The Ontario Securities Commission

OSC Bulletin

July 12, 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)

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1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

July 12, 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
20 Queen Street West
Toronto, Ontario
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M. -

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

SCHEDULED OSC HEARINGS

July 16, 2012 10:00 a.m.	**Shane Suman and Monie Rahman** s. 127 and 127(1) C. Price in attendance for Staff Panel: JEAT/PLK
July 18-20, August 13, August 15 and September 18-19, 2012 10:00 a.m.	**Crown Hill Capital Corporation and Wayne Lawrence Pushka** s. 127 A. Perschy/A. Pelletier in attendance for Staff Panel: JEAT/CP/JNR
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: MGC
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

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 Khodjaiants 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
August 15, 2012 10:00 a.m.	**Morgan Dragon Development Corp., John Cheong (aka Kim Meng Cheong), Herman Tse, Devon Ricketts and Mark Griffiths** s. 127 J. Feasby in attendance for Staff Panel: EPK
August 15 and 16, 2012 10:00 a.m.	**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: MGC
August 28, 2012 2:30 p.m.	**David Charles Phillips and John Russell Wilson** s. 127 Y. Chisholm in attendance for Staff Panel: JDC
September 4-10, September 12-14, September 19-24, and September 26 – October 5, 2012 10:00 a.m.	**Portus Alternative Asset Management Inc., Portus Asset Management Inc., Boaz Manor, Michael Mendelson, Michael Labanowich and John Ogg** s. 127 H Craig in attendance for Staff Panel: TBA
September 4, 2012 11:00 a.m.	**Juniper Fund Management Corporation, Juniper Income Fund, Juniper Equity Growth Fund and Roy Brown (a.k.a. Roy Brown-Rodrigues)** s. 127 and 127.1 D. Ferris in attendance for Staff Panel: VK/MCH
September 5, 2012 10:00 a.m.	**Vincent Ciccone and Cabo Catoche Corp. (a.k.a. Medra Corp. and Medra Corporation)** s. 127 M. Vaillancourt in attendance for Staff Panel: VK
September 5-10, September 12-14 and September 19-21, 2012 10:00 a.m.	**Vincent Ciccone and Medra Corp.** s. 127 M. Vaillancourt in attendance for Staff Panel: VK
September 11, 2012 3:00 p.m.	**Systematech Solutions Inc., April Vuong and Hao Quach** s. 127 J. Feasby in attendance for Staff Panel: EPK

September 12, 2012 9:00 a.m.	**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** s. 127 C. Watson in attendance for Staff Panel: EPK
September 21, 2012 10:00 a.m.	**Oversea Chinese Fund Limited Partnership, Weizhen Tang and Associates Inc., Weizhen Tang Corp., and Weizhen Tang** s. 127 and 127.1 H. Craig in attendance for Staff Panel: TBA
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: JDC
October 11, 2012 9:00 a.m.	**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: 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 22, October 24- November 2, November 7-14, 2012 10:00 a.m.	**Peter Sbaraglia** s. 127 J. Lynch in attendance for Staff Panel: CP
October 29-31, 2012 10:00 a.m.	**Shallow Oil & Gas Inc., Eric O'Brien, Abel Da Silva and Abraham Herbert Grossman aka Allen Grossman and Kevin Wash** s. 127 H. Craig/S. Schumacher in attendance for Staff Panel: JDC

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 10:00 a.m.	**Heir Home Equity Investment Rewards Inc.; FFI First Fruit Investments Inc.; Wealth Building Mortgages Inc.; Archibald Robertson; Eric Deschamps; Canyon Acquisitions, LLC; Canyon Acquisitions International, LLC; Brent Borland; Wayne D. Robbins; Marco Caruso; Placencia Estates Development, Ltd.; Copal Resort Development Group, LLC; Rendezvous Island, Ltd.; The Placencia Marina, Ltd.; and The Placencia Hotel and Residences Ltd.** s. 127 B. Shulman in attendance for Staff Panel: TBA
November 12-19 and November 21, 2012 10:00 a.m.	**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.** s. 127 J. Feasby in attendance for Staff Panel: TBA
November 21 – December 3 and December 5-14, 2012 10:00 a.m.	**Bernard Boily** s. 127 and 127.1 M. Vaillancourt/U. Sheikh in attendance for Staff Panel: TBA
December 4, 2012 3:30 p.m.	**Global Consulting and Financial Services, Crown Capital Management Corporation, Canadian Private Audit Service, Executive Asset Management, Michael Chomica, Peter Siklos (Also Known As Peter Kuti), Jan Chomica, and Lorne Banks** s. 127 H. Craig/C. Rossi in attendance for Staff Panel: CP
December 20, 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
January 7 – February 5, 2013 10:00 a.m.	**Jowdat Waheed and Bruce Walter** s. 127 J. Lynch in attendance for Staff Panel: TBA
January 21-28 and January 30 – February 1, 2013 10:00 a.m.	**Moncasa Capital Corporation and John Frederick Collins** s. 127 T. Center in attendance for Staff Panel: TBA

January 23-25 and January 30-31, 2013 10:00 a.m.	**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** s. 127 C. Watson in attendance for Staff Panel: TBA
February 4-11 and February 13, 2013 10:00 a.m.	**Alexander Christ Doulis (aka Alexander Christos Doulis, aka Alexandros Christodoulidis) and Liberty Consulting Ltd.** s. 127 J. Feasby in attendance for Staff Panel: TBA
April 29 – May 6 and May 8-10, 2013 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: TBA
TBA	**Yama Abdullah Yaqeen** s. 8(2) J. Superina in attendance for Staff Panel: TBA
TBA	**Microsourceonline Inc., Michael Peter Anzelmo, Vito Curalli, Jaime S. Lobo, Sumit Majumdar and Jeffrey David Mandell** s. 127 J. Waechter in attendance for Staff Panel: TBA
TBA	**Frank Dunn, Douglas Beatty, Michael Gollogly** s. 127 K. Daniels in attendance for Staff Panel: TBA
TBA	**MRS Sciences Inc. (formerly Morningside Capital Corp.), Americo DeRosa, Ronald Sherman, Edward Emmons and Ivan Cavric** s. 127 and 127(1) D. Ferris in attendance for Staff Panel: TBA
TBA	**Gold-Quest International, 1725587 Ontario Inc. carrying on business as Health and Harmoney, Harmoney Club Inc., Donald Iain Buchanan, Lisa Buchanan and Sandra Gale** s. 127 H. Craig in attendance for Staff Panel: TBA
TBA	**Gold-Quest International, Health and Harmoney, Iain Buchanan and Lisa Buchanan** s. 127 H. Craig in attendance for Staff Panel: TBA
TBA	**Brilliante Brasilcan Resources Corp., York Rio Resources Inc., Brian W. Aidelman, Jason Georgiadis, Richard Taylor and Victor York** s. 127 H. Craig in attendance for Staff Panel: TBA

TBA

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

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

s. 127

H. Craig/C.Rossi in attendance for Staff

Panel: TBA

TBA

Paul Donald

s. 127

C. Price in attendance for Staff

Panel: TBA

TBA

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

s. 127

Y. Chisholm in attendance for Staff

Panel: TBA

TBA

FactorCorp Inc., FactorCorp Financial Inc. and Mark Twerdun

s. 127

C. Price in attendance for Staff

Panel: TBA

TBA

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

s. 127

D. Campbell in attendance for Staff

Panel: TBA

TBA

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

s. 127

H. Craig/C. Watson in attendance for Staff

Panel: TBA

TBA

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

s. 127

M. Vaillancourt in attendance for Staff

Panel: TBA

TBA

Simply Wealth Financial Group Inc., Naida Allarde, Bernardo Giangrosso, K&S Global Wealth Creative Strategies Inc., Kevin Persaud, Maxine Lobban and Wayne Lobban

s. 127 and 127.1

C. Johnson in attendance for Staff

Panel: TBA

TBA

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

s. 127

H. Craig in attendance for Staff

Panel: TBA

TBA

David M. O'Brien

s. 37, 127 and 127.1

B. Shulman in attendance for Staff

Panel: TBA

TBA

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

s. 127

S. Schumacher in attendance for Staff

Panel: TBA

TBA

Maitland Capital Ltd., Allen Grossman, Hanoch Ulfan, Leonard Waddingham, Ron Garner, Gord Valde, Marianne Hyacinthe, Dianna Cassidy, Ron Catone, Steven Lanys, Roger McKenzie, Tom Mezinski, William Rouse and Jason Snow

s. 127 and 127.1

D. Ferris in attendance for Staff

Panel: TBA

TBA

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

s. 127

J, Waechter/U. Sheikh in attendance for Staff

Panel: TBA

TBA

Empire Consulting Inc. and Desmond Chambers

s. 127

D. Ferris in attendance for Staff

Panel: TBA

TBA

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

s. 127

J. Feasby in attendance for Staff

Panel: TBA

TBA

Energy Syndications Inc. Green Syndications Inc. , Syndications Canada Inc., Daniel Strumos, Michael Baum and Douglas William Chaddock

s. 127

C. Johnson in attendance for Staff

Panel: TBA

TBA

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

s. 127

S. Schumacher in attendance for Staff

Panel: TBA

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

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

TBA

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

s. 127

B. Shulman in attendance for Staff

Panel: TBA

TBA

Beryl Henderson

s. 127

S. Schumacher in attendance for Staff

Panel: TBA

TBA

Ciccone Group, Cabo Catoche Corp. (a.k.a Medra Corp. and 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: TBA

TBA

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: TBA

TBA

Majestic Supply Co. Inc., Suncastle Developments Corporation, Herbert Adams, Steve Bishop, Mary Kricfalusi, Kevin Loman and CBK Enterprises Inc.

s. 37, 127 and 127.1

D. Ferris in attendance for Staff

Panel: TBA

TBA

David Charles Phillips

s. 127

Y. Chisholm in attendance for Staff

Panel: TBA

TBA **Shaun Gerard McErlean, Securus Capital Inc., and Acquiesce Investments**

s. 127

M. Britton in attendance for Staff

Panel: TBA

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

s. 37, 127 and 127.1

C. Price in attendance for Staff

Panel: TBA

TBA **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: TBA

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

s. 127

H. Craig in attendance for Staff

Panel: TBA

ADJOURNED SINE DIE

Global Privacy Management Trust and Robert Cranston

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

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

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

1.1.2 OSC Investor Advisory Panel – Request for Applications

ONTARIO SECURITIES COMMISSION NOTICE
OSC INVESTOR ADVISORY PANEL REQUEST FOR APPLICATIONS

July 12, 2012

The Ontario Securities Commission (OSC or Commission) is inviting applications for membership on its Investor Advisory Panel. The Panel was created on August 30, 2010 and currently has three vacancies to replace members who elected not to serve for a second term.

The Panel provides an investor perspective on the policy- and rule-making process of the Commission. This notice describes the Panel's overall purpose and the application and selection process for members.

Mandate

The Panel provides comments in response to public requests for comment by the Commission on proposed rules, policies and discussion drafts. The Panel also provides commentary on the OSC's proposed annual Statement of Priorities and considers specific issues at the request of the Commission.

The Panel's Terms of Reference are also available on the Investor Advisory Panel section of the OSC website.

