned on a peremptory basis and shall commence on August 7, 2012 and continue on August 8, 9, 10, 13, 15, 16, and 21, 2012, with or without counsel; and that the former hearing dates of April 25, 27, May 3, 4, 7, 11, 17, 18, June 4 and 7, 2012 be vacated.

A copy of the Order dated April 16, 2012 is available at **www.osc.gov.on.ca**.

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1.4.3 Morgan Dragon Development Corp. et al.

**FOR IMMEDIATE RELEASE
April 20, 2012**

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

AND

**IN THE MATTER OF
MORGAN DRAGON DEVELOPMENT CORP.,
JOHN CHEONG (aka KIM MENG CHEONG),
HERMAN TSE, DEVON RICKETTS
AND MARK GRIFFITHS**

TORONTO – The Commission issued an Order in the above named matter which provides that this matter is adjourned to a confidential pre-hearing conference which shall take place on June 4, 2012 at 9:30 a.m.

The pre-hearing conference will be *in camera*.

A copy of the Order dated April 19, 2012 is available at **www.osc.gov.on.ca**.

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1.4.4 HEIR Home Equity Investment Rewards Inc. et al.

**FOR IMMEDIATE RELEASE
April 23, 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 this matter is adjourned to the previously scheduled confidential pre-hearing conference, to take place on September 14, 2012 at 10:00 a.m.

A copy of the Order dated April 20, 2012 is available at www.osc.gov.on.ca.

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1.4.5 Frank Andrew Devcich and Gobinder Kular Singh

**FOR IMMEDIATE RELEASE
April 23, 2012**

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

AND

**IN THE MATTER OF
FRANK ANDREW DEVCICH AND
GOBINDER KULAR SINGH**

TORONTO – The Commission issued an Order in the above named matter which provides that the hearing is adjourned to May 15, 2012, at 10:00 a.m.

A copy of the Order dated April 20, 2012 is available at www.osc.gov.on.ca.

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1.4.6 North American Financial Group Inc. et al.

FOR IMMEDIATE RELEASE
April 23, 2012

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

AND

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

TORONTO – The Commission issued an Order in the above named matter which provides that this matter is adjourned to a confidential pre-hearing conference to be held on July 5, 2012 at 10:30 a.m.

The pre-hearing conference will be *in camera*.

A copy of the Order dated April 19, 2012 is available at www.osc.gov.on.ca.

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1.4.7 Nicholas David Reeves

FOR IMMEDIATE RELEASE
April 24, 2012

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

AND

**IN THE MATTER OF
NICHOLAS DAVID REEVES**

TORONTO – The Commission issued an Order in the above named matter which provides that this matter is adjourned to a hearing which shall take place on May 15, 2012, at 11:00 a.m.

A copy of the Order dated April 23, 2012 is available at www.osc.gov.on.ca.

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1.4.8 New Solutions Capital Inc. et al.

FOR IMMEDIATE RELEASE
April 24, 2012

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

AND

**IN THE MATTER OF
NEW SOLUTIONS CAPITAL INC., NEW SOLUTIONS
FINANCIAL CORPORATION, NEW SOLUTIONS
FINANCIAL (II) CORPORATION, NEW SOLUTIONS
FINANCIAL (III) CORPORATION, NEW SOLUTIONS
FINANCIAL (VI) CORPORATION AND RON OVENDEN**

TORONTO – The Office of the Secretary issued a Notice of Hearing on April 18, 2012 setting the matter down to be heard on April 25, 2012 at 2:00 p.m. to consider whether it is in the public interest for the Commission:

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

A copy of the Notice of Hearing dated April 18, 2012 and Temporary Order dated April 11, 2012 are available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

For media inquiries:
media_inquiries@osc.gov.on.ca

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

Dylan Rae
Media Relations Specialist
416-595-8934

For investor inquiries:

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

1.4.9 David M. O'Brien

FOR IMMEDIATE RELEASE
April 24, 2012

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

AND

**IN THE MATTER OF
DAVID M. O'BRIEN**

TORONTO – The Commission issued an Order in the above named matter which provides that;

1. a confidential pre-hearing conference shall take place on July 19, 2012 at 10:00 a.m;
2. O'Brien shall deliver any materials relevant to the pre-hearing conference by Monday, July 9, 2012; and
3. the records from the July 19, 2012 confidential pre-hearing conference shall be sealed and treated as confidential pursuant to subsection 9(1) of the SPPA and Rule 8.1 and subrule 5.2(1) of the *Rules of Procedure* of the Commission.

A copy of the Order dated April 18, 2012 is available at **www.osc.gov.on.ca**.

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1.4.10 Normand Gauthier et al.

FOR IMMEDIATE RELEASE
April 24, 2012

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

AND

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

TORONTO – Take notice that the hearing in the above named matter scheduled to be heard on April 27, 2012 at 10:00 a.m. will be heard on April 27, 2012 at 11:00 a.m. in Hearing Room B.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Arkema S.A.

Headnote

Dual application for Exemptive Relief Applications – Application for relief from the prospectus and registration requirements for certain trades made in connection with an employee share offering by a French issuer – The offering involves the use of collective employee shareholding vehicles, each a fonds communs de placement d'entreprise (FCPE) – The issuer cannot rely on the employee exemption in section 2.24 of Regulation 45-106 respecting prospectus and registration exemptions as the securities are not being offered to Canadian employees directly by the issuer but rather through special purpose entities – Canadian participants will receive disclosure documents – The special purpose entities are subject to the supervision of the local securities regulator – Canadian employees will not be induced to participate in the offering by expectation of employment or continued employment – There is no market for the securities of the issuer in Canada – The number of Canadian participants and their share ownership are *de minimis* – Canadian employees will receive disclosure documents – The FCPEs are subject to the supervision of the French Autorité des marchés financiers – Relief granted, subject to conditions.

Applicable Legislative Provisions

Securities Act (Ontario), ss. 53 and 74

Regulation 45-106 Respecting Prospectus and Registration Exemptions, s. 2.24.

Regulation 31-103 Respecting Registration Requirements and Exemptions, s. 8.16.

Regulation 45-102 Respecting Resale of Securities, s. 2.14.

April 12, 2012

Translation

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
QUÉBEC AND ONTARIO
(the “Filing Jurisdictions”)

AND

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

AND

IN THE MATTER OF
Arkema S.A. (the “Filer”)

DECISION

Background

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

1. an exemption from the prospectus requirements of the Legislation (the “**Prospectus Relief**”) so that such requirements do not apply to

- (a) trades in:
 - (i) units (the “**Principal Classic Units**”) of an FCPE named Arkema Actionnariat International Mondial (the “**Principal Classic FCPE**”), which is a *fonds commun de placement d'entreprise* or “FCPE,” a form of collective shareholding vehicle commonly used in France for the conservation of shares held by employee-investors; and
 - (ii) units (together with the Principal Classic Units and Matching Units (as defined below), each and collectively, the “**Units**”) of a temporary FCPE named Arkema Actionnariat Relais International 2012 (the “**Temporary Classic FCPE**”), which will merge with the Principal Classic FCPE following completion of the Employee Share Offering (as defined below), as further described in paragraph 16 of the Representations;

made pursuant to the Employee Share Offering to or with Qualifying Employees (as defined below) resident in the Filing Jurisdictions and in the province of Newfoundland (collectively, the “**Canadian Employees**”); and

- (b) trades of ordinary shares of the Filer (the “**Shares**”) by the Principal Classic FCPE and/or the Temporary Classic FCPE to or with Canadian Participants (as defined below) upon the redemption of their Units;
2. an exemption from the dealer registration requirements of the legislation (the “**Registration Relief**”) so that such requirements do not apply to the Filer and the Canadian Affiliate (as defined below), the Temporary Classic FCPE, the Principal Classic FCPE and Amundi (the “**Management Company**”) in respect of:
- (a) trades in Units made pursuant to the Employee Share Offering to or with Canadian Employees; and
 - (b) trades in Shares of the Filer by the Temporary Classic FCPE and/or the Principal Classic FCPE to or with Canadian Participants upon the redemption of their Units;

(the Prospectus Relief and the Registration Relief being collectively referred to as the “**Offering Relief**”).

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

- (a) the Autorité des marchés financiers is the principal regulator for this application,
- (b) the Filer has provided notice that section 4.7(1) of *Regulation 11-102 respecting Passport System* (“**Regulation 11-102**”) is intended to be relied upon in Newfoundland and Labrador, and
- (c) the decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

Terms defined in *Regulation 14-101 respecting Definitions*, *Regulation 45-102 respecting resale of securities*, *Regulation 45-106 respecting Prospectus and Registration Exemptions* and *Regulation 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 formed under the laws of France. It is not, and has no current intention of becoming, a reporting issuer under the Legislation or under the securities legislation of any other jurisdiction of Canada. The head office of the Filer is located in France and the Shares are listed on Euronext Paris. The Filer is not in default under the Legislation or under the securities legislation of any other jurisdiction of Canada.
2. The Filer carries on business in Canada through Arkema Canada Inc. (the “**Canadian Affiliate**” and, collectively with the Filer and other affiliates of the Filer, the “**Arkema Group**”). The Canadian Affiliate is not in default under the Legislation or the securities legislation of any other jurisdiction of Canada.
3. The Canadian Affiliate is an indirect subsidiary of the Filer and is not, and has no current intention of becoming, a reporting issuer under the Legislation or under the securities legislation of any other jurisdiction of Canada. The majority of the senior management of the Canadian Affiliate resides in Québec and the greatest number of Qualifying Employees of the Arkema Group in Canada reside in Québec.

4. As of the date hereof and after giving effect to the Employee Share Offering, Canadian residents do not and will not beneficially own (which term, for the purposes of this paragraph, is deemed to include all Shares held by the Principal Classic FCPE and the Temporary Classic FCPE on behalf of Canadian Participants) more than 10% of the Shares and do not and will not represent in number more than 10% of the total number of holders of the Shares as shown on the books of the Filer.
5. The Filer has established a global employee share offering for employees of the Arkema Group (the “**Employee Share Offering**”). The Employee Share Offering involves an offering of Shares to be subscribed through the Principal Classic FCPE via the Temporary Classic FCPE (the “**Classic Plan**”).
6. Only persons who are employees of a member of the Arkema Group during the subscription period for the Employee Share Offering and who meet other employment criteria (the “**Qualifying Employees**”) will be allowed to participate in the Employee Share Offering.
7. The Principal Classic FCPE and the Temporary Classic FCPE have been established for the purpose of implementing the Employee Share Offering. There is no current intention for either the Principal Classic FCPE or the Temporary Classic FCPE to become a reporting issuer under the Legislation or the securities legislation of any other jurisdiction of Canada.
8. As set forth above, each of the Temporary Classic FCPE and the Principal Classic FCPE is an FCPE (a *fonds commun de placement d'entreprise*), a shareholding vehicle commonly used in France for the conservation or custodianship of shares held by employee investors. A FCPE is a limited liability entity under French law. The Principal Classic FCPE and the Temporary Classic FCPE have been registered with the French Autorité des marchés financiers (the “**French AMF**”) and approved by it.
9. Units (other than Matching Units as defined below) acquired in the Employee Share Offering by Qualifying Employees of the Canadian Affiliate (the “**Canadian Participants**”) will be subject to a hold period of approximately five years (the “**Lock-Up Period**”), subject to certain exceptions prescribed by French law (such as death, long-term disability, involuntary termination of employment or retirement).
10. The subscription price for Units under the Classic Plan will be the Canadian dollar equivalent equal to the average of the opening price of the Shares (expressed in Euros) on the 20 trading days preceding the date of fixing of the subscription price by the board of Directors of the Filer, less a 20% discount.
11. Subject to the approval of the board of directors of the Filer, for every five Shares purchased by a Canadian Participant under the Classic Plan (each, an “**Employee-Purchased Share**”), the Filer will issue, at no cost to a Canadian Participant, but subject to the vesting requirements described below, one additional Share (each a “**Matching Share**”) up to a maximum of 20 Matching Shares per Canadian Participant.
12. The Temporary Classic FCPE will apply the cash received in respect of the Units to subscribe for Shares of the Filer and Canadian Participants will receive Units in the Temporary Classic FCPE representing the subscription of such Shares. Any corresponding Matching Shares will be issued and delivered by the Filer to the Classic FCPE on behalf of the Canadian Participant once such Matching Shares vest as described below. In order to reflect this, new Units (“**Matching Units**”) of the Classic FCPE (defined below) will be issued to the Canadian Participants.
13. The term “**Classic FCPE**” used herein means, prior to the Merger, the Temporary Classic FCPE and, following the Merger, the Principal Classic FCPE.
14. Matching Shares will vest once a Canadian Participant remains employed (subject to certain exceptions, such as death, permanent disability, retirement, termination without cause or if the Canadian Affiliate or its business is no longer part of the Arkema Group) within the Arkema Group for a continuous period of four years from the date that the Shares and Units pursuant to the Employee Share Offering are issued to the Temporary Classic FCPE and the Canadian Participants, respectively.
15. In the event of an early unwind resulting from the Canadian Participant exercising one of the exceptions to the Lock-Up Period prescribed by French law and meeting the applicable criteria, a Canadian Participant may request the redemption of Units in the Classic FCPE in consideration for a cash payment equal to the then market value of the Shares held by the Classic FCPE (expressed in Euros).
16. Initially, the Shares will be held in the Temporary Classic FCPE and the Canadian Participant will receive Units in the Temporary Classic FCPE. Following the completion of the Employee Share Offering, the Temporary Classic FCPE will be merged with the Principal Classic FCPE (subject to the approval of the supervisory board of the FCPEs and the French AMF). Units of the Temporary Classic FCPE held by Canadian Participants will be replaced with Units of the

Principal Classic FCPE on a *pro rata* basis and the Shares subscribed for under the Employee Share Offering will be held in the Principal Classic FCPE (the “**Merger**”).