Fulfilling the mandate

The Panel consults with and seeks input from investors and organizations representing investors. The Panel receives funding of up to $50,000 per year for consultation and for professional services to assist in drafting comment letters, if required.

Since its formation, the Panel has submitted ten comment letters to the Commission which are posted on the website.

At present, the Panel has administrative support through the Office of the Secretary to the Commission. The Office of the Secretary to the Commission currently serves as the general liaison between the Panel and the Commission and serves as the Secretary to the Panel.

Going forward, the OSC's Strategic Plan outlines the creation the Office of the Investor which will establish direct links with the Panel.

The Panel meets at least quarterly in Toronto. It reports annually to the Commission on its activities for the preceding year, which includes a written Annual Report and presentation by the Panel Chair to the Commission.

The Commission reviews the activities and mandate of the Panel periodically and may amend, affirm or rescind the mandate following its review.

Composition

Consistent with its first period of operation, the Panel will consist of seven members, including a Chair of the Panel, with a range of relevant experience, skills, knowledge and perspectives.

Members of the Panel will serve a term of two years, which may be extended by the Chair of the Commission for one additional term.

Compensation

Panel members will be compensated for their time and effort in meeting the Panel's mandate as follows:

- Attending meetings of the Panel: $275 per meeting for members; $550 per meeting for the Chair of the Panel; up to a maximum of 12 meetings per year.
- Meeting preparation or post-meeting follow-up work: $275 per day for members; $550 per day for the Chair of the Panel; up to a maximum of three days work per meeting for members and up to a maximum of five days work per meeting for the Chair.
- Travel and other expenses, subject to certain limits.

Qualifications and Experience

Panel members must have a working knowledge of capital markets and the Commission's regulatory responsibilities. They should also have a specific skill set from the list below that would assist the Panel in fulfilling its primary mandate and a demonstrated ability to be a productive member of a collaborative team.

Panel members should have qualifications, skills or experience in one or more of the following areas:

- Involvement in a community-based organization with a demonstrated commitment to advancing public policy, preferably relating to the financial well-being of Ontarians;
- Involvement in an investor or consumer association with experience representing views of Ontarians;
- Professionals with experience advising investors, such as lawyer or accountant;
- Institutional investors from the pension sector or other buy side;
- Household financial advisers; or
- Market or academic researchers.

Weight will be given to individuals with a demonstrated ability to consult with Ontarians to support the Panel's mandate of consulting with and seeking input from investors and organizations representing investors.

The Chair of the Panel should have the following additional qualifications:

- Leadership in one or more of the following areas: investor or consumer issues, shareholder rights, securities law reform, investor education or public policy;
- A thorough understanding of the capital markets, the Commission's regulatory responsibilities, and securities regulation and policies;
- Strong interpersonal skills, including demonstrated ability to effectively manage the Panel's mandate and deliver collaborative work products; and
- Represent the views of the Panel in the media and to its stakeholders.

All Panel members must be able to meet the time commitments required by the Panel's work and have flexibility to meet during business hours in downtown Toronto.

Selection Process

Panel members will be selected in part to ensure that the Panel reasonably represents a broad range of investors. A selection committee consisting of two Part-time Commissioners and a Vice-Chair will interview short-listed candidates. The Chair of the Commission will appoint the Panel members based on the recommendations of the selection committee. Once the members have been selected, the Chair of the Commission will select a Chair of the Panel from the incumbent members.

When the new members of the Panel have been selected, the Commission will publish a notice in the OSC Bulletin and on its website.

How to Apply

Apply in writing indicating your qualifications, skills and areas of relevant experience. You may also attach your resume. Submit your application by August 17, 2012 to:

Allan Krystie – Senior Administrator, Investor Advisory Panel
Ontario Securities Commission
20 Queen Street West
Suite 1900, Box 55
Toronto, Ontario M5H 3S8
Fax: (416) 593-2318
E-mail: akrystie@osc.gov.on.ca

Collection and Use of Personal Information

The personal information requested as part of the application process is being collected and used by the OSC to evaluate the suitability of all potential candidates for appointment by the Chair of the OSC to the OSC's Investor Advisory Panel. Our authority for collecting personal information comes from section 3.11 of the *Securities Act* (Ontario).

Additional personal information may be required from candidates who are considered for appointment to the Panel. Candidates who are short-listed will be contacted to confirm their interest and, at that time, will be asked to provide the names of three contact persons who can provide references. They may also be asked to provide additional disclosure with respect to potential conflicts of interest.

Personal information may also be collected from the organizations referred to in the candidate's application and from the references that have been provided. This information will only be used to evaluate candidates' suitability and to verify the information they have provided.

Questions

Please direct any questions relating to the application process or the collection, use or disclosure of personal information requested as part the application process to Allan Krystie, Senior Administrator, Investor Advisory Panel, at akrystie@osc.gov.on.ca.

The Ontario Securities Commission is committed to equal opportunity. We encourage applications from qualified women, men, visible minorities, aboriginal peoples, and persons with disabilities.

1.1.3 CSA Staff Notice 31-331 – Follow-up to Broker Dealer Registration in the Exempt Market Dealer Category

CSA/ACVM Canadian Securities Administrators Autorités canadiennes en valeurs mobilières

CSA Staff Notice 31-331
Follow-up to Broker-Dealer Registration in the Exempt Market Dealer Category

July 12, 2012

Introduction

On September 2, 2011, Canadian Securities Administrators (**CSA** or we) published CSA Staff Notice 31-327 *Broker-Dealer Registration in the Exempt Market Dealer Category* (**CSA Staff Notice 31-327**). This notice is a follow-up to the CSA Staff Notice 31-327.

Substance and Purpose

The purpose of this notice is to introduce an Investment Industry Regulatory Organization of Canada (**IIROC**) Concept Paper published as IIROC Notice 12-0217 (the **IIROC proposal**).

Background

CSA Staff Notice 31-327 raised concerns with firms applying for registration, or registered, in the exempt market dealer (**EMD**) category that are conducting brokerage activities (trading securities listed on an exchange in foreign or Canadian markets) (**brokerage activities**). It stated that we would be examining this issue to ensure that appropriate regulatory requirements apply to all firms conducting brokerage activities.

Consultation

We conducted a survey of all EMD firms to determine the extent of these activities. We determined that it is primarily broker-dealer firms registered in the United States that are members of the Financial Industry Regulatory Authority (**FINRA**) that are conducting brokerage activities. We are of the view that IIROC should oversee these firms because IIROC rules and supervision govern exchange trading practices and address the risks associated with brokerage activities. Accordingly, we have been working with IIROC and have asked IIROC to consider a framework for the oversight of these firms.

IIROC Proposal

The IIROC proposal introduces a new class of IIROC Member, called a "Restricted Dealer Member", which is intended to migrate firms currently registered as EMDs or restricted dealers carrying out brokerage activities to IIROC membership. Based on this proposal, firms would surrender their EMD or restricted dealer registration and apply for investment dealer registration as well as seek IIROC membership.

Next Steps

We look forward to reviewing any comments on the IIROC proposal. At the conclusion of the consultation period, IIROC may make changes to its by-laws and rules. We may also propose changes to National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* to expressly limit the types of activities that EMDs can conduct.

Questions

Please refer your questions to any of the following people:

Lindy Bremner
Senior Legal Counsel, Capital Markets Regulation
British Columbia Securities Commission
Tel: 604-899-6678
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Donn MacDougall
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1.1.4 Notice of Amendments to the Securities Act

NOTICE OF AMENDMENTS TO THE SECURITIES ACT

On June 20, 2012, the Government's Bill 55 (*Strong Action for Ontario Act (Budget Measures), 2012*) received Royal Assent. Amendments to the *Securities Act* were included in Bill 55.

An explanation of these amendments is provided in Chapter 9.

Questions may be referred to:

Simon Thompson
Senior Legal Counsel
(416) 593-8261
sthompson@osc.gov.on.ca

1.3 News Releases

1.3.1 OSC Publishes Recognition Orders for Maple Transaction

FOR IMMEDIATE RELEASE
July 4, 2012

OSC PUBLISHES RECOGNITION ORDERS FOR MAPLE TRANSACTION

TORONTO – The Ontario Securities Commission today published final orders that recognize Maple Group Acquisition Corporation, TMX Group Inc., TSX Inc., Alpha Trading Systems Limited Partnership and Alpha Exchange Inc. as exchanges, and also recognize Canadian Depository for Securities Ltd. and CDS Clearing and Depository Services Inc. (collectively, CDS) as clearing agencies. Both orders are subject to terms and conditions.

This follows an extensive review by the OSC of Maple's proposal to acquire TMX Group Inc., together with Alpha Trading Systems Limited Partnership, Alpha Trading Systems Inc., and CDS, focusing particularly on the impact of the proposal on the public interest. Throughout its review, the OSC has solicited input through two written comment periods and in-person policy hearings. This concludes the OSC's review of the Maple transaction and the final recognition orders outline the enhanced oversight program that the OSC has determined is necessary.

The recognition orders are available on the OSC website at **www.osc.gov.on.ca**.

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

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Dylan Rae
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416-595-8934

Follow us on Twitter: OSC_News

For investor inquiries:

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

1.3.2 OSC Investor Alert: MI Capital Corporation

FOR IMMEDIATE RELEASE
July 4, 2012

OSC INVESTOR ALERT: MI CAPITAL CORPORATION

TORONTO – The Ontario Securities Commission (OSC) is warning Ontario investors not to invest with MI Capital Corporation (MI Capital), its representatives or associated companies and their representatives, including One Capital Corp. Limited (One Capital Corp.). MI Capital claims to be located in Hong Kong and appears to be soliciting residents of Ontario to invest in gold options.

MI Capital, One Capital Corp. and representatives of these companies are not registered in Ontario to solicit investments from Ontario residents or to provide advice on investing in, buying or selling securities.

If you have been approached to invest by representatives of MI Capital or One Capital Corp., please call the OSC Contact Centre at 1-877-785-1555 for assistance.

MI Capital and One Capital Corp. also appear to be targeting investors across Canada. The Manitoba Securities Commission and the British Columbia Securities Commission have each issued investor alerts to warn the public about MI Capital targeting residents in those provinces. The New Brunswick Securities Commission has issued a permanent cease trade order against MI Capital and One Capital Corp. And the Alberta Securities Commission has issued a Notice of Hearing against the companies. For more information, please visit the respective websites of these securities commissions.

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

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

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1-877-785-1555 (Toll Free)

1.3.3 OSC Seeks Members for Investor Advisory Panel

FOR IMMEDIATE RELEASE
July 12, 2012

OSC SEEKS MEMBERS FOR INVESTOR ADVISORY PANEL

TORONTO – The Ontario Securities Commission (OSC) is inviting applications for membership on its Investor Advisory Panel. The seven-member Panel, which was established in 2010, is nearing the end of its initial two-year term. While all members were offered reappointment for an additional term, three members, including Chair Anita Anand, have chosen not to renew their appointment.

"The OSC thanks Anita Anand, Lincoln Caylor and Michael Wissell for their significant contributions to the success of the Investor Advisory Panel in its first two years," said Mary Condon, Vice-Chair of the OSC. "The Panel has become an important voice for investors in the regulatory process, and the new members will be selected to ensure that the Panel continues to represent a broad range of relevant experience, skills, knowledge and perspectives."