17. Under the Classic Plan, at the end of the Lock-Up Period a Canadian Participant may
 - (a) request the redemption of Units in the Classic FCPE in consideration for the underlying Shares or a cash payment equal to the then market value of the Shares, or
 - (b) continue to hold Units in the Classic FCPE and request the redemption of those Units at a later date in consideration for the underlying Shares or a cash payment equal to the then market value of the Shares.
18. Matching Units are not subject to the Lock-Up Period. Following the issuance of Matching Units, a Canadian Participant may (i) request the redemption of Matching Units in consideration for the underlying shares or a cash payment equal to the then market value of the Matching Shares, or (ii) hold the Matching Units in the Classic FCPE and request the redemption of the Matching Units at a later date in consideration for the underlying Matching Shares or a cash payment equal to the then market value of the Matching Shares.
19. Dividends paid on the Shares held in the Classic FCPE will be contributed to the Classic FCPE and used to purchase additional Shares. To reflect this reinvestment, new Units (or fractions thereof) will be issued.
20. The portfolio of each of the Principal Classic FCPE and the Temporary Classic FCPE will consist almost entirely of Shares, but may, from time to time, include cash in respect of dividends paid on the Shares. From time to time, each portfolio may also include cash or cash equivalents that the Principal Classic FCPE and the Temporary Classic FCPE may hold pending investments in Shares or for the purpose of funding redemptions.
21. The Management Company is a portfolio management company governed by the laws of France. The Management Company is registered with the French AMF to manage French investment funds and complies with the rules of the French AMF. To the best of the Filer's knowledge, the Management Company is not, and has no current intention of becoming, a reporting issuer under the Legislation or the securities legislation of any other jurisdiction of Canada.
22. The Management Company's portfolio management activities in connection with the Employee Share Offering, the Principal Classic FCPE and the Temporary Classic FCPE are limited to subscribing for Shares and selling such Shares as necessary in order to fund redemption requests.
23. The Management Company is also responsible for preparing accounting documents and publishing periodic informational documents as provided by the rules of each of the Principal Classic FCPE and the Temporary Classic FCPE. The Management Company's activities do not affect the underlying value of the Shares. To the best of the Filer's knowledge, the Management Company is not in default of the Legislation or the securities legislation of any other jurisdiction of Canada.
24. Shares issued in the Employee Share Offering will be deposited in the Classic FCPE through CACEIS Bank (the “**Depository**”), a large French commercial bank subject to French banking legislation.
25. All management charges relating to the Classic FCPE will be paid from the assets of the Classic FCPE or by the Filer, as provided in the regulations of the Classic FCPE.
26. Participation in the Employee Share Offering is voluntary, and the Canadian Employees will not be induced to participate in the Employee Share Offering by expectation of employment or continued employment.
27. The total amount invested by a Canadian Employee in the Employee Share Offering cannot exceed 25% of his or her gross compensation for the 2011 calendar year. Amounts contributed by the Filer in respect of Matching Shares will not be factored into the maximum amount that a Canadian Employee may contribute. Furthermore, under the Employee Share Offering a Canadian Participant may not make a subscription for Units that represent more than 1,000 Shares.
28. None of the Filer, the Management Company, the Canadian Affiliate or any of their employees, agents or representatives will provide investment advice to the Canadian Employees with respect to an investment in the Shares or the Units.
29. The Canadian Employees will receive an information package in the French or English language, according to their preference, which will include a summary of the terms of the Employee Share Offering, a tax notice relating to the Classic FCPE containing a description of Canadian income tax consequences of subscribing to and holding Units of the Classic FCPE and requesting the redemption of such Units for cash or Shares at the end of the Lock-Up Period.

30. Canadian Employees may access the Filer's French *Document de référence* filed with the French AMF in respect of the Shares by visiting the website www.ake.com. Canadian Employees will also have access, through this website, to the continuous disclosure materials relating to the Filer that are furnished to holders of the Shares. Furthermore, Canadian Employees may also obtain a copy of the rules of the Temporary Classic FCPE and the Principal Classic FCPE (which are analogous to company by-laws) by visiting the website www.ake2012.com.
31. Canadian Participants will receive an initial statement of their holdings under the Classic Plan, together with an updated statement at least once per year.
32. There are approximately 60 Canadian Employees resident in the provinces of Ontario, Québec and Newfoundland and Labrador, who represent, in the aggregate, less than 1% of the total number of employees in the Arkema Group worldwide.
33. The Units will not be listed on any exchange.

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 Offering Relief is granted provided that

1. the prospectus requirements of the Legislation will apply to the first trade in any Units or Shares acquired by Canadian Participants pursuant to this Decision, unless the following conditions are met:
 - (a) the issuer of the security
 - (i) was not a reporting issuer in any jurisdiction of Canada at the distribution date, or
 - (ii) is not a reporting issuer in any jurisdiction of Canada at the date of the trade;
 - (b) at the distribution date, after giving effect to the issue of the security and any other securities of the same class or series that were issued at the same time as or as part of the same distribution as the security, residents of Canada
 - (i) did not own directly or indirectly more than 10% of the outstanding securities of the class or series, and
 - (ii) did not represent in number more than 10% of the total number of owners directly or indirectly of securities of the class or series; and
 - (c) the first trade is made
 - (i) through an exchange, or a market, outside of Canada, or
 - (ii) to a person or company outside of Canada;
2. in Québec, the required fees are paid in accordance with Section 271.6(1.1) of the Securities Regulation (Québec).

"Jean Daigle"
Director, Corporate Finance
Autorité des marchés financiers

2.1.2 Lakeside Steel Inc. – s. 1(10)

“Shannon O’Hearn”
Acting Manager, Corporate Finance
Ontario Securities Commission

Headnote

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

Ontario Statutes

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

April 20, 2012

Paul Karvanis
Stikeman Elliott LLP
5300 Commerce Court
199 Bay Street
Toronto, Ontario M5L 1B9

Dear Mr Karvanis:

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

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

As the Applicant has represented to the Decision Makers that:

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

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

2.2. Orders

2.2.1 Bay Terrace Limited Partnership – s. 1(10)

Headnote

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

Applicable Legislative Provisions

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

April 18, 2012

Bay Terrace Limited Partnership
c/o Realstar Management Partnership
77 Bloor Street West, Suite 2000
Toronto, Ontario
M5S 1M2

Dear Sirs/Mesdames:

Re: Bay Terrace Limited Partnership (the Applicant) – Application for an order under clause 1(10)(a)(ii) of the Securities Act (Ontario) (the Act) that the Applicant is not a reporting issuer

The Applicant has applied to the Ontario Securities Commission for an order under clause 1(10)(a)(ii) of the Act that the Applicant is not a reporting issuer.

As the Applicant has represented to the Commission that:

- (a) The outstanding securities of the Applicant, including debt securities are beneficially owned, directly or indirectly, by less than 15 security holders in Ontario and less than 51 security holders in Canada;
- (b) No securities of the Applicant are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*;
- (c) The Applicant is not in default of any of its obligations under the Act as a reporting issuer; and
- (d) The Applicant will not be a reporting issuer or the equivalent in any jurisdiction in Canada immediately following the Director granting the relief requested.

The Director is satisfied that it would not be prejudicial to the public interest to grant the requested relief and orders that the Applicant is not a reporting issuer.

“Lisa Enright”
Manager, Corporate Finance

2.2.2 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 KHODJAINTS, SELECT AMERICAN
TRANSFER CO., LEASESMART, INC.,
ADVANCED GROWING SYSTEMS, INC.,
INTERNATIONAL ENERGY LTD., NUTRIONE
CORPORATION, POCKETOP CORPORATION,
ASIA TELECOM LTD., PHARM CONTROL LTD.,
CAMBRIDGE RESOURCES CORPORATION,
COMPUSHARE TRANSFER CORPORATION,
FEDERATED PURCHASER, INC., TCC INDUSTRIES,
INC., FIRST NATIONAL ENTERTAINMENT
CORPORATION, WGI HOLDINGS, INC.
AND ENERBRITE TECHNOLOGIES GROUP**

**ORDER
(Section 127 and 127.1)**

WHEREAS on October 16, 2008, the Ontario Securities Commission (the “Commission”) commenced the within proceeding by issuing a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”);

AND WHEREAS on October 14, 2009, Staff of the Commission (“Staff”) brought a disclosure motion (the “Motion”) regarding the Respondent, Irwin Boock (“Boock”) which was heard on October 21, 2009; November 2 and 20, 2009 and January 8, 2010;

AND WHEREAS on December 10, 2009 the Commission ordered that the hearing on the merits of this matter (the “Merits Hearing”) shall commence on February 1, 2010;

AND WHEREAS on January 29, 2010, the Commission ordered that the Merits Hearing be adjourned *sine die* pending the release of the Commission’s decision on the Motion;

AND WHEREAS on February 9, 2010, the Commission issued a decision on the Motion (the “Disclosure Decision”);

AND WHEREAS Boock commenced an Application for Judicial Review before the Superior Court of Justice (Divisional Court) (the “Divisional Court”) of the Disclosure Decision (“JR Application”);

AND WHEREAS on February 24, 2010, the Commission made an order that the Disclosure Decision be stayed until the earlier of the date of a decision in the JR Application, a status hearing scheduled for September 13,

2010 and that the Merits Hearing shall commence on October 18, 2010;

AND WHEREAS on July 15, 2010, the Commission made an order that the dates for the Merits Hearing be vacated and the Disclosure Decision remain stayed until the earlier of the date of a decision in the JR Application or a status hearing scheduled for November 29, 2010;

AND WHEREAS on October 27, 2010, the JR Application was heard and dismissed by the Divisional Court (the "JR Decision");

AND WHEREAS on November 29, 2010, the Commission ordered that the Stay shall lapse;

AND WHEREAS on January 27, 2011, the Commission held a Status Hearing attended by Staff, counsel for Stanton DeFreitas ("DeFreitas"), and counsel to Jason Wong ("Wong");

AND WHEREAS pre-hearing conferences were held in this matter on April 19 and May 24, 2011;

AND WHEREAS on May 24, 2011, the Commission ordered that the hearing on the merits shall commence on February 1, 2012, and shall continue as scheduled thereafter;

AND WHEREAS status hearings in this matter were held on October 5 and December 5, 2011;

AND WHEREAS on February 1, 2012, Boock brought a motion to adjourn the hearing on the merits for 30 days on the grounds that Staff made late disclosure of evidence and a witness list;

AND WHEREAS on the same date the respondent, Alex Khodjaiaants, advised the panel of the proper spelling of his name (hereinafter, "Khodjaiaants");

AND WHEREAS counsel for Khodjaiaants brought a motion to adjourn the hearing on the merits until May 2012 to permit Khodjaiaants to retain him for representation at the hearing on the merits;

AND WHEREAS the Commission ordered that the title of proceeding be amended to change "Alex Khodjaiaants" to "Alex Khodjaiaants";

AND WHEREAS the Commission granted an adjournment in part and ordered that the hearing on the merits, previously set to commence February 1, 2012, be adjourned until February 8, 2012 and to continue thereafter as scheduled;

AND WHEREAS on February 7, 2012, Khodjaiaants filed an Application for Judicial Review and Factum with the Divisional Court, seeking to set aside the Commission's order dated February 1, 2012 (the "Second JR Application");

AND WHEREAS Khodjaiaants' Factum for the Second JR Application includes a request for, among other things, an order for a stay of the Commission proceedings;

AND WHEREAS Khodjaiaants has spelled his name "Khodjaiaants" in his Divisional Court materials, contrary to his advice to the Commission on February 1, 2012;

AND WHEREAS on February 8, 2012, Khodjaiaants did not attend before the Commission as scheduled, and Staff advised that Khodjaiaants has not served motion materials or set a date for a motion for a stay;

AND WHEREAS the Commission ordered that Khodjaiaants clarify the proper legal spelling of his name, failing which the Commission notes that the names "Khodjaiaants" or "Khodjaiaants" are one and the same for the purpose of this proceeding;