For information on the Panel's activities and details on how to submit an application, please visit the investor section of the OSC website at www.osc.gov.on.ca.

The OSC administers and enforces securities legislation in the province of Ontario. The OSC's statutory mandate is to provide protection to investors from unfair, improper or fraudulent practices and to foster fair and efficient capital markets and confidence in capital markets.

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1.4 Notices from the Office of the Secretary

1.4.1 HEIR Home Equity Investment Rewards Inc. et al.

FOR IMMEDIATE RELEASE
July 4, 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 the Withdrawal Motion is heard in writing; and Borden Ladner Gervais LLP is granted leave to withdraw as representative for the HEIR Respondents.

A copy of the Order dated July 3, 2012 is available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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1-877-785-1555 (Toll Free)

1.4.2 Thirdcoast Limited and Parrish & Heimbecker, Limited

FOR IMMEDIATE RELEASE
July 4, 2012

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

AND

IN THE MATTER OF
THIRDCOAST LIMITED AND
PARRISH & HEIMBECKER, LIMITED

TORONTO – Following a hearing held today, the Commission issued an Order in the above named matter with reasons for this order to be issued in due course.

A copy of the Order dated July 4, 2012 is available at **www.osc.gov.on.ca**.

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1.4.3 Peter Sbaraglia

FOR IMMEDIATE RELEASE
July 6, 2012

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

AND

IN THE MATTER OF
PETER SBARAGLIA

TORONTO – The Commission issued an Order in the above named matter which provides that a confidential pre-hearing conference will be held on July 19, 2012, at 9:00 a.m.

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

A copy of the Order dated July 4, 2012 is available at **www.osc.gov.on.ca**.

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1.4.4 L. Jeffrey Pogachar et al.

FOR IMMEDIATE RELEASE
July 9, 2012

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

AND

IN THE MATTER OF
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.

TORONTO – The Commission issued its Reasons for Decision on Sanctions and Costs in the above noted matter.

A copy of the Reasons For Decision on Sanctions and Costs dated July 6, 2012 is available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
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1.4.5 Maitland Capital Ltd. et al.

FOR IMMEDIATE RELEASE
July 9, 2012

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

AND

IN THE MATTER OF
MAITLAND CAPITAL LTD., ALLEN GROSSMAN, HANOCH ULFAN, LEONARD WADDINGHAM, RON GARNER, GORD VALDE, MARIANNE HYACINTHE, DIANNA CASSIDY, RON CATONE, STEVEN LANYS, ROGER MCKENZIE, TOM MEZINSKI, WILLIAM ROUSE AND JASON SNOW

TORONTO – Following the hearing on the merits in the above noted matter, the Commission issued its Reasons and Decision with respect to Tom Mezinski dated July 6, 2012. The Commission also issued an interim order dated July 6, 2012 setting a date for the sanctions and costs hearing and extending the Temporary Order, as it pertains to Mezinski, until the conclusion of the sanctions and costs hearing.

A copy of the Reasons and Decision and the interim Order dated July 6, 2012 are available at **www.osc.gov.on.ca**.

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1.4.6 Maitland Capital Ltd. et al.

FOR IMMEDIATE RELEASE
July 9, 2012

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

AND

IN THE MATTER OF
MAITLAND CAPITAL LTD., ALLEN GROSSMAN, HANOCH ULFAN, LEONARD WADDINGHAM, RON GARNER, GORD VALDE, MARIANNE HYACINTHE, DIANNA CASSIDY, RON CATONE, STEVEN LANYS, ROGER MCKENZIE, TOM MEZINSKI, WILLIAM ROUSE AND JASON SNOW

TORONTO – Following the sanctions hearing in the above noted matter, the Commission issued its Reasons and Decision On Sanctions and Costs with respect to Steven Lanys and an Order dated July 6, 2012.

A copy of the Reasons and Decision on Sanctions and Costs and the Order dated July 6, 2012 are available at **www.osc.gov.on.ca**.

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1.4.7 Portus Alternative Asset Management Inc. et al.

FOR IMMEDIATE RELEASE
July 9, 2012

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

AND

IN THE MATTER OF
PORTUS ALTERNATIVE ASSET MANAGEMENT INC., PORTUS ASSET MANAGEMENT INC., BOAZ MANOR, MICHAEL MENDELSON, MICHAEL LABANOWICH AND JOHN OGG

TORONTO – The Commission issued an Order in the above named matter which provides that the hearing is adjourned to Friday, August 10, 2012 at 10:00 a.m. for the purpose of continuing the pre-hearing conference.

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

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

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1.4.8 North American Financial Group Inc. et al.

FOR IMMEDIATE RELEASE
July 9, 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 the following Orders in the above named matter:

1) Order dated July 5, 2012 which provides that this matter is adjourned to a further confidential pre-hearing conference to be held on September 28, 2012 at 10:00 a.m.; and that the hearing on the merits in this matter shall take place on April 29, 2013 at 10:00 a.m. and shall continue on April 30, 2013 and May 1, 2, 3, 6, 8, 9 and 10, 2013, each day commencing at 10:00 a.m.

   The pre-hearing conference on September 28, 2012 will be held *in camera*.

2) Order dated July 5, 2012 which provides that the Temporary Order as further amended is extended until the final disposition of this matter, including, if appropriate, any final determination with respect to sanctions and costs;

A copy of the above Orders are available at **www.osc.gov.on.ca**.

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Diversified Private Equity Corp. – s. 1(10)

Headnote

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

Applicable Statutory Provisions

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

Citation: Diversified Private Equity Corp., Re, 2012 ABASC 252

June 13, 2012

Stikeman Elliott LLP
5300 Commerce Court West
199 Bay Street
Toronto, ON M5L 1B9
Attention: Joel Binder

Dear Sir:

Re: Diversified Private Equity Corp. (the Applicant) – Application for a decision under the securities legislation of Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador, Yukon, Northwest Territories and Nunavut (the Jurisdictions) that the Applicant is not a reporting issuer

The Applicant has applied to the local securities regulatory authority or regulator (the **Decision Maker**) in each of the Jurisdictions for a decision under the securities legislation (the **Legislation**) of the Jurisdictions to be deemed to have ceased to be a reporting issuer in the Jurisdictions.

As the Applicant has represented to the Decision Makers that:

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

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

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

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

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

"Blaine Young"
Associate Director, Corporate Finance

2.1.2 John Deere Financial Inc. and John Deere Canada ULC

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Filers granted exemption from the prospectus requirement in connection with trades of commercial paper/short term debt instruments that may not meet the "approved credit rating" requirement for the purpose of the short-term debt exemption in section 2.35 of National Instrument 45-106 Prospectus and Registration Exemptions – Commercial paper/short-term debt instruments only required to obtain one prescribed credit rating from an approved credit rating organization – Relief granted subject to conditions.

Applicable Legislative Provisions

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

June 29, 2012

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

AND

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

AND

IN THE MATTER OF
JOHN DEERE FINANCIAL INC. (JDFI) AND
JOHN DEERE CANADA ULC (JD Canada, and together with JD Canada, the Filers)

DECISION

Background

The principal regulator in the Jurisdiction (the **Decision Maker**) has received an application from the Filers for a decision under the securities legislation of the Jurisdiction (the **Legislation**) that trades of negotiable promissory notes or commercial paper, maturing not more than one year from the date of issue, of the Filers (**Commercial Paper**) be exempt from the prospectus requirement of the Legislation (the **Requested Exemptive Relief**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions:

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

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

Interpretation

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

In this decision:

"Asset-backed Short-term Debt" means short-term debt that is backed, secured or serviced by or from, a discrete pool of mortgages, receivables or other financial assets or interests designed to ensure the servicing or timely distribution of proceeds to holders of that short-term debt;

"NI 31-103" means National Instrument 31-103 *Registration Requirements and Exemptions*;

"NI 45-106" means National Instrument 45-106 *Prospectus and Registration Exemptions*; and

"NI 81-102" means National Instrument 81-102 *Mutual Funds*.

Representations

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

1. JDFI is a corporation existing under the *Canada Business Corporations Act*.

2. JD Canada is an unlimited liability corporation continued and existing under the *Business Corporations Act* (Alberta).

3. The head office of JDFI is located in Burlington, Ontario and the head office of JD Canada is located in Grimsby, Ontario.

4. JDFI is a reporting issuer in all of the Provinces of Canada. JDFI is not in default of its obligations under the Legislation or the securities legislation of the Passport Jurisdictions.

5. JD Canada is not a reporting issuer in any jurisdiction of Canada and is not in default of its obligations under the Legislation or the securities legislation of the Passport Jurisdictions.

6. Subsection 2.35(b) of NI 45-106 provides that an exemption from the prospectus requirement of the Legislation for short-term debt (the **Commercial Paper Exemption**) is available only where such short-term debt "has an approved credit rating from an approved credit rating organization." NI 45-106 incorporates by reference the definitions

for "approved credit rating" and "approved credit rating organization" that are used in NI 81-102.

7. The definition of "approved credit rating" in NI 81-102, requires, among other things, that (a) the rating assigned to such debt must be "at or above" certain prescribed short-term ratings, and (b) such debt must not have been assigned a rating by any "approved credit rating organization" that is not an "approved credit rating."

8. The Commercial Paper of each of the Filers currently has a "R-1 (low)" rating from DBRS Limited, a "P-1" rating from Moody's Investor Service, Inc. and an "A-1" rating from Standard & Poor's, all of which meet the prescribed threshold in NI 81-102; however, in the past, the Commercial Paper of each of the Filers has not met the "approved credit rating" definition in NI 81-102 from time to time and as a result, the Commercial Paper of the Filers did not meet the criteria for the Commercial Paper Exemption at such times.

9. The Requested Exemptive Relief was granted under a prior decision dated April 11, 2006 and a subsequent prior decision dated April 7, 2009 (the **Prior Decision**). By its terms the Prior Decision will terminate on the earlier of:

   (a) 90 days after the coming into force of any rule, other regulation or blanket order or ruling under the securities legislation of that jurisdiction of Canada that amends the conditions of the prospectus exemption contained in Section 2.35 of NI 45-106 or provides an alternate exemption; and

   (b) June 30, 2012.

Decision

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

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

1. The Commercial Paper:

   (a) matures not more than one year from the date of issue;

   (b) is not convertible or exchangeable into or accompanied by a right to purchase another security other than Commercial Paper;

   (c) is not Asset-backed Short-term Debt; and

   (d) has a rating issued by one of the following rating organizations, or any of their successors, at or above one of the following rating categories or a rating category that replaces a category listed below:

Rating Organization	Rating
DBRS Limited	R-1 (low)
Fitch Ratings Ltd.	F2
Moody's Investors Service	P-2
Standard & Poor's	A-2

2. Each trade of Commercial Paper to a resident in a jurisdiction in Canada by the Filers in reliance on this exemption is made: (i) through an agent who is a registered dealer, registered in a category that permits the trade; (ii) through a bank listed in Schedule I, II or III to the Bank Act (Canada) trading in reliance on an exemption from registration available in the circumstances in the jurisdiction or jurisdictions in which the trade occurs; or (iii) through a dealer permitted to rely on the "international dealer exemption" contained in section 8.18 of NI 31-103;

3. For each jurisdiction of Canada, the Requested Exemptive Relief will terminate on the earlier of:

   (a) 90 days after the coming into force of any rule, other regulation or blanket order or ruling under the securities legislation of that jurisdiction of Canada that amends the conditions of the prospectus exemption contained in Section 2.35 of NI 45-106 or provides an alternate exemption; and

   (b) June 30, 2017.