AND WHEREAS the Commission further ordered that Staff contact Khodjaiaants to advise him of what procedural steps he must take to bring his motion for a stay expeditiously, that the hearing date of February 9, 2012 be vacated, and that the hearing be adjourned until February 10, 2012 at which time the parties shall advise the Commission of the status of the motion before the Divisional Court;

AND WHEREAS Staff and Khodjaiaants attended before the Commission on February 10, 2012 as ordered;

AND WHEREAS Khodjaiaants confirmed that the proper legal spelling of his name is "Khodjaiaants";

AND WHEREAS Khodjaiaants advised that he has not retained legal counsel, has no intention of booking a date for a motion for a stay order, has not booked a hearing date for the Second JR Application, and requested that a status hearing be scheduled for April, 2012;

AND WHEREAS Staff requested a brief adjournment of the hearing on the merits in order to bring a motion to quash the Second JR Application as being improperly constituted;

AND WHEREAS the Commission ordered that the hearing on the merits be adjourned until February 15, 2012 for an update on Staff's motion to quash;

AND WHEREAS Staff and Khodjaiaants attended on February 15, 2012, and Staff advised that a Notice of Motion to strike the Second JR Application had been served, returnable on March 6, 2012;

AND WHEREAS on February 15, 2012 the Commission ordered that the hearing dates of February 16, 17, 21, 22, 23, 27, 29 and March 2, 5, and 6, 2012 be vacated and status hearings be held on March 13 and 23, 2012, if necessary;

AND WHEREAS on March 5, 2012, Staff advised the Commission in writing that its motion to quash the Second JR Application has been moved to April 4, 2012 due to procedural issues;

AND WHEREAS on March 5, 2012, the Commission ordered that the status hearing dates of March 13 and 23, 2012 be vacated and that the hearing on the merits be held on April 25, 27, 2012, May 3, 4, 7, 11, 17, 18, 2012, June 4 and 7, 2012;

AND WHEREAS on April 3, 2012, Khodjaiaants withdrew the Second JR Application;

AND WHEREAS on April 16, 2012, Khodjaiaants brought a motion to adjourn the hearing on the merits;

AND WHEREAS Khodjaiaants advised the Commission that an adjournment as requested would enable him to retain counsel to represent him at the hearing on the merits;

AND WHEREAS Khodjaiaants further advised the Commission that he lives with Dubinsky and that she does not intend on retaining counsel or attending the hearing on the merits;

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

IT IS HEREBY ORDERED that the hearing on the merits is adjourned on a peremptory basis and shall commence on August 7, 2012 and continue on August 8, 9, 10, 13, 15, 16, and 21, 2012, with or without counsel; and

AND IT IS FURTHER ORDERED that the former hearing dates of April 25, 27, May 3, 4, 7, 11, 17, 18, June 4 and 7, 2012 be vacated.

DATED at Toronto, this 16th day of April, 2012.

"Vern Krishna"

2.2.3 Morgan Dragon Development Corp. et al. – s. 127

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

AND

**IN THE MATTER OF
MORGAN DRAGON DEVELOPMENT CORP.,
JOHN CHEONG (aka KIM MENG CHEONG),
HERMAN TSE, DEVON RICKETTS
AND MARK GRIFFITHS**

**ORDER
(Section 127)**

WHEREAS on March 22, 2012, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") (the "Notice of Hearing") in connection with a Statement of Allegations filed by Staff of the Commission ("Staff") on March 22, 2012, to consider whether it is in the public interest to make certain orders against Morgan Dragon Development Corp. ("MDDC"), John Cheong (aka Kim Meng Cheong) ("Cheong"), Herman Tse ("Tse"), Devon Ricketts ("Ricketts") and Mark Griffiths ("Griffiths") (collectively, the "Respondents");

AND WHEREAS the Commission issued an Amended Notice of Hearing pursuant to sections 127 and 127.1 of the Act on March 26, 2012 (the "Amended Notice of Hearing");

AND WHEREAS on April 19, 2012, a first appearance hearing was held before the Commission and the Commission heard submissions from counsel for Staff and counsel for Cheong and MDDC;

AND WHEREAS Ricketts, Tse and Griffiths did not appear, although properly served with the Notice of Hearing, Statement of Allegations and the Amended Notice of Hearing;

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

IT IS ORDERED that this matter is adjourned to a confidential pre-hearing conference which shall take place on June 4, 2012 at 9:30 a.m.

DATED at Toronto this 19th day of April, 2012.

"Edward P. Kerwin"

2.2.4 HEIR Home Equity Investment Rewards Inc. et al. – 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 the Commission ordered that a further pre-hearing conference be held on 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;

AND WHEREAS on February 1, 2012 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 made submissions regarding the scheduling of the hearing on the merits and further pre-hearing conferences, and the Commission ordered that:

- (a) a further pre-hearing conference shall be held on Wednesday, March 14, 2012 at 9:30 a.m. for the purpose of confirming November 5, 2012 as the date for the commencement of the hearing on the merits, and the schedule for such hearing, currently expected to last approximately four weeks; and
- (b) a further pre-hearing conference shall be held on Friday, September 14, 2012 at 10:00 a.m. to address any pre-hearing issues;

AND WHEREAS on February 14, 2012 Staff filed an Amended Statement of Allegations in respect of the HEIR Respondents and the Canyon Respondents;

AND WHEREAS the Commission ordered on March 1, 2012 that McCarthy Tétrault LLP is granted leave to withdraw as representative for the Canyon Respondents;

AND WHEREAS on March 14, 2012 Staff and counsel for the HEIR Respondents and Deschamps appeared before the Commission for a confidential pre-hearing conference, and Brett Borland on behalf of himself and the Canyon Respondents participated in the pre-hearing conference by telephone, and the Commission ordered that:

- (a) the hearing on the merits in this matter shall commence on November 5, 2012, and continue for four weeks thereafter, or on such further or other dates as agreed to by the parties and set by the Office of the Secretary; and

- (b) a further pre-hearing conference is scheduled for April 20, 2012 at 10:00 a.m.

AND WHEREAS on April 20, 2012 Staff appeared before the Commission for a confidential pre-hearing conference, and counsel for Deschamps participated in the pre-hearing conference by telephone;

AND WHEREAS no one participated on behalf of the HEIR Respondents or the Canyon Respondents, and Staff confirmed that each of the Canyon Respondents and counsel for the HEIR Respondents had been provided with information regarding participation in the pre-hearing conference by telephone;

IT IS ORDERED THAT this matter is adjourned to the previously scheduled confidential pre-hearing conference, to take place on September 14, 2012 at 10:00 a.m.

DATED at Toronto this 20th day of April, 2012.

"Christopher Portner"

2.2.5 Frank Andrew Devcich and Gobinder Kular Singh

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

AND

**IN THE MATTER OF
FRANK ANDREW DEVCICH AND
GOBINDER KULAR SINGH**

ORDER

WHEREAS on March 22, 2012, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") in respect of Frank Andrew Devcich ("Devcich") and Gobinder Kular Singh ("Singh") (together the "Respondents");

AND WHEREAS on March 22, 2012, Staff of the Commission ("Staff") filed a Statement of Allegations in respect of the same matter;

AND WHEREAS on April 20, 2012, a hearing was held and the Commission heard submissions from counsel for Staff;

AND WHEREAS the Commission is satisfied that the Respondents were served with notice of the hearing;

AND WHEREAS Staff represented that counsel for Devcich and counsel for Singh have been in communication with Staff;

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

IT IS ORDERED that the hearing is adjourned to May 15, 2012, at 10:00 a.m.

DATED at Toronto this 20th day of April, 2012.

"Edward P. Kerwin"

2.2.6 North American Financial Group Inc. 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
NORTH AMERICAN FINANCIAL GROUP INC.,
NORTH AMERICAN CAPITAL INC.,
ALEXANDER FLAVIO ARCONTI AND
LUIGINO ARCONTI**

**ORDER
(Section 127)**

WHEREAS on December 28, 2011, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing (the "Notice of Hearing") pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), accompanied by a Statement of Allegations dated December 28, 2011 filed by Staff of the Commission ("Staff") with respect to North American Financial Group Inc. ("NAFG"), North American Capital Inc. ("NAC"), Alexander Flavio Arconti ("Flavio") and Luigino Arconti ("Gino");

AND WHEREAS the Notice of Hearing set a hearing in this matter for January 16, 2012 at 10:00 a.m.;

AND WHEREAS on January 16, 2012, the Commission ordered that the hearing be adjourned to February 27, 2012 at 10:00 a.m.;

AND WHEREAS on February 27, 2012, the Commission ordered that the hearing be adjourned to March 29, 2012 at 11:00 a.m.;

AND WHEREAS on March 29, 2012, the Commission ordered that the hearing be adjourned to April 19, 2012 at 3:00 p.m.;

AND WHEREAS on April 19, 2012, the Commission considered submissions from Staff and counsel for the respondents;

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

IT IS ORDERED that this matter is adjourned to a confidential pre-hearing conference to be held on July 5, 2012 at 10:30 a.m.

DATED at Toronto this 19th day of April, 2012.

"Paulette L. Kennedy"

2.2.7 Nicholas David Reeves – s. 127

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

AND

**IN THE MATTER OF
NICHOLAS DAVID REEVES**

**ORDER
(Section 127)**

WHEREAS on March 22, 2012, the Ontario Securities Commission (the “Commission”) issued a Notice of Hearing pursuant to subsections 127(1) and 127(10) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”) in respect of Nicholas David Reeves (“Reeves”);

AND WHEREAS on March 22, 2012, Staff of the Commission (“Staff”) filed a Statement of Allegations in respect of the same matter;

AND WHEREAS on April 23, 2012, a hearing was held and the Commission heard submissions from counsel for Staff;

AND WHEREAS Reeves did not attend the hearing and no counsel or agent appeared on his behalf;

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

IT IS HEREBY ORDERED that this matter is adjourned to a hearing which shall take place on May 15, 2012, at 11:00 a.m.

DATED at Toronto this 23rd day of April, 2012.

“James E. A. Turner”

2.2.8 LMS Medical Systems Inc. – s. 144

Headnote

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

Applicable Legislative Provisions

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

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

AND

**IN THE MATTER OF
LMS MEDICAL SYSTEMS INC.**

**ORDER
(Section 144)**

WHEREAS the securities of LMS Medical Systems Inc. (the “**Applicant**”) are subject to a temporary cease trade order dated July 20, 2009 issued by the Director of the Ontario Securities Commission (the “**Commission**”), pursuant to paragraph 2 and paragraph 2.1 of subsection 127(1) and subsection 127(5) of the Act, as extended by a further cease trade order dated July 31, 2009 made by the Director, pursuant to paragraph 2 and paragraph 2.1 of subsection 127(1) of the Act (collectively, the “**Cease Trade Order**”), ordering that the trading in the securities of the Applicant cease until the Cease Trade Order is revoked by the Director;

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

AND WHEREAS the Applicant is also subject to a cease trade order dated August 5, 2009 made by the Executive Director pursuant to section 164 of the *Securities Act* (British Columbia) (the “**B.C. Cease Trade Order**”) ordering that the trading in the securities of the Applicant cease until the B.C. Cease Trade Order is revoked by the Executive Director;

AND WHEREAS the Applicant is also subject to a cease trade order dated November 2, 2009 made by the Executive Director pursuant to section 146 of the *Securities Act* (Alberta) (the “**Alberta Cease Trade Order**”) ordering that the trading in the securities of the Applicant cease until the Alberta Cease Trade Order is revoked by the Executive Director;

AND WHEREAS the Applicant is also subject to a temporary cease trade order dated July 21, 2009 made by the Director pursuant to section 318 of the *Loi sur les valeurs mobilières*, as extended by a further cease trade order dated August 5, 2009 made by the Director pursuant to section 318 of the *Loi sur les valeurs mobilières* (collectively, the "**Quebec Cease Trade Order**"), ordering that the trading in the securities of the Applicant cease until the Quebec Cease Trade Order is revoked by the Director;

AND WHEREAS the Applicant has applied to the Commission pursuant to section 144 of the Act for revocation of the Cease Trade Order (the "**Application**");

AND WHEREAS the Applicant has concurrently applied to the British Columbia Securities Commission for an order for revocation of the B.C. Cease Trade Order, the Alberta Securities Commission for an order for revocation of the Alberta Cease Trade Order and the Autorité des marchés financiers for an order for revocation of the Quebec Cease Trade Order;

AND WHEREAS the Applicant has represented to the Commission that:

1. The Applicant was incorporated by Certificate of Incorporation pursuant to the *Canada Business Corporations Act* on January 14, 2003 as Trophy Capital Inc., as amended by Certificates of Amendment dated February 16, 2004, March 31, 2004 and September 16, 2004.
2. By Certificate of Amendment dated March 31, 2004, the Applicant's name was changed to LMS Medical Systems Inc.
3. The Applicant's registered and head office is located in Ontario at Brookfield Place, 181 Bay Street, Suite 4400, Toronto, Ontario M5J 2T3.
4. The Applicant is a reporting issuer under the securities legislation of the Provinces of British Columbia, Alberta, Ontario and Quebec.
5. The Applicant's authorized share capital consists of an unlimited number of common shares. As at March 31, 2012, the Applicant had 25,582,730 common shares, 1,189,000 warrants, 150,000 options and 1,967,360 DSUs issued and outstanding. Other than the aforementioned common shares, warrants, options and DSUs, the Applicant has no other securities, including debt securities, issued and outstanding.
6. The common shares were suspended from trading on the Toronto Stock Exchange ("**TSX**") as of June 4, 2009 and delisted effective at the close of the market on July 3, 2009 for failure to meet the continued listing requirements of the TSX.
7. The Cease Trade Order was issued as a result of the Applicant's failure to file with the Commission and mail to its shareholders audited annual

financial statements for the year ended March 31, 2009, management's discussion and analysis ("**MD&A**") relating to the audited annual financial statements for the year ended March 31, 2009, certificates of certifying officers pursuant to National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* ("**NI 52-109**") relating to the audited annual financial statements for the year ended March 31, 2009, and the annual information form for the year ended March 31, 2009.