"Wes M. Scott"
Commissioner
Ontario Securities Commission

"Edward P. Kerwin"
Commissioner
Ontario Securities Commission

2.1.3 NAV Canada

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Reporting issuer seeking relief so that it can continue to file financial statements in accordance with pre-changeover Canadian GAAP (rather than IFRS) for periods relating to the issuer's financial year beginning on September 1, 2012 and ending on August 31, 2013 (the issuer's deferred financial year) – In particular, the issuer is seeking relief from the requirements in Part 3 of National Instrument 52-107 that would apply to financial statements for periods relating to the issuer's deferred financial year – The issuer is also seeking relief from the IFRS-related amendments to the continuous disclosure, prospectus, certification and audit committee rules (collectively, the rules) that came into force on January 1, 2011 and that would apply to periods relating to the issuer's deferred financial year – The issuer is an "rate regulated entity" as defined in Accounting Guideline 19 Disclosures by entities subject to rate regulation (AcG-19) in the Handbook of the Canadian Institute of Chartered Accountants – At its meeting on March 2012, the Canadian Accounting Standards Board decided that rate regulated entities, as defined in and applying AcG-19, will only be required to adopt IFRS for annual periods beginning on or after January 1, 2013 – Since Part 3 of National Instrument 52-107 and the IFRS-related amendments to the rules do not have a provision providing for a two-year deferral of the transition to IFRS for rate regulated entities subject to NI 52-107 and the rules, the issuer has applied for the relief – Relief granted, subject to a number of conditions.

Applicable Legislative Provisions

National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards, Parts 3 and 4.
National Instrument 51-102 Continuous Disclosure Obligations.
National Instrument 41-101 General Prospectus Requirements.
National Instrument 44-101 Short Form Prospectus Distributions.
National Instrument 44-102 Shelf Distributions.
National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings.
National Instrument 52-110 Audit Committees.

July 4, 2012

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO

AND

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

AND

IN THE MATTER OF
NAV CANADA
(THE "FILER")

DECISION

Background

1. The Ontario Securities Commission has received an application from the Filer for a decision under Ontario securities legislation (the "**Legislation**") for an exemption (the "**Exemption Sought**") from:

   (a) the requirements in Part 3 of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards* ("**NI 52-107**") that apply to financial statements, financial information, operating statements and pro forma financial statements for periods relating to the Filer's financial year beginning on September 1, 2012 and ending on August 31, 2013 (the "**Filer's deferred financial year**");

   (b) the amendments to National Instrument 51-102 *Continuous Disclosure Obligations* ("**NI 51-102**") related to International Financial Reporting Standards ("**IFRS**") that came into force on January 1, 2011 and that apply to documents required to be prepared, filed, delivered, or sent under NI 51-102 for periods relating to the Filer's deferred financial year;

(c) the IFRS-related amendments to National Instrument 41-101 *General Prospectus Requirements* ("**NI 41-101**") that came into force on January 1, 2011 and that apply to a preliminary prospectus, an amendment to a preliminary prospectus, a final prospectus or an amendment to a final prospectus of the Filer which includes or incorporates by reference financial statements of the Filer in respect of periods relating to the Filer's deferred financial year;

(d) the IFRS-related amendments to National Instrument 44-101 *Short Form Prospectus Distributions* ("**NI 44-101**") that came into force on January 1, 2011 and that apply to a preliminary short form prospectus, an amendment to a preliminary short form prospectus, a final short form prospectus or an amendment to a final short form prospectus of the Filer which includes or incorporates by reference financial statements of the Filer in respect of periods relating to the Filer's deferred financial year;

(e) the IFRS-related amendments to National Instrument 44-102 *Shelf Distributions* ("**NI 44-102**") that came into force on January 1, 2011 and that apply to a preliminary base shelf prospectus, an amendment to a preliminary base shelf prospectus, a base shelf prospectus, an amendment to a base shelf prospectus or a shelf prospectus supplement of the Filer which includes or incorporates by reference financial statements of the Filer in respect of periods relating to the Filer's deferred financial year;

(f) the IFRS-related amendments to National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* ("**NI 52-109**") that came into force on January 1, 2011 and that apply to annual filings and interim filings for periods relating to the Filer's deferred financial year; and

(g) the IFRS-related amendments to National Instrument 52-110 *Audit Committees* ("**NI 52-110**") that came into force on January 1, 2011 and that apply to periods relating to the Filer's deferred financial year.

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

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

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

Interpretation

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

Representations

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

1. The Filer was incorporated under Part II of the *Canada Corporations Act* (Ontario) on May 26, 1995 and will be continued under the *Canada Not-for-profit Corporations Act*.

2. The head office of the Filer is located in Ottawa, Ontario.

3. The Filer is a non-share capital corporation.

4. The Filer is a "reporting issuer" within the meaning of applicable securities legislation in each of the provinces and territories of Canada.

5. The Filer has $1.9 billion of outstanding bonds and notes. These debt instruments do not trade on any exchange.

6. The Filer is not in default of securities legislation in any jurisdiction as at June 7, 2012.

7. The Filer's fiscal year end is August 31.

8. The Filer is an entity whose activities are subject to rate regulation as described in Accounting Guideline 19 – Disclosures by entities subject to rate regulation (**AcG-19**) in the Handbook of the Canadian Institute of Chartered Accountants (the "**Handbook**"). As such, the Filer applies AcG-19 in the preparation of its financial

statements in accordance with Part V of the Handbook – Canadian GAAP for public enterprises that is the pre-changeover accounting standards ("**pre-changeover Canadian GAAP**")).

9. As part of the changeover to IFRS in Canada, the Canadian Accounting Standards Board (the **AcSB**) has incorporated IFRS into the Handbook as Canadian GAAP for most publicly accountable enterprises, including the Filer. As a result, the Handbook contains two sets of standards for publicly accountable enterprises:

   (a) Part I of the Handbook -- Canadian GAAP for publicly accountable enterprises that applies for financial years beginning on or after January 1, 2011; and

   (b) pre-changeover Canadian GAAP.

10. On October 1, 2010, the AcSB published amendments to Part 1 of the Handbook that provided a one-year deferral of the transition to IFRS for entities with qualifying rate-regulated activities. The amendments required such entities, as defined in and applying AcG-19, to adopt IFRS for annual periods beginning on or after January 1, 2012.

11. On December 10, 2010, the Ontario Securities Commission and the Canadian Securities Administrators, as applicable, published "IFRS-Related Amendments to Securities Rules and Policies" (the "*2010 Amendments*") as part of the changeover to IFRS. As part of this changeover, NI 52-107 was repealed and replaced effective January 1, 2011. In the new version of NI 52-107,

   (a) Part 3 contains requirements based on IFRS and applies to financial statements, financial information, operating statements and pro forma financial statements for periods relating to financial years beginning on or after January 1, 2011; and

   (b) Part 4 contains requirements based on pre-changeover Canadian GAAP and applies to financial statements, financial information, operating statements and pro forma financial statements for periods relating to financial years beginning before January 1, 2011.

   (c) Section 5.4 permits qualifying rate-regulated entities to defer transition to IFRS for one year. Such entities are required to transition to IFRS for periods relating to financial years beginning on or after January 1, 2012 pursuant to NI 52-107.

12. The 2010 Amendments also made amendments to NI 51-102, NI 41-101, NI 44-101, NI 44-102, NI 52-109 and NI 52-110 (collectively, the "**Rules**") and these amendments came into force on January 1, 2011. Among other things, the 2010 Amendments replace Canadian GAAP terms and phrases with IFRS terms and phrases and contain IFRS-specific requirements. The amendment instruments for the Rules contain transition provisions that provide that the IFRS-related amendments only apply to documents required to be filed under the Rules for periods relating to financial years beginning, for most entities, on or after January 1, 2011. Thus, during the IFRS transition period,

   (a) issuers filing financial statements prepared in accordance with pre-changeover Canadian GAAP will be required to comply with the versions of the Rules that contain Canadian GAAP terms and phrases, and

   (b) issuers filing financial statements that comply with IFRS will be required to comply with the versions of the Rules that contain IFRS terms and phrases and IFRS-specific requirements.

13. The 2010 Amendments to the Rules are consistent with the exception for rate-regulated entities in Section 5.4 of NI 52-107, permitting rate-regulated entities to defer transition to IFRS until financial years beginning on or after January 1, 2012.

14. In March 2012, the AcSB decided to extend the deferral of the mandatory changeover date to IFRS for an additional year, such that entities with qualifying rate-regulated activities, as defined in and applying AcG-19, are only required to adopt IFRS for annual periods beginning on or after January 1, 2013.

15. The March 2012 decision of the AcSB to extend by one year the deferral of the mandatory changeover date to IFRS for entities with qualifying rate-regulated activities is not currently reflected in NI 52-107 and the Rules.

16. NI 52-107 and the Rules apply to the Filer. Since Part 3 of NI 52-107 and the 2010 Amendments to the Rules do not have a provision providing for a two-year deferral of the transition to IFRS for entities with rate-regulated activities subject to NI 52-107 and the Rules, the Filer has applied for the Exemption Sought.

17. During the Filer's deferred financial year, the Filer will comply with section 1.13 of Form 51-102F1 Management's Discussion and Analysis ("**MD&A**") by providing an updated discussion of the Filer's preparations for changeover to IFRS in its annual and interim MD&A. In particular, the Filer will discuss the expected effect on the financial statements, or state that the effect cannot be reasonably estimated.

18. The Filer acknowledges that if the Exemption Sought is granted, the Filer:

    (a) will be subject to Part 3 of NI 52-107 and the 2010 Amendments to the Rules for periods relating to financial years beginning on or after January 1, 2013; and

    (b) will not have the benefit of the 30 day extension to the deadline of filing the first interim financial report in the year of adopting IFRS in respect of an interim period beginning on or after January 1, 2011, as set out in the IFRS-related amendments to NI 51-102, since that extension does not apply if the first interim financial report is in respect of an interim period ending after March 30, 2012.

Decision

The Ontario Securities Commission is satisfied that the decision meets the test set out in the Legislation.

The decision of the Decision Maker under the Act is that the Exemption Sought is granted provided that:

(a) the Filer continues to be an entity with qualifying rate-regulated activities, as defined in and applying AcG-19;

(b) the Filer provides the communication as described and in the manner set out in paragraph 17 above;

(c) the Filer complies with the requirements in Section 5.4 of NI 52-107 for all financial statements (including interim financial statements), financial information, operating statements and pro forma financial statements for periods relating to the Filer's deferred financial year, as if the expression "January 1, 2012" in Section 5.4 were read as "January 1, 2013";

(d) the Filer complies with the version of NI 51-102 that was in effect on December 31, 2010 (together with any amendments to NI 51-102 that are not related to IFRS and that come into force after January 1, 2011) for all documents required to be prepared, filed, delivered, or sent under NI 51-102 for periods relating to the Filer's deferred financial year;

(e) the Filer complies with the version of NI 41-101 that was in effect on December 31, 2010 (together with any amendments to NI 41-101 that are not related to IFRS and that come into effect after January 1, 2011) for any preliminary prospectus, amendment to a preliminary prospectus, final prospectus or amendment to a final prospectus of the Filer which includes or incorporates by reference financial statements of the Filer in respect of periods relating to the Filer's deferred financial year;

(f) the Filer complies with the version of NI 44-101 that was in effect on December 31, 2010 (together with any amendments to NI 44-101 that are not related to IFRS and that come into effect after January 1, 2011) for any preliminary short form prospectus, amendment to a preliminary short form prospectus, final short form prospectus or amendment to a final short form prospectus of the Filer which includes or incorporates by reference financial statements of the Filer in respect of periods relating to the Filer's deferred financial year;

(g) the Filer complies with the version of NI 44-102 that was in effect on December 31, 2010 (together with any amendments to NI 44-102 that are not related to IFRS and that come into effect after January 1, 2011) for any preliminary base shelf prospectus, amendment to a preliminary base shelf prospectus, base shelf prospectus, amendment to a base shelf prospectus or shelf prospectus supplement of the Filer which includes or incorporates by reference financial statements of the Filer in respect of periods relating to the Filer's deferred financial year;

(h) the Filer complies with the version of NI 52-109 that was in effect on December 31, 2010 (together with any amendments to NI 52-109 that are not related to IFRS and that come into effect after January 1, 2011) for all annual filings and interim filings for periods relating to the Filer's deferred financial year;

(i) the Filer complies with the version of NI 52-110 that was in effect on December 31, 2010 (together with any amendments to NI 52-110 that are not related to IFRS and that come into effect after January 1, 2011) for periods relating to the Filer's deferred financial year;

(j) if, notwithstanding this decision, the Filer decides not to rely on the Exemption Sought and files an interim financial report prepared in accordance with IFRS for an interim period in the deferred financial year, the Filer must, at the same time:

(i) restate, in accordance with IFRS, any interim financial statements for any previous interim period in the same deferred financial year (each, a **Previous Interim Period**) that were originally prepared in accordance with pre-changeover Canadian GAAP and filed pursuant to this decision; and

(ii) file a restated interim financial report prepared in accordance with IFRS for each Previous Interim Period, together with corresponding restated interim MD&A and certificates required by NI 52-109. For greater certainty, any restated interim financial report for a Previous Interim Period must comply with applicable securities legislation (including Part 3 of NI 52-107 and the amendments to Part 4 of NI 51-102 that came into force on January 1, 2011) and any restated interim financial report for the first interim period in the deferred financial year must include the opening IFRS statement of financial position at the date of transition to IFRS; and

(k) if, notwithstanding this decision, the Filer decides not to rely on the Exemption Sought and files annual financial statements prepared in accordance with IFRS for the deferred financial year, the Filer must, at the same time (unless previously done pursuant to paragraph (j) immediately above):

(i) restate, in accordance with IFRS, any interim financial statements for any Previous Interim Period that were originally prepared in accordance with pre-changeover Canadian GAAP and filed pursuant to this decision; and

(ii) file a restated interim financial report prepared in accordance with IFRS for each Previous Interim Period, together with corresponding restated interim MD&A and certificates required by NI 52-109. For greater certainty, any restated interim financial report for a Previous Period must comply with applicable securities legislation (including Part 3 of NI 52-107 and the amendments to Part 4 of NI 51-102 that came into force on January 1, 2011) and any restated interim financial report for the first interim period in the deferred financial year must include the opening IFRS statement of financial position at the date of transition to IFRS.

DATED this 4th day of July, 2012.

"Lisa Enright"
Manager, Corporate Finance
Ontario Securities Commission

2.1.4 Addenda Capital Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Exemption granted from conflict of interest trading prohibition in paragraph 13.5(2)(b) of NI 31-103 to permit in-specie subscriptions and redemptions by separately managed accounts and pooled funds in pooled funds – Portfolio manager of managed accounts is also portfolio manager of pooled funds and is therefore a "responsible person" – Relief subject to certain conditions.

Applicable Legislative Provisions

National Instrument 31-103 Registration Requirements and Exemptions, s. 13.5(2)(b)(iii).

May 10, 2012

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

AND

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

AND

IN THE MATTER OF
ADDENDA CAPITAL INC.
(the Filer)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (**Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) providing an exemption from the requirement in subparagraph 13.5(2)(b)iii) of *Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations* that prohibits a registered adviser from knowingly causing an investment portfolio managed by it, including an investment fund for which it acts as an adviser, to purchase or sell a security from or to the investment portfolio of an investment fund for which a responsible person acts as an adviser, to permit (each purchase and redemption, an **In Specie Transaction**):

a) the purchase by a Fund (defined below) of securities of another Fund, and the redemption of securities held by a Fund in another Fund, and as payment for such purchase or redemption, in whole or in part, by making good delivery of portfolio securities that meet the investment objectives of that Fund; and

b) the purchase by a Managed Account (defined below) of securities of a Fund, and the redemption of securities held by a Managed Account in a Fund, and as payment:

   i) for such purchase, in whole or in part, by the Managed Account making good delivery of portfolio securities to the Fund; and

   ii) for such redemption, in whole or in part, by the Fund making good delivery of portfolio securities to the Managed Account.

(the **Exemption Sought**).

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* (**11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia and 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 the Legislation, *Regulation 14-101 respecting Definitions* and 11-102 have the same meanings if used in this decision, unless otherwise defined.

Fund means an investment fund managed by the Filer or managed in the future by the Filer to which *Regulation 81-102 respecting Mutual Funds* does not apply.

Managed Account means an account over which the Filer has discretionary authority.

Certain other defined terms have the meanings given to them above or below.

Representations

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

1. The Filer was constituted under Part IA of the *Companies Act* (Québec) and continued under the *Business Corporations Act* (Québec). Its head office is located in Montreal, Québec.

2. The Filer is a registered portfolio manager and a registered investment fund manager in the provinces of Québec, Ontario, British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia and Newfoundland-and-Labrador, as well as a registered derivatives portfolio manager in the Province of Québec and a commodity trading manager in the Province of Ontario.

3. Each Fund is, or will be, an investment fund structured as a trust, a corporation or a partnership under the laws of Canada or of one of the provinces or territories of Canada.

4. The Filer is, or will be, the investment fund manager and portfolio manager of each of the Funds.

5. Desjardins Trust Inc. or CIBC Mellon Trust Company acts as trustee, when applicable, and as custodian of each of the Funds.

6. The Funds are not, and will not be, reporting issuers in any of the Filing Jurisdictions nor in any of the other provinces or territories of Canada.

7. The securities of the Funds are, or will be, offered pursuant to exemptions from prospectus requirements in each Filing Jurisdiction.

8. The Filer and each of the Funds are not in default of securities legislation in either the Filing Jurisdictions or in any other province or territory of Canada.

9. The Filer is, or will be, the portfolio manager of each of the Managed Accounts.

10. Each client who wishes to receive the investment management services of the Filer through a Managed Account executes a written discretionary management agreement (**Discretionary Management Agreement**) with the Filer whereby such client appoints the Filer to act as a portfolio manager in connection with an investment portfolio of the client with full discretionary authority to trade in securities for the Managed Account without obtaining the specific consent of the client to execute a trade, including the authorization to invest the Managed Accounts in the Funds and to switch Funds as determined by the Filer in accordance with the investment objectives of the Managed Account.

11. Since investments in individual securities may in some circumstances not be appropriate for certain clients, the Filer may, from time to time, where authorized under a written Discretionary Management Agreement, invest client assets in the securities of any one or more of the Funds, in order to give clients the benefit of asset diversification and economies of scale regarding minimum commission charges on portfolio trades, and in order to generally facilitate portfolio management.

12. In order to ensure that neither the Managed Accounts nor the Funds incur unnecessary costs for the acquisition or disposition of securities in the context of the purchase or redemption of securities of a Fund, the Filer wishes to be able to enter into transactions whereby payment, in whole or in part, for securities of a Fund (**Fund Securities**) purchased by a Managed Account, may be affected via good delivery of portfolio securities held by such Managed Account, to the Fund, provided those portfolio securities meet the investment objectives of the Fund.

13. Similarly, following a redemption of Fund Securities by a Managed Account, the Filer wishes to be able to enter into transactions that permit payment, in whole or in part, of redemption proceeds via good delivery of portfolio securities held in the investment portfolio of the Fund, to such Managed Account, provided those portfolio securities meet the investment objectives of the Managed Account.

14. The Filer anticipates that such In-Specie Transactions will typically occur following a redemption of Fund Securities where a Managed Account invested in such Fund has experienced a change in circumstances which results in the Managed Account being an ideal candidate for direct holdings of individual portfolio securities rather than Fund Securities, or vice versa.

15. In addition, the Filer wishes to be able to enter into In-Specie Transactions for purchases and redemptions of Fund Securities between two Funds. This will occur where, as part of its portfolio management, a Fund wishes to obtain exposure to certain investments or categories of asset classes in which a second Fund has invested, by investing in the Fund Securities of that second Fund. The Filer wishes to be able to affect payment, in whole or in part, for such Fund Securities by making good delivery of portfolio securities held by the Fund to the second Fund in which it seeks to invest. Similarly, following a redemption of Fund Securities, the Filer wishes to be able to affect payment, in whole or in part, of the redemption proceeds by making good delivery of portfolio securities held in the investment portfolio of the Fund being redeemed.

16. The In-Specie Transactions will be carried out in accordance with the Filer's written policies and procedures, which will be consistent with applicable securities legislation.

17. The Filer will have obtained the client's written authorization for the Filer to engage in In-Specie Transactions on behalf of the Managed Accounts.

18. Prior to entering into an In-Specie Transaction involving a Fund and/or Managed Account, the proposed transaction will be reviewed by a person of authority in the Filer's compliance department, to ensure that the transaction represents the business judgment of the Filer, uninfluenced by considerations other than the best interests of the Fund and/or Managed Account.

19. In respect of each In-Specie Transaction, the portfolio securities to be delivered will meet the investment objectives of the Fund or Managed Account, as applicable, acquiring the portfolio securities.

20. The Filer will value portfolio securities that are the subject of an In-Specie Transaction using the same values to be used on that day to calculate the net asset value for the purpose of the issue price or redemption price of Fund Securities.

21. None of the securities which will be the subject of an In-Specie Transaction shall be the securities of an issuer that is a related party of the Filer.

22. Each Fund will keep written records of all In-Specie Transactions conducted in each of its financial years, including records of each purchase and sale of portfolio securities and the terms thereof, in accordance with the form, accessibility and retention of records requirements as prescribed by section 11.6 of *Regulation 31-103*.

23. In-Specie Transactions will enable the Filer to manage each asset class more effectively and to reduce the transaction costs of clients and Funds. For example, In-Specie Transactions reduce market impact costs, which can be detrimental to the clients and/or Funds. In-Specie Transactions also allow a portfolio manager to retain within its control institutional-size blocks of portfolio securities that would otherwise need to be broken and re-assembled.

24. The Filer will receive no remuneration with respect to any In-Specie Transaction, and with respect to the delivery of securities pursuant to an In-Specie Transaction, the only expenses which will be incurred by a Fund or Managed Account shall be nominal administrative charges levied by the custodian of the Fund or Managed Account for recording the trades and/or any charges by the dealer in transferring the securities in specie.