8. The Applicant has concurrently applied to the British Columbia Securities Commission, Alberta Securities Commission and the Autorité des marchés financiers for orders for revocation of the B.C. Cease Trade Order, the Alberta Cease Trade Order and the Quebec Cease Trade Order, respectively.
9. On June 4, 2009, the Applicant and its subsidiary, LMS Medical Systems (Canada) Ltd. ("**LMS Ltd.**"), each filed a Notice of Intention to Make a Proposal under subsection 50.4(1) of the *Bankruptcy and Insolvency Act* (Canada). Samson Bélair/Deloitte & Touche Inc. was appointed as trustee for both the Applicant and LMS Ltd. and as interim receiver ("**Interim Receiver**") for LMS Ltd.
10. On July 23, 2009, the Interim Receiver, in its capacity as interim receiver of all of the property of LMS Ltd., entered into an asset purchase agreement with PeriGen (Canada) Ltd. for the sale of substantially all of the assets of LMS Ltd. for a purchase price of US\$3,500,000. The sale transaction was approved by the Superior Court of the District of Montreal in the Province of Quebec (the "**Court**") on July 23, 2009.
11. The Proposal of LMS Ltd. under the *Bankruptcy and Insolvency Act* (Canada) was approved by the Court on October 1, 2009 and has been fully performed by LMS Ltd.
12. The Proposal of the Applicant under the *Bankruptcy and Insolvency Act* (Canada) was approved by the Court on December 15, 2009 and has been fully performed by the Applicant.
13. In connection with the Proposals of each of LMS Ltd. and the Applicant under the *Bankruptcy and Insolvency Act* (Canada), all creditors of each of LMS Ltd. and the Applicant with proven and accepted claims were paid in full.
14. On March 2, 2010, LMS Ltd. filed articles of amendment to change its name to 2980622 Canada Inc. ("**2980622**").
15. In March 2011, 2980622 completed a transaction with a group of labour and management services companies for the purpose of facilitating a labour restructuring by this group of companies.

Following this transaction, 2980622 realized investment income of \$960,000 which was used to repay an outstanding loan to the Applicant.

16. The Applicant has not filed its interim financial statements, interim MD&A and interim certificates of certifying officers pursuant to National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109") for the periods from and including the three months ended June 30, 2009 to the nine month period ended December 31, 2009.
17. The Applicant has filed annual financial statements, MD&A and certificates of certifying officers pursuant to NI 52-109 relating to the years ended March 31, 2009, March 31, 2010 and March 31, 2011 and has also filed interim financial statement, management's discussion and analysis and certificates of certifying officers pursuant to NI 51-102 for the interim periods ended June 30, 2010, September 30, 2010, December 31, 2010, June 30, 2011, September 30, 2011 and December 31, 2011.
18. On March 22, 2012, the Applicant refiled the annual financial statements and the notes thereto for the year ended March 31, 2011, together with the signed auditor's report.
19. The Applicant has not filed an annual information form since the annual information form filed for the year ended March 31, 2008. As the Applicant is currently a venture issuer, the Applicant is not required to file this document.
20. The Applicant has paid all outstanding participation fees, filing fees and late fees owing to the Commission, the British Columbia Securities Commission, the Alberta Securities Commission and the Autorité des marchés financiers in Quebec.
21. The Applicant's SEDAR and SEDI profiles are up-to-date.
22. The Applicant has given the Director of its principal regulator, the Commission, a written undertaking that it will (i) not complete any restructuring transaction or significant acquisition involving, directly or indirectly, an existing or proposed, material underlying business which is not located in Canada nor will it complete a reverse takeover with a reverse takeover acquirer that has a direct or indirect, existing or proposed, material underlying business which is not located in Canada without filing and obtaining a receipt, from the Director, for a prospectus including the information required for a probable restructuring transaction, reverse takeover or significant acquisition (as applicable) together with the documents required under Part 9 of National Instrument 41-101 *General Prospectus Require-*

ments ("NI 41-101") and (ii) hold an annual shareholder meeting within three months after the date of this Order.

23. The Applicant has filed completed personal information and authorization forms for each director and officer of the Applicant in the form of Appendix A of NI 44-101.
24. The Applicant has been inactive for more than two years and had no material assets as at December 31, 2011 other than cash and cash equivalents of \$1,674,310.
25. Upon the issuance of this Order, the Applicant will issue a press release announcing the revocation of the Cease Trade Order of the Applicant. The Applicant will concurrently file the press release and material change report via SEDAR.

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

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

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

DATED at Toronto, Ontario on this 23rd day of April, 2012.

"Shannon O'Hearn"
Manager, Corporate Finance
Ontario Securities Commission

2.2.9 David M. O'Brien

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

AND

**IN THE MATTER OF
DAVID M. O'BRIEN**

ORDER

WHEREAS on December 8, 2010, the Secretary of the Ontario Securities Commission (the "Commission") issued a Notice of Hearing, pursuant to sections 37, 127 and 127.1 of the Ontario *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), for a hearing to commence at the offices of the Commission on December 20, 2010 at 10:30 a.m., or as soon thereafter as the hearing could be held;

AND WHEREAS on December 9, 2010, the Respondent ("O'Brien") was served with the Notice of Hearing and Statement of Allegations dated December 7, 2010;

AND WHEREAS the Notice of Hearing provided for the Commission to consider, among other things, whether, in the opinion of the Commission, it is in the public interest, pursuant to section 127 of the Act, to issue temporary orders against O'Brien, as follows:

- (a) O'Brien shall cease trading in any securities for a prescribed period or until the conclusion of the hearing on the merits in this matter;
- (b) O'Brien is prohibited from acquiring securities for a prescribed period or until the conclusion of the hearing on the merits in this matter; and
- (c) any exemptions contained in Ontario securities law do not apply to O'Brien for a prescribed period or until the conclusion of the hearing on the merits in this matter;

AND WHEREAS on December 20, 2010, Staff of the Commission ("Staff") and O'Brien appeared before the Commission and made submissions and O'Brien advised the Commission that he was opposed to Staff's request that temporary orders be issued against him and that he wished to cross-examine Lori Toledano, a member of Staff, on her affidavit;

AND WHEREAS on December 20, 2010, the hearing with respect to the issuance of the temporary orders was adjourned until December 23, 2010 at 12:30 p.m.;

AND WHEREAS on December 23, 2010, a hearing with respect to the issuance of the temporary orders was held and the panel of the Commission considered the affidavit of Toledano, the cross-examination of Toledano and the submissions made by Staff and O'Brien;

AND WHEREAS on December 23, 2010, the Commission issued a temporary cease trade order pursuant to section 127 of the Act ordering that:

- (a) O'Brien shall cease trading in any securities;
- (b) O'Brien is prohibited from acquiring any securities; and
- (c) any exemptions contained in Ontario securities law do not apply to O'Brien;

(the "Temporary Cease Trade Order");

AND WHEREAS on December 23, 2010, the Commission ordered that the Temporary Cease Trade Order shall expire on April 1, 2011;

AND WHEREAS on December 23, 2010, the Commission ordered that Staff and O'Brien shall consult with the Office of the Secretary and schedule a confidential pre-hearing conference for this matter;

AND WHEREAS a confidential pre-hearing conference was scheduled for February 24, 2011;

AND WHEREAS at the confidential pre-hearing conference on February 24, 2011, Staff and O'Brien appeared and made submissions regarding the disclosure made by Staff, and Staff requested an extension of the Temporary Cease Trade Order;

AND WHEREAS on February 24, 2011, the Commission ordered that:

- a) a hearing to extend the Temporary Cease Trade Order shall take place on March 30, 2011 at 11:30 a.m.;
- b) a motion regarding disclosure shall take place on April 21, 2011 at 10:00 a.m., and in accordance with Rule 3.2 of the *Rules of Procedure* of the Commission, O'Brien shall serve and file a motion record, including any affidavits to be relied upon, by April 11, 2011 at 4:30 p.m.; and
- c) a further confidential pre-hearing conference shall take place on May 30, 2011 at 10:00 a.m.;

AND WHEREAS on March 30, 2011, a hearing with respect to the extension of the Temporary Cease Trade Order was held, and the panel of the Commission

considered the evidence filed and the submissions made by Staff and O'Brien;

AND WHEREAS on March 30, 2011, the Commission ordered that:

- a) the Temporary Cease Trade Order shall be extended to April 26, 2011; and
- b) a further hearing to extend the Temporary Cease Trade Order shall take place on April 21, 2011 at 10:00 a.m.;

AND WHEREAS on April 21, 2011, a hearing with respect to the extension of the Temporary Cease Trade Order was held, and the panel of the Commission considered the evidence filed and the submissions made by Staff and O'Brien;

AND WHEREAS on April 21, 2011, the Commission ordered that:

- a) the Temporary Cease Trade Order shall be extended until the conclusion of the hearing of the merits of this matter; and
- b) O'Brien may, if he wishes to do so, apply to the Commission for an order revoking or varying this Order pursuant to section 144 of the Act;

AND WHEREAS also on April 21, 2011, O'Brien brought a motion regarding disclosure, wherein he sought an order from the Commission requiring Staff to provide him with all additional disclosure materials without requiring him to execute a further undertaking, and the panel of the Commission considered the evidence filed and the submissions made by Staff and O'Brien;

AND WHEREAS on April 21, 2011, the Commission ordered that Staff shall provide further disclosure materials to O'Brien without requiring the signing by him of an undertaking as to the confidentiality of that disclosure. The Commission further ordered that:

- 1) all disclosure materials provided to O'Brien are confidential and may be used by him only for the purpose of making full answer and defence in this proceeding. The use of disclosure materials for any other purpose is strictly prohibited. All disclosure materials provided to O'Brien are subject to the strict confidentiality restrictions imposed by section 16 of the Act;
- 2) O'Brien is also subject to the implied undertaking that all disclosure materials provided to him are subject to the restrictions on use referred to in paragraph (1);

- 3) the Previous Undertaking signed by O'Brien is binding upon him and applies by its terms to all of the disclosure materials provided by Staff to O'Brien, including all disclosure materials provided by Staff to O'Brien in the future; if O'Brien wishes to challenge the validity of the Previous Undertaking he is entitled to bring a motion before the Commission to do so;

- 4) if O'Brien wishes to use the disclosure materials provided by Staff to him for any purpose other than as provided in paragraph (1), he must make an application to the Commission under section 17 of the Act for an order of the Commission consenting to that use;

AND WHEREAS at the confidential pre-hearing conference on May 30, 2011, Staff of the Commission and O'Brien appeared and Staff sought to set dates for a hearing on the merits, while O'Brien advised the Commission that he was opposed to Staff's request. The Commission adjourned the hearing to June 20, 2011 at 10:00 a.m., for the purpose of setting the dates for the hearing on the merits;

AND WHEREAS at the confidential pre-hearing conference on June 20, 2011, Staff of the Commission and O'Brien appeared and scheduling of the hearing on the merits was discussed and the Commission ordered that:

1. the hearing on the merits is to commence on March 12, 2012 at 10:00 a.m. at the offices of the Commission, and shall continue on March 14, 15, 16, 19, 20, 21, 22, 23, 26, and 28, 2012, or such further or other dates as may be agreed upon by the parties and fixed by the Office of the Secretary; and
2. a further confidential pre-hearing conference shall take place on January 11, 2012 at 10:00 a.m.;

AND WHEREAS at the confidential pre-hearing conference on January 11, 2012, Staff of the Commission appeared and Counsel on behalf of O'Brien appeared, who advised the Commission that he had just been appointed to represent O'Brien in this matter;

AND WHEREAS Counsel for O'Brien requested that the pre-hearing conference be continued in a few weeks time to permit him to address certain matters that had just been brought to his attention. The Commission ordered that a further confidential pre-hearing conference take place on January 31, 2012 at 3:30 p.m.;

AND WHEREAS at the confidential pre-hearing conference on January 31, 2012, Staff and Counsel for O'Brien appeared and Counsel for O'Brien requested an adjournment of the hearing on the merits to permit interim

issues to be raised before the Commission. Counsel for O'Brien also requested that the records from both the January 11 and January 31, 2012 confidential pre-hearing conferences be sealed and treated as confidential. The Commission ordered that the hearing dates of March 12, 14, 15, 16, 19, 20, 21, 22, 23, 26, and 28, 2012 be vacated, a further confidential pre-hearing conference take place on March 12, 2012 at 10:00 a.m., and that the records from both the January 11 and 31, 2012 confidential pre-hearing conferences be sealed and treated as confidential pursuant to subsection 9(1) of the SPPA and Rule 8.1 and subrule 5.2(1) of the *Rules of Procedure* of the Commission;

AND WHEREAS at the confidential pre-hearing conference on March 12, 2012, Staff and Counsel for O'Brien appeared and Counsel for O'Brien requested a confidential motion be scheduled to seek an adjournment of the hearing dates. The Commission ordered that a confidential motion take place on April 18, 2012 at 10:00 a.m., for which O'Brien shall serve and file a motion record, including any affidavits to be relied upon, by April 5, 2012 at 4:30 p.m, Staff shall serve and file any responding materials by April 12, 2012, O'Brien shall serve and file a factum by April 13, 2012, and Staff shall file its factum by April 16, 2012, and that the records from the April 18, 2012 confidential motion shall be sealed and treated as confidential pursuant to subsection 9(1) of the SPPA and Rule 8.1 and subrule 5.2(1) of the *Rules of Procedure* of the Commission;

AND WHEREAS at the confidential motion on April 18, 2012, Staff and Counsel for O'Brien appeared and Counsel for O'Brien presented evidence and requested an adjournment of any hearing dates and that a further confidential pre-hearing conference be scheduled. Staff did not oppose the adjournment request and agreed to the scheduling of a further pre-hearing conference;

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

IT IS HEREBY ORDERED THAT:

1. a confidential pre-hearing conference shall take place on July 19, 2012 at 10:00 a.m;
2. O'Brien shall deliver any materials relevant to the pre-hearing conference by Monday, July 9, 2012; and
3. the records from the July 19, 2012 confidential pre-hearing conference shall be sealed and treated as confidential pursuant to subsection 9(1) of the SPPA and Rule 8.1 and subrule 5.2(1) of the *Rules of Procedure* of the Commission.

DATED at Toronto this 18th day of April, 2012.

"Mary G. Condon"

Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions, Orders and Rulings

3.1.1 Christopher Veigas Couto – s. 31

IN THE MATTER OF STAFF'S RECOMMENDATION FOR THE REFUSAL OF THE REACTIVATION OF REGISTRATION OF CHRISTOPHER VEIGAS COUTO

OPPORTUNITY TO BE HEARD BY THE DIRECTOR Section 31 of the Securities Act, R.S.O. 1990, c. S.5, as amended

Decision

1. Christopher Couto has applied for a reactivation of his registration as a dealing representative in the category of mutual fund dealer, sponsored by TD Investment Services Inc. (**TDIS**). In a letter dated February 3, 2012, staff (**Staff**) of the Ontario Securities Commission (the **OSC**) informed Mr. Couto that it had recommended to the Director that his application be refused. The basis for Staff's recommendation was Mr. Couto's failure to make required disclosure to the OSC of a criminal charge and subsequent conviction.
2. Mr. Couto requested this opportunity to be heard (**OTBH**) pursuant to section 31 of the *Securities Act* (Ontario) (the **Act**) to determine whether the Director should accept Staff's recommendation, and the OTBH was held on March 20, 2012. Michael Denyszyn, Senior Legal Counsel at the OSC, made submissions on behalf of Staff, and Mr. Couto made submissions on his own behalf.
3. Having heard from Messrs. Denyszyn and Couto, and having considered their submissions, my decision is to refuse Mr. Couto's application for the reasons below.

Facts

4. From October 6, 2008 to July 11, 2010, Mr. Couto was registered as a dealing representative in the category of mutual fund dealer with TDIS.
5. On August 1, 2009, Mr. Couto was charged with operating a motor vehicle after having consumed alcohol in such a quantity that the concentration in his blood exceeded eighty milligrams of alcohol in one hundred milliliters of blood, contrary to paragraph 235(1)(b) of the *Criminal Code* (Canada) (a charge often referred to as "over 80"). Mr. Couto pleaded guilty to this charge on June 2, 2010.
6. Subsection 4.1(1) of National Instrument 33-109 – *Registration Information* (**NI 33-109**) required Mr. Couto, as a registrant, to disclose to the OSC both his criminal charge and subsequent conviction within ten days of each event by submitting a Form 33-103F5 – Change of Registration Information, which he did not do.
7. Mr. Couto resigned from TDIS effective July 11, 2010. Subsection 4.2(1) of NI 33-109 required a Form 33-109F1 – *Notice of Termination of Registered Individuals and Permitted Individuals* to be submitted to the OSC disclosing, among other things, whether Mr. Couto had been charged with any criminal offence in the past twelve months. This question was incorrectly answered "no".
8. On October 25, 2011, Mr. Couto made the application for reactivation of registration that is the subject of this OTBH by submitting a completed Form 33-109F4 – *Registration of Individuals and Review of Permitted Individuals* (the **F4**). Item 14.2 of the F4 asks the applicant the following question: "Have you ever been found guilty, pleaded no contest to, or granted an absolute or conditional discharge from any criminal offence that was committed in any province, territory, state or country?" This question was incorrectly answered "no".
9. As part of its review of Mr. Couto's application, Staff conducted a routine criminal background check on him and learned of his over 80 conviction. On October 27, 2011, Staff sent a letter to Mr. Couto requesting that he either provide a Certificate of Police Clearance showing that the conviction had been pardoned, or update his F4 to disclose the conviction. Mr. Couto updated his F4 on November 16, 2011 to disclose the conviction.

10. During the OTBH, Mr. Denyszyn provided me with an affidavit from Rita Lo, a Registration Research Officer at the OSC, which he had also previously sent to Mr. Couto. In her affidavit, Ms. Lo said that after Mr. Couto updated the F4, she contacted a representative of TDIS to ask why the conviction had not been disclosed either at the time it occurred or when Mr. Couto submitted his application for registration. Through TDIS, Mr. Couto responded that he did not disclose the conviction when it occurred because he was not aware that it was necessary, and did not disclose it on his application because his lawyer had started a pardon process almost a year ago, which he thought had been completed. On December 19, 2011, Ms. Lo called Mr. Couto to follow up on the explanations he had provided through TDIS. During that call, Ms. Lo asked Mr. Couto for a copy of his pardon application, at which point he informed her that he had not yet submitted such an application. Mr. Couto said to Ms. Lo that he had attended a seminar in September 2011 where he was advised that he could apply for a pardon without the aid of a lawyer. Mr. Couto also told Ms. Lo that he did not disclose the charge or conviction to TDIS because he worried that it would jeopardize his employment. Shortly after this call, Mr. Couto sent an email to Ms. Lo apologizing for not disclosing the required information, and stating that the over 80 incident "was an embarrassing event in my life that I try to deny and/or hide sometimes by making excuses." At the OTBH, Mr. Couto did not challenge Ms. Lo's affidavit, other than to say the seminar he attended was in November 2011 rather than September 2011.
11. Mr. Couto spoke on his own behalf, and said that he has never received any complaints at TDIS regarding his commitment to honesty and good faith in his dealings with clients. He explained that he did not read the F4 carefully, conceded that he should have inquired about the exact details of his criminal record before submitting the application, but said that he genuinely believed that he had received a pardon for his over 80 conviction. Mr. Couto explained that the reason for his belief was a conversation he had with his lawyer during which his lawyer told him that he would "take care" of getting a pardon for him regarding the over 80 matter, which Mr. Couto had assumed had happened. Mr. Couto acknowledge in response to my questions to him that he had never filled out any paperwork to request a pardon from the government, and never received a certificate indicating that a pardon had been granted to him.

Analysis

12. 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. Subsection 27(2) states that in considering whether a person is suitable for registration, the Director shall consider the requirements prescribed in the regulations relating to proficiency, solvency, and integrity.
13. Mr. Couto's proficiency and solvency are not in issue. What is in issue is his integrity for registration. Specifically, does his failure to disclose the over 80 charge and conviction at the time those events occurred, and again at the time he applied for reactivation of registration, demonstrate that he currently lacks the requisite integrity for registration? In my view, the answer to this question is "yes", based on my finding that Mr. Couto did not exercise a reasonable degree of care and diligence when he completed the F4.
14. In *Re Thomas* (1972), O.S.C.B. 118 the Commission wrote at page 120: "The keystone to the registration system is the application form. A desire and an ability to answer the questions in it with candour in many respects can be said to be the first test to which the applicant is put." Given the importance of the application form in our registration system, the OSC rightfully expects that applicants will exercise a reasonable degree of care and due diligence in completing the document. In *Re John Doe* (2010), 33 O.S.C.B. 1371, a case which also involved the non-disclosure of a criminal record in an application for registration, I wrote at 1377:

Moreover, even if the Applicant somehow was honestly mistaken in the chain of inaccurate disclosure he provided to OSC staff (which I doubt) I agree with the statement in *Re Doe* [(2007), ABASC 296] that integrity is broader than dishonesty and encompasses a certain duty of care in one's work product. The Applicant had a duty to carefully complete documents relating to his registration, including his initial application for registration. In my view, he did not meet this duty.
15. The OSC's expectations regarding the accurate completion of the application form, as articulated in my decision in *John Doe* (which was based on the Alberta Securities Commission decision of the same name to which I referred in *John Doe*) are important for the following reasons. First, the application form is designed to provide the OSC with the information it needs to assess the applicant's suitability for registration. Sometimes the information sought by the application form may reflect negatively on an applicant's suitability. The effectiveness of the application process would be significantly diminished if applicants could avoid disclosing detrimental information on the basis of unreasonable assumptions, forgetfulness, or misunderstandings. Second, the OSC must be reasonably confident that the individuals to whom it grants the privilege of registration will discharge their professional obligations to their clients honestly and diligently. The application process is the seminal event in an applicant's career as a capital markets professional, and a lack of care and diligence in this process may be a worrisome signal about how they will approach the interests of their clients.

16. The *John Doe* standard calls for due diligence, not perfection. Minor inaccuracies may be excused, but significant errors that reflect a failure to exercise a reasonable degree of care in the completion of the application will not be.
17. Mr. Couto has explained that he did not disclose his over 80 conviction in his application because he believed he had been pardoned for that offence. Regardless of whether this belief was honestly held, it could not have been reasonably held. Mr. Couto admitted that he never completed an application for a pardon or received anything from the government notifying him that he had been pardoned. Mr. Couto's basis for believing he had received a pardon was a conversation with his lawyer one or two years prior. I cannot accept that Mr. Couto's belief that he had a pardon was reasonable under these circumstances. Had Mr. Couto simply called to his lawyer to ask about the pardon before submitting the F4, he would have learned of the true state of affairs. During the OTBH, Mr. Couto conceded that he should have inquired about the details of his criminal record before submitting his application. Instead however, Mr. Couto submitted his application on the basis of an unreasonable assumption, and in doing so, I find that he acted recklessly. This lack of due diligence is inconsistent with both the application form's status as a cornerstone of the registration regime, and the duty of care referred to in *John Doe*.
18. While I have decided that Mr. Couto's application is refused, I do not think he should be permanently barred from the securities industry. In my view, this is an appropriate case to provide some guidance to this particular applicant, and to Staff, as to when it would be appropriate for him to reapply for registration, if it is his intention to do so.
19. In my view, based on the facts of this case, Mr. Couto is not an individual who should never again be registered. Had I found that he intentionally attempted to deceive the OSC during the application process, my opinion in this regard would be different. However, having heard from Mr. Couto personally during this OTBH, I am of the view that he is a young man who appears to have acted recklessly in his completion of the application, who has acknowledged his wrongdoing and taken responsibility for it, and who seems remorseful for his actions. Implicit in this observation is the question of when he could reapply, a question addressed by Director Wolburgh-Jenah in *Re Jaynes* (2000), 23 O.S.C.B. 1543, when she wrote at page 1548:

[. . .] Similarly, and although not necessary in view of my decision, I have chosen to squarely address the question raised by Mr. Sofer at the hearing regarding when and under what circumstances it might be appropriate for Mr. Jaynes to re-apply for reinstatement of registration.