25. Since the Filer is, and will be, the portfolio manager of the Managed Accounts and the Funds, the Filer would be considered a "responsible person", and would thus be prohibited from the above-described In-Specie Transactions in the absence of the Requested Relief.

Decision

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

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

a) in connection with an In Specie Transaction where a Managed Account acquires Fund Securities:

   (i) the Filer has obtained the client's prior written consent to the Filer engaging in In-Specie Transactions;

   (ii) the Fund would be permitted, at the time of payment, to purchase the securities;

   (iii) the Filer, as the portfolio manager of the Fund, determines that the securities are acceptable and consistent with the Fund's investment objectives;

   (iv) the value of the securities is equal to the issue price of the Fund Securities for which they are used as payment, valued as if the securities were portfolio assets of that Fund;

   (v) none of the securities which are the subject of an In-Specie Transaction shall be the securities of an issuer that is a related party of the Filer;

   (vi) the account statement next prepared for the Managed Account shall describe the securities delivered to the Fund and the value assigned to such securities; and

   (vii) the Fund will keep written records of each In-Specie Transaction in a financial year of the Fund, reflecting details of the securities delivered to the Fund and the value assigned to such securities, in accordance with the form, accessibility and retention of records requirements as prescribed by section 11.6 of *Regulation 31-103*;

b) in connection with an In Specie Transaction where a Managed Account redeems Fund Securities:

   (i) the Filer has obtained the client's prior written consent to the Filer engaging in In-Specie Transactions, and such consent has not been revoked;

   (ii) the Filer, as the portfolio manager of the Managed Account, determines that the securities are acceptable and consistent with the Managed Account's investment objectives;

   (iii) the value of the securities is equal to the amount at which those securities were valued in calculating the net asset value per Fund Security used to establish the redemption price;

   (iv) none of the securities which are the subject of an In-Specie Transaction shall be the securities of an issuer that is a related party of the Filer;

   (v) the account statement next prepared for the Managed Account shall describe the securities delivered to the Managed Account and the value assigned to such securities; and

   (vi) the Fund will keep written records of each In-Specie Transaction in a financial year of the Fund, reflecting details of the securities delivered by the Fund and the value assigned to such securities, in accordance with the form, accessibility and retention of records requirements as prescribed by section 11.6 of *Regulation 31-103*;

c) in connection with an In Specie Transaction where a Fund purchases Fund Securities:

   (i) the Fund would, at the time of payment, be permitted to purchase the securities;

   (ii) the Filer, as the portfolio manager of the Fund, determines that the securities are acceptable and consistent with the Fund's investment objectives;

   (iii) the value of the securities is equal to the issue price of the Fund Securities, valued as if the securities were portfolio assets of that Fund;

(iv) none of the securities which are the subject of an In-Specie Transaction shall be the securities of an issuer that is a related party of the Filer; and

(v) the Fund will keep written records of each In-Specie Transaction in a financial year of the Fund, reflecting details of the securities delivered to the Fund and the value assigned to such securities, in accordance with the form, accessibility and retention of records requirements as prescribed by section 11.6 of *Regulation 31-103*;

d) in connection with an In Specie Transaction where a Fund redeems Fund Securities:

(i) the Filer, as the portfolio manager of the Fund, determines that the securities are acceptable and consistent with the Fund's investment objectives;

(ii) the value of the securities is equal to the amount at which those securities were valued in calculating the net asset value per security used to establish the redemption price; and

(iii) the Fund will keep written records of each In-Specie Transaction in a financial year of the Fund, reflecting details of the securities delivered by the Fund and the value assigned to such securities, in accordance with the form, accessibility and retention of records requirements as prescribed by section 11.6 of *Regulation 31-103*; and

e) the Filer will receive no remuneration with respect to any In-Specie Transaction, and with respect to the delivery of securities pursuant to an In-Specie Transaction, the only expenses which will be incurred by a Fund or Managed Account shall be nominal administrative charges levied by the custodian of the Fund or Managed Account for recording the trades and/or any charges by the dealer in transferring the securities in specie.

"Patrick Dery"
Superintendent, Client Services, Compensation and Distribution

2.1.5 CIBC Asset Management Inc. and Frontiers Canadian Fixed Income Pool

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – exemption from sections 2.8(1)(d) and (f)(i) NI 81-102 to permit the funds when they open or maintain a long position in a standardized future or forward contract or when they enter into or maintain an interest rate swap position and during the periods when the Funds are entitled to receive payments under the swap, to use as cover, an option to sell an equivalent quantity of the underlying interest of the standardized future, forward or swap.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 2.8(1), 19.1.

June 20, 2012

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

AND

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

AND

IN THE MATTER OF
CIBC ASSET MANAGEMENT INC.
(the "Manager")

AND

IN THE MATTER OF
FRONTIERS CANADIAN FIXED INCOME POOL
(the "Pool" together with the Manager, the "Filers")

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filers for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for an exemption relieving the Pool from the sections of NI 81-102 as follows:

the requirement in sections 2.8(1)(d) and 2.8(1)(f)(i) of NI 81-102 in order to permit the Pool when it

(i) opens or maintains a long position in a debt-like security that has a component that is a long position in a forward contract or in a standardized future or forward contract, or

(ii) enters into or maintains a swap position and during the periods when the Pool is entitled to receive payments under the swap,

to use as cover, a right or obligation to sell an equivalent quantity of the underlying interest of the standardized future, forward or swap.

(the **Requested Relief**.)

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

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

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

(The Jurisdiction and the Passport Jurisdictions are collectively, the **Jurisdictions**).

Interpretation

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

Representations

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

CIBC Asset Management Inc.

1. The Manager is the manager, portfolio advisor and trustee of the Pool. The Manager is a corporation incorporated under the laws of Canada and has its head office located in Toronto, Ontario.

2. The Manager is registered in the categories of portfolio manager in all Jurisdictions and as an investment fund manager and a commodity trading manager in the Province of Ontario.

3. PIMCO Canada Corp. (**PIMCO**) is registered as an adviser in the category of portfolio manager and commodity trading manager in the Province of Ontario. PIMCO's head office is in Toronto, Ontario.

4. Under its agreement with the Pool, the Manager is authorized to, and will appoint, PIMCO as sub-advisor to the Pool.

5. The Filers and PIMCO are not in default of securities legislation in any of the Jurisdictions.

The Pool

6. The Pool is a reporting issuer and is subject to the requirements of NI 81-102.

7. The investment objective and strategies of the Pool are set out in the Pool's simplified prospectus.

8. The Pool is currently permitted to use specified derivatives to hedge against losses caused by changes in securities prices, interest rates, exchange rates and/or other risks. The Pool may also use specified derivatives for non-hedging purposes under its investment strategies in order to invest indirectly in securities or financial markets or to gain exposure to other currencies, provided the use of specified derivatives is consistent with the Pool's investment objective. When specified derivatives are used for non-hedging purposes, the Pool is subject to the cover requirements of NI 81-102.

Cover in the form of Put Options for Long Positions in Futures, Forwards and Swaps

9. Sections 2.8(1)(d) and 2.8(1)(f)(i) of NI 81-102 do not permit covering the position in long positions in futures and forwards and long positions in swaps for a period when a fund is entitled to receive payments under the swap, in whole or in part with a right or obligation to sell an equivalent quantity of the underlying interest of the future, forward or swap. In other words, those sections of NI 81-102 do not permit the use of put options or short future positions to cover long future, forward or swap positions.

10. Regulatory regimes in other countries recognize the hedging properties of options for all categories of derivatives, including long positions evidenced by standardized futures or forwards or in respect of swaps where a fund is entitled to receive payments from the counterparty, provided they are covered by an amount equal to the difference between the market price of a holding and the strike price of the option that was bought or sold to hedge it. NI 81-102 effectively imposes the requirement to overcollateralize, since the maximum liability to the fund under the scenario described is equal to the difference between the market value of the long and the exercise price of the option and as a result overcollateralization imposes a cost on a fund.

11. Section 2.8(1)(c) of NI 81-102 permits a mutual fund to write a put option and cover it with a put option on an equivalent quantity of the underlying interest of the written put option. This position has similar risks as a long position in a future, forward or swap and therefore, the Manager submits, that the Pool should be permitted to cover a long position in a future, forward or swap with a put option or short future position.

Derivative Policies and Risk Management

12. The Manager sets and reviews the investment objectives and overall investment policies of the Pool, which will allow for trading in derivatives. The derivative contracts entered into by or on behalf of the Pool must be in accordance with the investment objectives and strategies of each of the Pool and in compliance with NI 81-102.

13. Pursuant to its agreement with PIMCO appointing it as the portfolio adviser to the Pool, the Manager will permit PIMCO to use derivatives for the Pool under certain conditions and limitations in order to gain exposure to financial markets or to invest indirectly in securities or other assets. Such agreement will also require PIMCO to use risk management processes to monitor and measure the risks of all portfolio holdings within the Pool, including derivatives positions.

14. The Manager, as portfolio advisor, will oversee PIMCO in the use of derivatives as investments within the Pool and will put in place policies and procedures which will set out oversight processes to ensure that the use of derivatives is adequately monitored and derivatives risk is appropriately managed.

15. The simplified prospectus and annual information form of the Pool will include disclosure of the nature of the Requested Relief in respect of the Pool.

Decision

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

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

a. when the Pool enters into or maintains a swap position for periods when the Pool would be entitled to receive fixed payments under the swap, the Pool holds:

   i. cash cover, in an amount that, together with margin on account for the swap and the market value of the swap, is not less than, on a daily mark-to-market basis, the underlying market exposure of the swap;

   ii. a right or obligation to enter into an offsetting swap on an equivalent quantity and with an equivalent term and cash cover that together with margin on

account for the position is not less than the aggregate amount, if any, of the obligations of the Pool under the swap less the obligations of the Pool under such offsetting swap; or

iii. a combination of the positions referred to in subparagraphs (i) and (ii) that is sufficient, without recourse to other assets of the Pool, to enable the Pool to satisfy its obligations under the swap; and

b. when the Pool opens or maintains a long position in a debt-like security that has a component that is a long position in a forward contract, or in a standardized future or forward contract, the Pool holds:

i. cash cover, in an amount that, together with margin on account for the specified derivative and the market value of the specified derivative, is not less than, on a daily mark-to-market basis, the underlying market exposure of the specified derivative;

ii. a right or obligation to sell an equivalent quantity of the underlying interest of the future or forward contract, and cash cover that together with margin on account for the position, is not less than the amount, if any, by which the price of the future or forward contract exceeds the strike price of the right or obligation to sell the underlying interest;

or

iii. a combination of the positions referred to in subparagraphs (i) and (ii) that is sufficient, without recourse to other assets of the Pool, to enable the Pool to acquire the underlying interest of the future or forward contract;

c. the Pool will not (i) purchase a debt-like security that has an option component or an option, or (ii) purchase or write an option to cover any positions under section 2.8(1)(b), (c), (d), (e) and (f) of NI 81-102, if immediately after the purchase or writing of such option, more than 10% of the net assets of the Pool, taken at market value at the time of the transaction, would be in the form of (1) purchased debt-like securities that have an option component or purchased options, in each case, held by the Pool for purposes other than hedging, or (2) options used to cover any positions under section 2.8(1)(b), (c), (d), (e) and (f) of NI 81-102;

d. the Pool shall disclose the nature and terms of the Requested Relief in the Pool's simplified prospectus under the investment strategies section and in the Pool's annual information form.