In my view, it would be inappropriate for Mr. Jaynes to "reapply tomorrow" as suggested. Mr. Jaynes should re-take the "Conduct and Practices Course" and assimilate the principles it espouses so that his conduct can fully reflect these principles in future. If Mr. Jaynes is able to secure employment, albeit in a non-registered capacity, with a reputable registrant that fosters a strong and pervasive culture of compliance with fundamental obligations to clients, this would, in my view, be an important factor to consider in any future application made by Mr. Jaynes (although I realize it might well be difficult to secure employment on this basis).

Although I have no authority to prevent Mr. Jaynes from re-applying for reinstatement of registration for a certain period of time, I think it would be appropriate for there to be some further period of reflection and opportunity to address some of the matters identified above which continue to be of concern. In the event that Mr. Jaynes decides to re-apply at a future point in time, he will need to be in a position to demonstrate, through positive actions he has undertaken in the interim, that he will be able to live up to his obligations as a registrant in future. [. . .]

20. Like the applicant in *Jaynes*, it would not be appropriate for Mr. Couto to reapply tomorrow. Instead, he should first pass the Conduct and Practices Handbook Course administered by CSI Global Education Inc., and second, he should demonstrate at the time of reapplication that he has held steady and productive employment with a reputable company in the financial services industry. Of course, in the event any facts came to light that were not reviewed during this OTBH that impugned Mr. Couto's suitability for registration, those facts would have to be considered by Staff in its assessment of his application.

April 20, 2012

"Erez Blumberger"
Acting Director
Compliance and Registrant Regulation

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Chapter 4

Cease Trading Orders

4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Revoke
Cayenne Gold Mines Ltd.	15 Feb 12	27 Feb 12	27 Feb 12	17 Apr 12
LMS Medical Systems Inc.	20 Jul 09	31 Jul 09	31 Jul 09	23 Apr 12

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
Higher River Gold Mines Ltd	15 Mar 12	27 Mar 12	27 Mar 12	19 Apr 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
Higher River Gold Mines Ltd	15 Mar 12	27 Mar 12	27 Mar 12	19 Apr 12	
Frontline Technologies Inc.	13 Apr 12	25 Apr 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
03/05/2012 to 03/09/2012	18	0755748 B.C. Ltd. - Common Shares	545,962.00	545,962.00
03/05/2012	21	Agcapita Farmland Fund III - Units	482,010.00	96,402.00
04/04/2012	60	Altima Resources Ltd. - Units	3,501,880.00	70,037,600.00
03/07/2012	12	American Capital Agency Corp. - Common Shares	55,319,313.00	1,886,100.00
03/26/2012	1	American Express Credit Corporation - Note	3,949,268.40	1.00
03/19/2012	6	Anconia Resources Corp. - Flow-Through Units	1,136,890.00	4,943,000.00
03/19/2012	4	Anconia Resources Corp. - Units	90,000.00	450,000.00
04/09/2012	1	Apache Corporation - Note	993,819.49	1.00
02/17/2012	3	Archer Capital Offshore 5, LP - Limited Partnership Interest	167,110,800.00	3.00
04/10/2012	1	Asher Resources Corporation - Common Shares	20,000.00	50,000.00
04/10/2012	2	Audatex North America, Inc. - Notes	10,300,761.60	2.00
03/22/2012	9	Augustine Ventures Inc. - Units	200,000.00	1,000,000.00
03/28/2012	33	Avrupa Minerals Ltd. - Units	1,200,000.00	4,000,000.00
03/20/2012	40	Ba Ba Capital Inc. - Common Shares	1,600,000.00	16,000,000.00
03/02/2012	3	BlackBerry Partners Fund II L.P. - Units	500,000.00	500.00
03/29/2012	78	BNP Paribas Arbitrage Issuance B.V - Certificates	1,859,993.79	1,790.00
03/09/2012	18	B.E.S.T. Active Fund 15 LP - Limited Partnership Units	2,095,400.00	2,095,400.00
02/01/2012	9	Capital Direct I Income Trust - Trust Units	602,262.00	60,226.20
03/29/2012	1	Caribou King Resources Ltd. - Common Shares	82,500.00	750,000.00
03/23/2012	16	Critical Outcome Technologies Inc. - Units	366,000.00	2,287,500.00
03/05/2012	71	Digital Shelf Space Corp. - Units	1,562,325.00	10,415,500.00
03/06/2012	118	Donner Metals Ltd. - Units	15,187,520.00	55,821,500.00
04/10/2012	10	Geomega Resources Inc. - Units	480,838.55	757,161.00
04/10/2012	20	Go Capital I, Inc. - Common Shares	200,000.00	4,000,000.00

Notice of Exempt Financings

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price (\$)	No. of Securities Distributed
03/22/2012	70	Gryphon Gold Corporation - Warrants	0.00	14,955,308.00
03/12/2012	45	GTA Resources and Mining Inc. - Units	5,923,700.10	5,813,498.00
03/28/2012	8	Hercules Offshore, Inc. - Common Shares	2,560,779.00	503,100.00
03/28/2012	3	Hercules Offshore, Inc. - Common Shares	1,530,000.00	300,000.00
03/19/2012 to 03/23/2012	23	IGW Real Estate Investment Trust - Units	1,347,730.00	1,347,730.00
03/19/2012 to 03/23/2012	8	IGW Real Estate Investment Trust - Units	153,112.41	145,821.00
02/03/2012 to 02/10/2012	3	INEOS Finance plc - Notes	3,898,513.02	3.00
04/04/2012	1	IOU Financial Inc. - Common Shares	350,000.00	1,027,267.00
04/05/2012	5	IOU Financial Inc. - Units	360,000.00	900,000.00
03/30/2012	6	Kingwest Avenue Portfolio - Units	21,500.00	724.87
03/30/2012	1	Kingwest High Income Fund - Units	2,800.00	482.07
04/03/2012	13	Lachlan Star Limited - Special Warrants	15,480,944.00	10,975,000.00
04/11/2012	10	Lago Dourado Minerals Ltd. - Units	1,134,000.00	2,835,000.00
04/11/2012	78	Lander Energy Corporation - Common Shares	720,000.00	12,000,000.00
04/11/2012	1	Lealand Stanford Junior University, The Board of Trustee - Bond	5,019,500.00	1.00
03/09/2012	6	Lord lansdowne Holdings Inc. - Units	3,229,337.92	3,230,617.00
03/26/2012	4	Lyondell Basell Industires N.V. - Notes	74,415,000.00	4.00
03/22/2012	2	Majescor Resources Inc. - Units	125,000.00	500,000.00
03/22/2012	2	Manitou Gold Inc. - Common Shares	0.00	25,000.00
03/19/2012 to 03/21/2012	5	Member-Partners Solar Energy Capital Inc. - Bonds	164,500.00	1,645.00
03/19/2012 to 03/21/2012	6	Member-Partners Solar Energy Limited Partnership - Units	705,000.00	705,000.00
03/27/2012	1	Merrill Lynch International & Co. C.V. - Warrants	2,010,265.82	335.00
03/27/2012	12	Moneta Porcupine Mines Inc. - Common Shares	3,000,000.00	10,000,000.00
04/05/2012	113	New Gold Inc. - Notes	297,930,000.00	113.00
03/12/2012 to 03/21/2012	10	Newport Balanced Fund - Trust Units	486,185.79	851.00
03/22/2012 to 03/30/2012	5	Newport Balanced Fund - Trust Units	15,299.96	52.00

Notice of Exempt Financings

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price (\$)	No. of Securities Distributed
03/12/2012 to 03/21/2012	11	Newport Canadian Equity Fund - Trust Units	392,805.22	2,349.00
03/22/2012 to 03/30/2012	3	Newport Canadian Equity Fund - Trust Units	64,000.00	29.00
03/12/2012 to 03/21/2012	8	Newport Fixed Income Fund - Trust Units	231,875.87	2,227.00
03/22/2012 to 03/30/2012	10	Newport Fixed Income Fund - Trust Units	650,000.00	2,862.00
03/12/2012 to 03/21/2012	4	Newport Global Equity Fund - Trust Units	164,005.39	1,696.00
03/22/2012 to 03/30/2012	6	Newport Global Equity Fund - Trust Units	170,000.00	2,348.00
03/12/2012 to 03/21/2012	1	Newport Strategic Yield LP - Trust Units	46,941.81	3,982.00
03/12/2012 to 03/21/2012	21	Newport Yield Fund - Trust Units	690,127.19	5,755.00
03/22/2012 to 03/30/2012	31	Newport Yield Fund - Trust Units	1,620,622.81	7,337.00
01/13/2012	1	Nightingale Informatix Corporation - Debentures	125,000.00	125.00
03/27/2012	13	Nordex Explosives Ltd. - Common Shares	209,000.00	522,500.00
06/28/2011 to 07/05/2011	3	Novel, Inc. - Common Shares	192,135.00	80,000.00
01/27/2012 to 02/08/2012	29	Omniarch Capital Corporation - Bonds	978,363.00	29.00
02/16/2012 to 02/23/2012	20	Omniarch Capital Corporation - Bonds	426,987.00	20.00
02/24/2012 to 03/05/2012	50	Omniarch Capital Corporation - Bonds	1,038,735.00	50.00
03/22/2012	11	Oroco Resource Corp. - Units	647,500.00	2,590,000.00
05/19/2011	2	Osisko Mining Corporation - Common Shares	5,613,037.50	320,745.00
05/18/2011	2	Osisko Mining Corporation - Common Shares	374,500.00	21,400.00
03/28/2012	44	Parlane Resource Corp. - Units	1,644,750.00	10,965,000.00
04/11/2012	4	Parta Dialogue Inc. - Common Shares	570,000.00	2,280,000.00
03/20/2012	1	Poynt Corporation - Warrants	690,000.00	6,000,000.00
03/02/2012	8	Primus Capital Fund VII, LP - Limited Partnership Interest	196,820,640.00	8.00
03/27/2012	1	Probe Mines Limited - Common Shares	603,000.00	450,000.00
03/30/2012	2	ProMetic Life Sciences Inc. - Common Shares	249,999.91	2,272,726.00

Notice of Exempt Financings

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price (\$)	No. of Securities Distributed
04/16/2012	2	Prospect Capital Corporation - Notes	4,899,230.00	2.00
03/26/2012	2	Rainy River Resources Ltd. - Common Shares	433,500.00	75,000.00
04/03/2012	2	Rainy River Resources Ltd. - Common Shares	115,600.00	20,000.00
03/14/2012	1	Return on Innovation Capital Ltd. - Units	2,400,000.00	2,400,000.00
02/22/2012	2	Return on Innovation Capital Ltd. - Units	9,000,000.00	9,000,000.00
02/23/2012	3	Return on Innovation Capital Ltd. - Units	3,760,000.00	3,760,000.00
02/27/2012	1	Return on Innovation Capital Ltd. - Units	2,300,000.00	2,300,000.00
03/02/2012	1	Return on Innovation Capital Ltd. - Units	1,245,910.93	1,245,910.93
03/22/2012	1	Return on Innovation Capital Ltd. - Units	259,233.00	259,233.00
03/02/2012	2	Return on Innovation Capital Ltd. - Units	5,900,000.00	5,900,000.00
03/02/2012	3	Return on Innovation Capital Ltd. - Units	3,357,000.00	3,357,000.00
03/07/2012	1	Return on Innovation Capital Ltd. - Units	482,364.00	482,364.00
03/02/2012	1	Return On Innovation Capital Ltd. - Units	3,300,000.00	3,300,000.00
03/28/2012	1	Rexel, societe anonyme - Note	2,496,000.00	1.00
04/10/2012	1	Rockland Minerals Corp. - Non-Flow Through Units	100,000.00	714,286.00
03/15/2012	2	Rockland Minerals Corp. - Units	524,999.86	3,119,747.00
03/23/2012	34	Rockridge Capital Corp. - Units	1,500,000.00	6,000,000.00
03/01/2012	1	ROI Capital Ltd. - Units	31,102.00	31,102.00
05/01/2011 to 05/31/2011	1	Rosecliff Capital, LP - Limited Partnership Interest	949,200.00	1.00
04/10/2012	1	Royal Bank of Canada - Notes	2,005,600.00	20,000.00
04/10/2012	1	RXT 110 Inc. - Common Shares	4,000,000.00	20,000,000.00
03/30/2012	2	Sernova Corp. - Units	139,000.00	772,222.00
03/21/2012	20	Shear Diamonds Ltd. - Units	2,859,720.56	7,428,046.00
04/01/2012	3	Stacey Muirhead Limited Partnership - Limited Partnership Units	640,246.00	19,368.53
04/05/2012	3	Surmont Energy Ltd. - Common Shares	525,000.00	700,000.00
02/16/2012	5	TerraBioGen Technologies Inc. - Common Shares	750,000.00	7,500,000.00
04/01/2012	1	The Cypress Partners L.P. - Limited Partnership Interest	2,016,739.00	1.00
02/28/2012	146	The Goodyear Tire & Rubber Company - Notes	696,920,000.00	700,000.00

Notice of Exempt Financings

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price (\$)	No. of Securities Distributed
03/02/2012 to 03/29/2012	4	The Toronto United Church Council - Notes	390,000.00	390,000.00
03/29/2012	5	The Williams Companies, Inc. - Common Shares	41,292,370.35	850,000.00
02/27/2012	4	Timbercreek Four Quadrant LP - Limited Partnership Units	250,000.00	22,624.43
01/30/2012	62	Touchpoint Metrics, Inc.(Amended) - Common Shares	581,856.00	2,320,000.00
03/26/2012 to 03/29/2012	35	UBS AG, Jersey Branch - Certificates	11,737,137.14	35.00
04/02/2012 to 04/05/2012	41	UBS AG, Jersey Branch - Certificates	12,752,363.92	41.00
03/26/2012 to 03/28/2012	10	UBS AG, Zurich - Certificates	2,890,362.72	10.00
03/30/2012	1	Urbana Corporation - Common Shares	54,000.00	50,000.00
08/01/2011 to 02/01/2012	3	ValueAct Capital International II, L.P. - Limited Partnership Interest	63,048,625.20	3.00
10/01/2010 to 12/01/2011	3	ValueAct Capital International I, L.P. - Limited Partnership Interest	2,945,422.64	3.00
03/27/2012	7	Vantiv, Inc. - Common Shares	5,823,600.00	345,000.00
03/30/2012	2	Victory Gold Mines Inc. - Common Shares	419,000.00	2,100,000.00
03/26/2012	5	Vintage Investment Partners V (Cayman) LP - Limited Partnership Interest	1,617,286.00	5.00
03/28/2012	1	Vision Critical Communications Inc. - Debenture	4,000,000.00	1.00
04/12/2012	1	Vivendi S.A. - Note	9,946,219.00	1.00
03/30/2012	10	Wallbridge Mining Company Limited - Flow-Through Units	1,233,866.97	5,875,557.00
03/30/2012	10	WIP Investment Limited Partnership - Limited Partnership Units	2,760,000.00	276,000.00
03/09/2012	9	Yellow Point Equity Partners III Limited Partnership - Units	12,400,000.00	1,240.00

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:

BMO Dividend Fund
BMO Enhanced Equity Income Fund
BMO Global Equity Class
BMO Laddered Corporate Bond Fund
BMO Target Enhanced Yield ETF Portfolio
BMO Target Yield ETF Portfolio
BMO World Bond Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectuses dated April 17, 2012
NP 11-202 Receipt dated April 20, 2012

Offering Price and Description:

BMO Guardian Laddered Corporate Bond Fund Advisor Series, BMO Guardian Target Enhanced Yield ETF Portfolio Advisor Series, BMO Guardian Target Yield ETF Portfolio Advisor Series, BMO Guardian Enhanced Equity Income Fund Advisor Series, BMO Guardian World Bond Fund Advisor Series, BMO Guardian Global Equity Class Series F, BMO Guardian Global Equity Class Series T5, BMO Guardian Dividend Fund Advisor Series and BMO Guardian Dividend Fund Series T5

Underwriter(s) or Distributor(s):

BMO INVESTMENTS INC.
BMO Investments Inc.

Promoter(s):

BMO INVESTMENTS INC.

Project #1892658

Issuer Name:

APMEX Physical - 1 oz. Gold Redeemable Trust
Principal Regulator - Ontario

Type and Date:

Preliminary Long Form Prospectus dated April 20, 2012
NP 11-202 Receipt dated April 23, 2012

Offering Price and Description:

U.S.\$* - * Units

Price U.S.\$10.00 per Unit

Underwriter(s) or Distributor(s):

BMO NESBITT BURNS INC.
STIFEL NICOLAUS CANADA INC.

Promoter(s):

APMEX Precious Metals Management Services, Inc.,
Project #1893179

Issuer Name:

Columbus Gold Corporation
Principal Regulator - British Columbia

Type and Date:

Preliminary Short Form Prospectus dated April 19, 2012
NP 11-202 Receipt dated April 19, 2012

Offering Price and Description:

\$5,500,000.00 - 10,000,000 Units Price: \$0.55 per Unit

Underwriter(s) or Distributor(s):

CORMARK SECURITIES INC.
CANACCORD GENUITY CORP.
HAYWOOD SECURITIES INC.
NATIONAL BANK FINANCIAL INC.

Promoter(s):

-

Project #1892124

Issuer Name:

Cordillera Gold Ltd.
Principal Regulator - Ontario

Type and Date:

Preliminary Long Form Prospectus dated April 16, 2012
NP 11-202 Receipt dated April 18, 2012

Offering Price and Description:

Minimum of \$3,115,000.00 - * Units; Maximum of \$7,500,000.00 - * Units Price: \$* per Unit

Underwriter(s) or Distributor(s):

Kingsdale Capital Markets Inc.

Promoter(s):

Rob Fia

Project #1891734

Issuer Name:

IA Clarington Focused Balanced Class
IA Clarington Focused Balanced Fund
IA Clarington Focused Canadian Equity Class
Principal Regulator - Quebec

Type and Date:

Preliminary Simplified Prospectuses dated April 11, 2012
NP 11-202 Receipt dated April 18, 2012

Offering Price and Description:

A, E, E5, F, F5, I, L, L5, O and T5 Units, and Series A, E, E5, F, F5, I, L, L5, O and T5 Shares

Underwriter(s) or Distributor(s):

-

Promoter(s):

IA Clarington Investments Inc.

Project #1890751

Issuer Name:

Respect Your Universe, Inc.
Principal Regulator - British Columbia

Type and Date:

Preliminary Long Form Prospectus dated April 18, 2012
NP 11-202 Receipt dated April 19, 2012

Offering Price and Description:

\$5,000,000.00 - * Common Shares Price: \$ * per Common Share

Underwriter(s) or Distributor(s):

Salman Partners Inc.

Promoter(s):

-

Project #1891972

Issuer Name:

Scotia Canadian Corporate Bond Capital Yield Class
Scotia Canadian Dividend Class
Scotia Conservative Government Bond Capital Yield Class
Scotia Global Dividend Class
Scotia INNOVA Balanced Growth Portfolio Class
Scotia INNOVA Balanced Income Portfolio Class
Scotia INNOVA Growth Portfolio Class
Scotia INNOVA Income Portfolio Class
Scotia INNOVA Maximum Growth Portfolio Class
Scotia Private Canadian Equity Class
Scotia Private U.S. Dividend Class
Scotia Private U.S. Equity Class
Scotia Short Term Yield Class
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectuses dated April 20, 2012
NP 11-202 Receipt dated April 20, 2012

Offering Price and Description:

Series A and Series M Shares

Underwriter(s) or Distributor(s):

Scotia Securities Inc.
Scotia Securities Inc. (Series A shares only)
Scotia Securities Inc. (Series A shares)

Promoter(s):

Scotia Asset Management L.P.

Project #1892875

Issuer Name:

Scotia Canadian Corporate Bond LP
Scotia Canadian Income LP
Scotia Conservative Government Bond LP
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectuses dated April 20, 2012
NP 11-202 Receipt dated April 20, 2012

Offering Price and Description:

Series I Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

Scotia Asset Management L.P.

Project #1892884

Issuer Name:

Sprott Physical Platinum and Palladium Trust
Principal Regulator - Ontario

Type and Date:

Amended and Restated Preliminary Long Form PREP
Prospectus dated April 20, 2012
NP 11-202 Receipt dated April 20, 2012

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

RBC DOMINION SECURITIES INC.
MORGAN STANLEY CANADA LIMITED

Promoter(s):

SPROTT ASSET MANAGEMENT LP

Project #1848741

Issuer Name:

BMO Canadian Large Cap Equity Class
(BMO Guardian Canadian Large Cap Equity Class Advisor
Series and BMO Guardian Canadian Large
Cap Equity Class Series H)
Principal Regulator - Ontario

Type and Date:

Amendment #3 dated April 11, 2012 to the Simplified
Prospectus and Annual Information Form dated September
20, 2011
NP 11-202 Receipt dated April 19, 2012

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

BMO Investments Inc.

Promoter(s):

-

Project #1782751

Issuer Name:

BMO Guardian Canadian Large Cap Equity Fund
(Mutual Fund units, F Class units, I Class units and T5
Class units)
Principal Regulator - Ontario

Type and Date:

Amendment #2 dated April 11, 2012 to the Simplified
Prospectus and Annual Information Form and dated June
16, 2011
NP 11-202 Receipt dated April 19, 2012

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

Guardian Group of Funds Ltd.
BMO Investments Inc.

Promoter(s):

BMO Investments Inc.

Project #1748278

Issuer Name:

Canadian Banc Corp.
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated April 18, 2012
NP 11-202 Receipt dated April 20, 2012

Offering Price and Description:

Warrants to Subscribe for up to 2,257,484 Units (each Unit consisting of consisting of one Class A Share and one Preferred Share) at a Subscription Price of \$20.00

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #1875774

Issuer Name:

Horizons Morningstar Hedge Fund Index ETF
Principal Regulator - Ontario

Type and Date:

Final Long Form Prospectus dated April 16, 2012
NP 11-202 Receipt dated April 19, 2012

Offering Price and Description:

Class E Units and Advisor Class Units @ Net Asset Value

Underwriter(s) or Distributor(s):

-

Promoter(s):

ALPHAPRO MANAGEMENT INC.

Project #1748247

Issuer Name:

Dividend Select 15 Corp.
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated April 18, 2012
NP 11-202 Receipt dated April 20, 2012

Offering Price and Description:

Warrants to Subscribe for up to 4,890,000 Equity Shares at a Subscription Price of \$9.25

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #1875762

Issuer Name:

First Asset Canadian Dividend Opportunity Fund
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectus dated April 19, 2012
NP 11-202 Receipt dated April 19, 2012

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

First Asset Investment Management Inc.

Project #1870018

Issuer Name:

HAP Nexus Hedge Fund Replication Trust
Principal Regulator - Ontario

Type and Date:

Final Long Form Prospectus dated April 16, 2012
NP 11-202 Receipt dated April 20, 2012

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

AlphaPro Management Inc.

Project #1752410

Issuer Name:

iShares Dow Jones Canada Select Growth Index Fund
iShares S&P®/TSX® SmallCap Index Fund
iShares Dow Jones Canada Select Value Index Fund
iShares Dow Jones Canada Select Dividend Index Fund
iShares S&P/TSX Capped Energy Index Fund
iShares S&P/TSX Equity Income Index Fund
iShares Jantzi Social Index Fund
iShares S&P/TSX Capped Financials Index Fund
iShares S&P/TSX Capped Composite Index Fund
iShares S&P/TSX Capped Information Technology Index Fund
iShares S&P/TSX 60 Index Fund
iShares S&P/TSX Capped Materials Index Fund
iShares S&P/TSX Completion Index Fund
iShares S&P/TSX Capped REIT Index Fund
iShares S&P/TSX Capped Consumer Staples Index Fund
iShares S&P/TSX Capped Utilities Index Fund
iShares S&P/TSX Venture Index Fund
iShares DEX Universe Bond Index Fund
iShares DEX All Corporate Bond Index Fund
iShares DEX Floating Rate Note Index Fund
iShares DEX All Government Bond Index Fund
iShares DEX HYBrid Bond Index Fund
iShares DEX Long Term Bond Index Fund
iShares DEX Real Return Bond Index Fund
iShares DEX Short Term Bond Index Fund
iShares DEX Short Term Corporate Universe + Maple Bond Index Fund
iShares MSCI Brazil Index Fund
iShares China Index Fund
iShares MSCI Emerging Markets Index Fund
iShares S&P CNX Nifty India Index Fund
iShares S&P Latin America 40 Index Fund
iShares MSCI World Index Fund
iShares S&P/TSX Global Base Metals Index Fund
iShares S&P/TSX Global Gold Index Fund
iShares S&P Global Healthcare Index Fund (CAD-Hedged)
iShares MSCI EAFE® Index Fund (CAD-Hedged)
iShares NASDAQ 100 Index Fund (CAD-Hedged)
iShares S&P 500 Index Fund (CAD-Hedged)
iShares Russell 2000® Index Fund (CAD-Hedged)
iShares S&P/TSX North American Preferred Stock Index Fund (CAD-Hedged)
iShares J.P. Morgan USD Emerging Markets Bond Index Fund (CAD-Hedged)
iShares U.S. High Yield Bond Index Fund (CAD-Hedged)
iShares U.S. IG Corporate Bond Index Fund (CAD-Hedged)
Principal Regulator - Ontario

Type and Date:

Final Long Form Prospectus dated April 16, 2012
NP 11-202 Receipt dated April 18, 2012

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

BlackRock Asset Management Canada Limited

Promoter(s):

-

Project #1867565

Issuer Name:

iShares Diversified Monthly Income Fund
Principal Regulator - Ontario

Type and Date:

Final Long Form Prospectus dated April 16, 2012
NP 11-202 Receipt dated April 18, 2012

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

Blackrock Asset Management Canada Limited

Promoter(s):

-

Project #1867577

Issuer Name:

MD Precision Balanced Income Portfolio
MD Precision Moderate Growth Portfolio
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectuses dated April 16, 2012
NP 11-202 Receipt dated April 19, 2012

Offering Price and Description:

Series A Units

Underwriter(s) or Distributor(s):

MD Management Limited

Promoter(s):

MD Physician Services Inc.