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

2.1.6 IA Clarington Investment Inc. et al.

Headnote

Policy Statement 11-203 respecting Process for Exemptive Relief Applications in Multiple Jurisdictions – Approval of mutual fund transfer of assets – Approval Required because transfer of assets do not meet the criteria for pre-approved reorganizations and transfers in Regulation 81-102 – Continuing Fund have different investment objectives than Terminating Fund, transfer of assets not a "qualifying exchange" or a tax-deferred transaction under Income Tax Act – securityholders of Terminating Fund provided with timely and adequate disclosure regarding the transfer of assets.

Applicable Legislative Provisions

Regulation 81-102 Mutual Funds, ss. 5.5(1)(b), 5.6.

June 22, 2012

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
QUEBEC AND ONTARIO

AND

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

AND

IN THE MATTER OF
IA CLARINGTON INVESTMENT INC.
(the Filer)

AND

IN THE MATTER OF
IA CLARINGTON GLOBAL SMALL CAP FUND
(the Terminating Fund)

AND

IN THE MATTER OF
IA CLARINGTON GLOBAL OPPORTUNITIES FUND
(the Continuing Fund)

DECISION

Background

The securities regulatory authority or regulator in each of Québec and Ontario (the Decision Makers) has received an application from the Filers on behalf of the Terminating Fund, for a decision under the securities legislation of Québec and Ontario (the Legislation) approving the transfer of assets of the Terminating Fund into the Continuing Fund (the Proposed Transfer) pursuant to paragraph 5.5(1)(b) of *Regulation 81-102 Mutual Funds* (Regulation 81-102) (the Approval Sought).

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

1. the Autorité des marchés financiers (the "Autorité") is the principal regulator for this application;

2. the Filer has provided notice that subsection 4.7(1) of *Regulation 11-102 respecting Passport System* (Regulation 11-102) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Northwest Territories, Yukon Territory and Nunavut; and

3. the decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

Defined terms contained in *Regulation 14-101 Definitions* and Regulation 11-102 have the same meaning 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 established under the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, whose head office is located in the province of Québec.

2. The Filer is a wholly-owned subsidiary of Industrial Alliance Insurance and Financial Services Inc., a public company listed on the Toronto Stock Exchange.

3. The Filer is duly registered as a portfolio manager in each of the provinces of Canada and as an investment fund manager in Quebec.

4. The Filer is acting as the investment fund manager for the Terminating Fund and the Continuing Fund (collectively, the "Funds") under a Master Management Agreement dated August 28, 2000, as amended.

5. Units of the Funds are distributed in each province and territory of Canada under a simplified prospectus governed by *Regulation 81-101 respecting Mutual Fund Prospectus Disclosure*.

6. The Funds are reporting issuers under applicable securities legislation of each province and territory of Canada.

7. Neither the Filer, nor the Funds, is in default of securities legislation in any province or territory of Canada.

8. The net asset value of the Funds is calculated on a daily basis, each day that the Toronto Stock Exchange is open for trading.

9. The board of directors of the Filer approved the Proposed Transfer on April 10, 2012.

10. On April 13, 2012, the Funds issued a press release and filed a material change report with respect to the Proposed Transfer.

11. On June 5, 2012, the Autorité issued a receipt for the simplified prospectus of the Funds that includes information relating to the Proposed Transfer.

12. In anticipation of the implementation of the Proposed Transfer, distributions of units of the Terminating Fund were suspended on April 20, 2012, with the exemption of the distributions relating to pre-authorized debit plans.

13. In accordance with *Regulation 81-107 Independent Review Committee for Investment Funds*, the Filer presented the terms of the Proposed Transfer to the Independent Review Committee of the Funds (the "IRC") for its recommendation. In April 2012, further to reasonable inquiry, the IRC recommended the Proposed Transfer, subject to the approval of the securityholders and the Decision Makers, on the basis that the transfer would achieve a fair and reasonable result for the Funds.

14. The approval by the Decision Makers of the Proposed Transfer is required because the Proposed Transfer does not satisfy all of the conditions for pre-approved reorganizations and transfers as set out in section 5.6 of Regulation 81-102.

15. Specifically, the Proposed Transfer does not satisfy the conditions set out in subparagraph 5.6(1)(a)(ii) and in paragraph 5.6(1)(b) of Regulation 81-102 since:

    a) a reasonable person would not consider the fundamental investment objectives of the Terminating Fund and those of the Continuing Fund to be substantially similar; and

    b) the Proposed Transfer will not be completed as a "qualifying exchange" within the meaning of section 132.2 of the ITA or a tax-deferred transaction under subsection 85(1), 85.1(1), 86(1) or 87(1) of the ITA.

16. Except for the two conditions stated above, the Proposed Transfer meets all of the other conditions for pre-approved reorganizations and transfers under section 5.6 of Regulation 81-102.

17. As required by subsection 5.1(f) of Regulation 81-102, securityholders of the Terminating Fund have approved the Proposed Transfer at a meeting held on June 18, 2012.

18. As required by section 5.4 of Regulation 81-102, a notice of meeting, a proxy solicitation and information circular (the Circular) have been sent to securityholders of the Terminating Fund not less than 21 days before the date of the meeting and have been filed via the System for Electronic Document Analysis and Retrieval ("SEDAR").

19. The Circular sent to the securityholders of the Terminating Fund:

    a) complies with paragraph 5.6(1)(f) of the Regulation 81-102;

    b) gives information on the significant differences between the Terminating Fund and the Continuing Fund;

    c) states the different measures that will be taken to process the Proposed Transfer in an orderly manner;

    d) provides information on the Proposed Transfer to enable the securityholders of the Terminating Fund to make an informed decision regarding the Proposed Transfer;

20. The Continuing Fund will not assume liabilities of the Terminating Fund; instead, the Terminating Fund will retain sufficient assets to satisfy its estimated liabilities for custody and fund accounting costs, being an amount approximately of $5,000.

21. Prior to the date of the Proposed Transfer, the Terminating Fund will sell in an orderly manner the securities of its portfolio that do not meet the investment objectives and investment strategies of the Continuing Fund. As a result, the Terminating Fund may temporarily hold cash or money market instruments in an higher proportion than what is suitable in order to achieve its investment objectives.

22. Assets of the Terminating Fund to be acquired by the Continuing Fund will be consistent with the investment objectives of the Continuing Fund.

23. Following the Proposed Transfer, the securityholders of the Terminating Fund will become securityholders of the Continuing Fund. As such, they will receive series of units of the

Continuing Fund that are equivalent to the series of units of the Terminating fund.

24. As soon as reasonably possible following the date of the Proposed Transfer, the Terminating Fund will be wound up.

25. No sales charges, redemption fees or other fees or commissions will be payable by securityholders of the Terminating Fund in connection with the acquisition by the Continuing Fund of the assets of the Terminating Fund.

26. The Filer will pay for the costs of the Proposed Transfer. These costs consist mainly of brokerage charges associated with the Proposed Transfer related trades that occur both before and after the Proposed Transfer date, as well as legal fees and fees related to reporting to the securityholders and with respect to the applicable regulatory requirements.

27. Securityholders of the Terminating Fund will continue to have the right to redeem units of the Terminating Fund at any time up to the close of business on the Proposed Transfer date.

28. In the event that securityholders of the Terminating Fund do not approve the Proposed Transfer, the Terminating Fund will not be terminated.

29. Effective June 1, 2012, the Continuing Fund changed its name from IA Clarington Global Equity Fund to IA Clarington Global Opportunities Fund.

Decision

The Decision Makers are 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 Approval Sought is granted.

"Mario Albert"
President and Chief Executive Officer
Autorité des marchés financiers

2.1.7 US Gold Canadian Acquisition Corporation – s. 1(10)

Headnote

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

Ontario Statutes

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

July 5, 2012

US Gold Canadian Acquisition Corporation
2900, 10180 – 101 Street
Edmonton, Alberta T5J 3V5

Dear Sirs/Mesdames:

Re: US Gold Canadian Acquisition Corporation (the Applicant) – application for a decision under the securities legislation of Alberta, Saskatchewan, Ontario, Quebec, New Brunswick, Prince Edward Island, Nova Scotia and Newfoundland and Labrador (the Jurisdictions) that the Applicant is not a reporting issuer

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

As the Applicant has represented to the Decision Makers that:

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

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

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

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

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

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

2.1.8 I.G. Investment Management, Ltd. and Investors Mortgage and Short Term Income Fund

Headnote

National Policy 11-203 – Process for Exemptive Relief Application in Multiple Jurisdictions – Mortgage fund granted relief from subsections 2.3(b) and (c) of NI 81-102 provided fund complies with National Policy Statement 29 (NP29), other than (i) requirement to invest in mortgages with a loan-to-value ratios up to 75% unless mortgage insured or guaranteed (75% LTV Requirement) and (ii) prohibition on holding mortgages in which related parties of the fund have an interest as mortgagor – Fund unable to rely on section 20.4 of NI 81-102 due to exemption sought from NP29 – Restriction on loan-to-value ratios in NP 29 was intended to mirror requirements in the Bank Act (Canada) – Bank Act and Trust and Loan Companies Act (Canada) amended in 2007 to permit Banks and trust companies to grant mortgages with loan-to-value ratio up to 80% without requiring insurance or guarantee – relief from 75% LTV requirement terminates if mortgage provisions in the Bank Act or Trust and Loan Companies Act are further amended.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 2.3(b), 2.3(c), 19.1, 20.4.
National Policy Statement 29 Mutual Funds Investing in Mortgages, ss. III(2.1)(f) and III(2.1)(i)

June 29, 2012

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

AND

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

AND

IN THE MATTER OF
I.G. INVESTMENT MANAGEMENT, LTD. ("IGIM") AND INVESTORS MORTGAGE AND SHORT TERM INCOME FUND (the "Fund") (collectively as, the "Filers")

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions ("Decision Makers") has received an application from the Filers for a decision under the securities legislation of the Jurisdictions ("Legislation") for an exemption, pursuant to section 19.1 of National

Instrument 81-102 *Mutual Funds* ("NI 81-102"), from subsections 2.3(b) and (c) of NI 81-102, provided that the Fund complies with National Policy Statement No. 29 – *Mutual Funds Investing in Mortgages* ("NP 29") except for section III(2.1)(f), which prohibits a mutual fund from investing in mortgages for an amount more than 75% of the fair market value of the property securing the mortgages (the "75% LTV Requirement"), except under certain circumstances set out in such section (the "Exemption Sought").

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

(a) The Manitoba Securities Commission is the principal regulator ("Principal Regulator") for this application;

(b) The Filers have provided notice that section 4.7(1) of Multi-Lateral Instrument 11-102 – *Passport System* ("MI 11-102") is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Yukon, Nunavut and the North West Territories; 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

Defined terms contained in National Instrument 14-101 – *Definitions* ("NI 14-101"), National Instrument 81-101 – *Mutual Fund Prospectus Disclosure* ("NI 81-101"), NI 81-102, National Policy 11-203 – *Process for Exemptive Relief Applications in Multiple Jurisdictions* ("NP 11-203") and Multilateral Instrument 11-102 – *Passport System* ("MI 11-102"), have the same meaning in this decision unless they are otherwise defined in this decision.