Project #1862468

Issuer Name:

Prime Dividend Corp.
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated April 18, 2012
NP 11-202 Receipt dated April 20, 2012

Offering Price and Description:

Warrants to Subscribe for up to 1,539,460 Units (each Unit consisting of consisting of one Class A Share and one Preferred Share) at a Subscription Price of \$17.25

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #1875733

Issuer Name:

Thompson Creek Metals Company Inc.
Principal Regulator - Ontario

Type and Date:

Final Base Shelf Prospectus dated April 19, 2012
NP 11-202 Receipt dated April 19, 2012

Offering Price and Description:

\$1,000,000,000.00:
Common Shares,
First Preferred Shares,
Debt Securities,
Warrants,
Subscription Receipts,
Units, and
Share Purchase Contracts

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #1888317

Issuer Name:

UBS (Canada) High Yield Debt Fund

Type and Date:

Final Simplified Prospectus dated April 20, 2012
Receipted on April 20, 2012

Offering Price and Description:

Units @ net asset value

Underwriter(s) or Distributor(s):

-

Promoter(s):

UBS Global Asset Management (Canada) Inc.

Project #1872460

Issuer Name:

Vista Gold Corp.
Principal Regulator - British Columbia

Type and Date:

Final Base Shelf Prospectus dated April 19, 2012
NP 11-202 Receipt dated April 20, 2012

Offering Price and Description:

US\$200,000,000.00:
Common Shares
Warrants
Subscription Receipts
Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #1872859

Issuer Name:

GT Canada Medical Properties Real Estate Investment Trust

Type and Date:

Rights Offering Circular dated March 9, 2012
Final Base Shelf Prospectus dated April 19, 2012
Accepted on March 9, 2012

Offering Price and Description:

15,520,848 Rights to Subscribe for up to 3,880,212 Units:
Price: Four Rights and \$1.15 per Unit

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #1859849

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Change in Registration Category	Portfolio Strategies Securities Inc.	From: Investment Dealer To: Investment Dealer and Investment Fund Manager	April 20, 2012
Change in Registration Category	GMP Investment Management L.P.	From: Investment Fund Manager, Exempt Market Dealer and Portfolio Manager To: Commodity Trading Manager, Investment Fund Manager, Exempt Market Dealer and Portfolio Manager	April 23, 2012

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SROs, Marketplaces and Clearing Agencies

13.3 Clearing Agencies

13.3.1 CDS - Notice and Request for Comment – Material Amendments to CDS Procedures – Modification to the CDSX interface to the CDCC fixed income CCP

NOTICE AND REQUEST FOR COMMENT – MATERIAL AMENDMENTS TO CDS PROCEDURES

MODIFICATION TO THE CDSX INTERFACE TO THE CDCC FIXED INCOME CCP

A. DESCRIPTION OF THE PROPOSED CDS PROCEDURE AMENDMENTS

Description of the proposed amendments

The proposed amendment addresses the industry requirement to amend the way in which trades destined to CDCC's fixed income central counterparty service (SOLA) are handled by CDSX after the SOLA cut-off time. The request for this amendment to CDSX procedure was submitted to CDS by the IIAC Fixed Income CCP Steering Committee.

The current business rule is - If both parties to a trade are eligible to clear at CDCC and the trade has a value date equal to the current business day and the mode of settlement is equal to SNS and the trade is received in CDSX after the SOLA cut-off time, the mode of settlement is automatically changed to TFT and is immediately eligible to settle in CDSX. This rule satisfies the requirement that if a repo transaction targeted to clear at CDCC misses the last netting opportunity at CDCC (at 3:30 PM) the front leg still has an opportunity to settle in CDSX that same business day.

The new requirement being satisfied by this amendment is to allow the Participant an option to automatically set the settlement control indicator from "Y" (Yes) to "N" (No) in the scenario noted above. This option allows the Participant the ability to choose whether trades missing the netting cut-off at CDCC settle automatically in CDSX or provide the opportunity to resubmit them to CDCC for novation and netting the following day. Participants will have the ability to exercise this option by requesting CDS to adjust their CDSX profile accordingly.

B. NATURE AND PURPOSE OF THE PROPOSED CDS PROCEDURE AMENDMENTS

This process change would enhance Participants' ability to manage those of their repo trades that did not reach CDCC prior to the cut-off time for same day novation and netting. The business purpose is to allow the parties to the repo transactions submitted after the cut-off time the opportunity to intervene and prevent those trades from settling in CDSX. This change will allow the Participant the opportunity to review, and adjust if necessary the terms of the trade, and resubmit it to CDCC for netting and novation the following day. By holding the trade from settling, the Participant has the opportunity to deal with the trade in a manner consistent with the original intent of the trade when it was originally entered in CDSX.

C. IMPACT OF THE PROPOSED CDS PROCEDURE AMENDMENTS

In the new process Participants will have the ability to choose whether the front leg of a repo transaction reported after the SOLA cut-off is released for settlement in CDSX. Currently, the trade will settle bilaterally before either party to the transactions has the opportunity to react to it. In the case where these trades do settle in CDSX the parties to the original repo deal would also have to deal with far leg of that repo transaction. When this change is implemented Participants will be able to more effectively control how their repo deals are cleared and subsequently settled.

Participants will be required to modify their internal procedures in order to adjust to this change in process. However, because these trades will now be held, Participants will be able to more effectively identify these exceptional situations and to address them in a manner that best meets their needs.

C.1 Competition

The procedure amendment is being proposed to support system changes that will allow our Participants to more effectively manage their repo activity that is targeted to clear in a competing fixed income central counterparty clearing

solution. The proposed changes will have no impact on existing or new participants having or being granted access to CDS's systems.

C.2 Risks and Compliance Costs

The proposed amendments do not introduce additional risks or compliance costs to CDS or its participants.

For trades that are received by CDS after the SOLA cut-off time, the mode of settlement is changed to TFT. As such, this amendment is to treat these trades in a more consistent fashion to all other TFT trades in CDSX. That is, the risk exposure associated with these trades being able to be put on hold is no different than other TFT trades being managed through the use of the settlement control indicator. This change will allow participants to more effectively manage the settlement of all of their TFT trades.

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

The proposed system change and procedure amendments are consistent with international standards and recommendations previously set forth by the International Organization of Securities Commissions and the Committee on Payment and Settlement Systems of the Bank for International Settlements.

While the change being introduced is specific in scope it is being implemented in the broader context of usability, risk containment and efficiency. Recommendation 5 regarding securities lending suggests that barriers that inhibit the practice of lending securities should be removed. This proposal addresses the question about the efficacy of risk management procedures used to monitor and/or limit risks stemming from such activities. In this case, a more effective tool (a trade hold) is being implemented to monitor trade activities. Essentially, this change is intended to reduce the risk of unintended bilateral settlements which will potentially increase the number of transactions clearing in a central counterparty clearing solution, an accepted means for reducing financial risk. In the context of repo activity it also allows for the greater possibility of balance sheet relief.

D. DESCRIPTION OF THE PROCEDURE DRAFTING PROCESS

D.1 Development Context

On February 18, 2012 CDS implemented changes to CDSX that delivers eligible repurchase agreement transactions in debt securities to CDCC's fixed income central counterparty service (SOLA) for clearing. During community testing, industry participants requested the project management office of the Fixed Income project to consider a change that would automatically hold current-value trades delivered to CDSX after the SOLA cutoff time from settling in CDSX. CDS was presented with a change request in September, 2011. In January 2012, the IIAC Fixed Income CCP Steering Committee agreed to defer the change post implementation in order to avoid additional delays to the implementation date. Subsequent to the implementation in February, CDS was asked to complete the change request.

D.2 Procedure Drafting Process

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

These amendments were reviewed and approved by the SDRC on March 29, 2012.

D.3 Issues Considered

Only two options were considered. The first was to leave the process unchanged; the second was to give Participants the ability to resubmit trades to CDCC the following day that, due to late submission, would not be considered eligible for clearing at CDCC. The latter option was chosen for the reasons cited in section B. The primary issue was whether the thirty minute timeframe between the CDCC cut-off time and the start of CDSX payment exchange would be sufficient to resolve any outstanding issues. Acknowledging a strong desire by some firms to have the ability to resubmit late trades to the CCP it was agreed to implement this option to automatically flip the settlement control on late trades to the discretion of each participant.

D.4 Consultation

The proposed requirement was reviewed and discussed with the IIAC Fixed Income Repo Committee, a consultation process which is consistent with the CDCC Fixed Income Central Counterparty Service project management process. The change in requirement was identified through the project change request process and reviewed by both front-office and back-office stakeholders. CDS was consulted and was asked to propose a technical solution that was consistent with both general CDSX functionality and current CDSX risk containment practices. The agreed solution was presented to the IIAC Fixed Income CCP Steering Committee for approval.

D.5 Alternatives Considered

The proposed solution is the only alternative that is consistent with general CDSX functionality and with the general flow of repo activity between CDSX and SOLA; consequently, no alternatives were considered.

D.6 Implementation Plan

CDS received sign-off on the requirement from the IIAC Fixed Income CCP Steering Committee in January 2012. Development will be completed on March 23, 2012. The code will be introduced into the CDSX/CDCC testing region for participant acceptance testing on April 9, 2012. The change will be implemented on June 25, 2012.

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

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

E. TECHNOLOGICAL SYSTEMS CHANGES

E.1 CDS

System changes are required in CDSX to automatically update the settlement control indicator of a trade from "Y" to "N" if both parties to a trade are eligible to clear at CDCC and the trade has a value date equal to the current business day and the mode of settlement is equal to SNS and the trade is received in CDSX after the SOLA cut-off and at least one party to the trade has indicated that it wishes these trades be held from settlement.

The Participant's choice to systematically hold late trades will be captured in a CDSX SOLA profile. This profile will be populated by CDS if requested to do so. In the second phase of the fixed income project, CDS will make this profile available to participants using online functionality to manage this option without CDS intervention.

There are no other changes or impacts to trade or settlement processing in CDSX.

E.2 CDS Participants

Changes are not required to Participant systems to benefit from this change.

E.3 Other Market Participants

Changes are not required to third-party vendor systems to benefit from this change.

F. COMPARISON TO OTHER CLEARING AGENCIES

Netting and novation of fixed income repo trades in the U.S. market occur through the Fixed Income Clearing Corporation (FICC); a subsidiary of the Depository Trust & Clearing Corporation (DTCC). FICC nets and novates transactions on a near real-time basis and provides counterparties with net outstanding obligations on a current and forward-dated basis. Repo transactions with a "start" or "on" leg of the current day are novated by FICC. The "end" or "off" legs are future dated and are novated and netted, with settlement taking place on the net obligation on the value date. In each case the security obligation settles through the Federal Reserve and the funds component is settled through Fedwire.

The model developed by CDCC follows roughly that of LCH.Clearnet, an independent clearing house that is based in London, U.K. LCH.Clearnet operates RepoClear, a market utility that nets and novates bond and repo transactions between industry participants in 13 European markets. Settlement of these net obligations that have reached their value date is done at the depository in each market.

In the current CDCC model, CDS delivers eligible repo transactions (eligible CDSX trades) to CDCC for netting and novation. Those trades that are not eligible are settled in CDSX trade-for-trade. Like both of the repo models described above, the CDCC model assumes that the terms of the transactions delivered for clearing are agreed.

G. PUBLIC INTEREST ASSESSMENT

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

H. COMMENTS

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

Toni Manesis
Senior Business Analyst, Business Systems Development and Support
CDS Clearing and Depository Services Inc.
85 Richmond Street West
Toronto, Ontario M5H 2C9

Phone: 416-365-3859
Fax: 416-367-2755
Email: amanesis@cds.ca

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

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

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

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

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

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

I. PROPOSED CDS PROCEDURE AMENDMENTS

Access the proposed amendments to the CDS Procedures and CDS Forms (if applicable) on the User documentation revisions web page (<http://www.cds.ca/cdsclearinghome.nsf/Pages/-EN-UserDocumentation?Open>). The revision portfolio contains text of CDS Procedures marked to reflect proposed amendments, as well as text of these procedures reflecting the adoption of the proposed amendments.

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Abramson, Herbert		Caruso, Marco	
Notice of Hearing – ss. 127, 127.1	4078	Notice from the Office of the Secretary	4082
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