Representations

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

1. IGIM is a corporation continued under the laws of Ontario.

2. IGIM is the manager and trustee of, and portfolio advisor to, the Fund. Investors Group Trust Co. Ltd. ("IGTC") was the original trustee of the Fund, and in 2007 was succeeded by IGIM.

3. IGIM is registered as a portfolio manager in Manitoba, Ontario, and Quebec and as an investment fund manager in Manitoba. IGIM is also registered as an advisor under *The Commodity Futures Act* in Manitoba. IGIM's head office is in Winnipeg, Manitoba and, accordingly, Manitoba is the principal regulator.

4. The Fund is an open end mutual fund originally organized as a trust and is a reporting issuer under the legislation of each of the Jurisdictions.

5. Units of the Fund are currently being offered to the public under a simplified prospectus dated June 30, 2011.

6. Retail units of the Fund are distributed by Investors Group Financial Services Inc. and Investors Group Securities Inc. through Investors Group consultants or an Investors Group Securities Inc. Trade Centre.

7. IGIM, as manager of the Fund, has agreed to repurchase, or cause to be repurchased, from the Fund any mortgage the Fund has purchased from it, or from IGTC, or from any of its affiliates, which mortgage is non-compliant with the applicable loan to value ratio ("LTV Ratio"), in default, or not a valid first mortgage (the "IGIM Guarantee").

8. Subsections 2.3(b) and (c) of NI 81-102 prohibit a mutual fund from purchasing a mortgage, other than a guaranteed mortgage, and from purchasing a guaranteed mortgage if, immediately after the purchase, more than 10% of the mutual fund's net asset value would be made up of guaranteed mortgages.

9. Section 20.4 of NI 81-102 provides an exemption from subsections 2.3(b) and (c) thereof to any mutual fund existing at the time NI 81-102 was adopted that has a fundamental investment objective to permit it to invest in mortgages in accordance with NP 29. The Fund first commenced distribution of its units on or about August, 1973.

10. The investment objective of the Fund is to provide a consistent level of current income by investing primarily in short-term debt securities and mortgages on improved real estate in Canada. To achieve the Fund's investment objective it has assembled and intends to continue to assemble a diversified portfolio of insured and non-insured mortgages.

11. The Fund is subject to, and invests in mortgages as permitted by, NP 29.

12. The Fund has current relief dated June 6, 2006 ("2006 Relief"), from section III(2.1)(g) of NP 29 permitting the Fund to invest up to 40% of its net assets in residential mortgages having terms of maturity greater than 5 years, but not exceeding 10 years and to revise its fee structure.

13. The Fund also has current relief dated April 23, 2008 ("2008 Relief"), from section 4.2 of NI 81-102 to permit transactions in mortgages between IGTC and its affiliates, and the Fund, and exempting it

from the monthly related party transaction reporting requirements under securities legislation.

14. Section III(2.1)(f) of NP 29 prohibits a mutual fund from investing in mortgages in an amount which is more than 75% of the fair market value of the property securing the mortgage, except when:

    (a) such mortgage is insured under the *National Housing Act* (Canada) or any similar act of a province, or

    (b) the excess over 75% is insured by an insurance company registered or licensed under the *Canadian and British Insurance Companies Act* (Canada), the *Foreign Companies Act* (Canada) or insurance acts or similar acts of a Canadian province or territory,

    (the "75% LTV Ratio").

15. Currently IGTC is the mortgagee of all the mortgages contained in the Fund. IGTC is a trust company subject to the *Trust and Loan Companies Act* (Canada) (the "TLC Act").

16. Section III(2.1)(f) of NP 29 originally mirrored the prohibition in the TLC Act that restricted lending an amount above 75% of the LTV Ratio of the property securing the mortgage, unless covered by insurance. In April 2007 the TLC Act was amended to increase the LTV Ratio from 75% to 80% (the "80% LTV Ratio").

17. Subsection 418(1) of the current TLC Act provides that a company subject to the legislation "shall not make a loan in Canada on the security of residential property in Canada for the purpose of purchasing, renovating or improving that property, or refinance such a loan, if the amount of the loan, together with the amount then outstanding of any mortgage having an equal or prior claim against the property, would exceed 80 per cent of the value of the property at the time of the loan."

18. IGTC is the mortgagee of all of the mortgages the Fund currently acquires. Pursuant to subsection 418(1) of the TLC Act, IGTC is not required to obtain mortgage default insurance for properties that fall between 75.01 to 80% LTV range (the "NP 29 Restricted Range").

19. Due to NP 29, the Fund has to monitor its purchases of mortgages to ensure it does not invest in mortgages in the NP 29 Restricted Range. The Fund uses a manual process to exclude the NP Restricted Range mortgages, which results in increased efforts and costs.

20. In a low interest rate environment the pool of NP 29 Restricted Range mortgages would increase. Exclusion of the NP 29 Restricted Range mortgages limits the Fund's investment opportunities in a lucrative part of the market to the detriment of the Fund.

21. Absent the 75% LTV Ratio requirement in NP 29, the Fund would be permitted to invest in mortgages in the NP 29 Restricted Range, provided that such investments constitute a small percentage of the Fund, such that the Fund remains primarily invested in high quality mortgages on residential properties in Canada.

22. The IGIM Guarantee ensures that there is no borrower default risk to the Fund in permitting the Fund to invest in NP 29 Restricted Range mortgages.

23. Similar relief was provided to Scotia Securities Inc. and Scotia Mortgage Income Fund in an Ontario decision dated July 28, 2009 ("Scotia Decision").

24. Neither IGIM nor the Fund is in default under securities legislation in any province or territory of Canada.

Decision

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

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

1. the Fund's fundamental investment objective permits the Fund to invest in mortgages in accordance with NP 29, and,

    (a) a National Instrument replacing NP 29 has not come into force;

    (b) the Fund complies with NP 29, except as amended by the Exemption Sought and the 2006 Relief;

2. this Decision shall terminate if the 80% LTV Ratio in the TLC Act is amended at any time.

"R. B. Bouchard"
Director – Corporate Finance
The Manitoba Securities Commission

2.1.9 Rexel S.A.

Headnote

National Policy 11-203 Process For Exemptive Relief Applications in Multiple Jurisdictions – Application for relief from prospectus and dealer registration requirements in respect of certain trades in units made in connection with an employee share offering by a French issuer – Relief from prospectus and dealer registration requirements upon the redemption of units for shares of the issuer – The offering involves the use of collective employee shareholding vehicles, each a fonds communs de placement d'entreprise (FCPE) – The Filer cannot rely on the employee prospectus exemption in section 2.24 of National Instrument 45-106 Prospectus and Registration Exemptions and the Manager cannot rely on the plan administrator exemption in section 8.16 of National Instrument 31-103 Registration Requirements and Exemptions as the shares are not being offered to Canadian employees directly by the issuer but through the FCPEs – 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 Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 25, 53, 74(1).
National Instrument 31-103 Registration Requirements and Exemptions.
National Instrument 45-102 Resale of Securities.
National Instrument 45-106 Prospectus and Registration Exemptions.

July 6, 2012

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

AND

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

AND

IN THE MATTER OF
REXEL S.A.
(the "Filer")

DECISION

Background

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

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 Rexel Actionnariat Classique International (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, the "**Units**") of a temporary FCPE named Rexel Actionnariat Classique International Relais 2012 (the "**Temporary Classic FCPE**"), which will merge with the Principal Classic FCPE following the Employee Share Offering (as defined below), such transaction being referred to as the "**Merger**", as further described below (the term "**Classic FCPE**" used herein means, prior to the Merger, the Temporary Classic FCPE, and following the Merger, the Principal Classic FCPE);

made pursuant to the Employee Share Offering (as defined below) to or with Qualifying Employees (as defined below) resident in the Jurisdiction or in the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Québec, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador and Northwest Territories (collectively, the "**Canadian Employees**," and Canadian Employees who subscribe for Units, the "**Canadian Participants**"); and

(b) trades of ordinary shares of the Filer (the "**Shares**") by the Classic FCPE to or with Canadian Participants upon the redemption of Units thereof as requested by Canadian Participants;

2. an exemption from the dealer registration requirements of the Legislation (the "**Registration Relief**") so that such requirements do not apply to the Rexel Group (as defined below and which, for clarity, includes the Filer and the Canadian Affiliates (as defined below)), the Temporary Classic FCPE, the Principal Classic FCPE and BNP Paribas Asset Management SAS (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 by the Classic FCPE to or with Canadian Participants upon the redemption of Units as requested by Canadian Participants.

(the Prospectus Relief and the Registration Relief, collectively, the "**Offering Relief**")

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

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

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

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning as 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 the securities legislation of the other Jurisdictions. The head office of the Filer is located in France and the Shares are listed on NYSE Euronext Paris. The Filer is not in default under the Legislation or the securities legislation of the other Jurisdictions.

2. The Filer carries on business in Canada through certain affiliated companies that employ Canadian Employees, including Rexel North America Inc., Rexel Canada Electrical Inc. and Liteco Inc. (collectively, the "**Canadian Affiliates**," and together with the Filer and other affiliates of the Filer, the "**Rexel Group**"). Each of the Canadian Affiliates is a direct or indirect controlled subsidiary of the Filer and is not, and has no current intention of becoming, a reporting issuer under the Legislation or the securities legislation of the other Jurisdictions. None of the Canadian Affiliates is in default under the Legislation or the securities legislation of the other Jurisdictions.

3. The Filer has established a global employee share offering for employees of the Rexel Group (the "**Employee Share Offering**"). 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 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.

4. The Employee Share Offering is comprised of one subscription option, being an offering of Shares to be subscribed through the Temporary Classic FCPE, which Temporary Classic FCPE will be merged with the Principal Classic FCPE after completion of the Employee Share Offering, subject to the approval of the supervisory boards of the FCPEs and the French AMF (defined below) (the "**Classic Plan**").

5. Only persons who are employees of a member of the Rexel Group during the subscription period for the Employee Share Offering and who meet other employment criteria (the "**Employees**") and persons who have retired from an

affiliate of the Filer and who continue to hold units in FCPEs in connection with previous employee share offerings by the Filer (the "**Retired Employees**," and together with the Employees, the "**Qualifying Employees**"), will be permitted to participate in the Employee Share Offering.

6. The Principal Classic FCPE was established for the purpose of implementing employee share offerings of the Filer, and the Temporary Classic FCPE was 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 the other Jurisdictions.

7. The Temporary Classic FCPE and the Principal Classic FCPE are FCPEs, which is a form of collective shareholding vehicle commonly used in France for the conservation of shares held by employee-investors. The Principal Classic FCPE and the Temporary Classic FCPE have been registered with the French Autorité des marchés financiers (the "**French AMF**"). Only Qualifying Employees will be allowed to hold Units issued pursuant to the Employee Share Offering.

8. All Units acquired in the Employee Share Offering by 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 and provided for under the Classic Plan (such as a release on death or termination of employment).

9. Under the Classic Plan, the subscription price will be the Canadian dollar equivalent of the average of the opening price of the Shares on NYSE Euronext Paris (expressed in Euros) on the 20 trading days preceding the date of the fixing of the subscription price by the Management Board of the Filer, less a 20% discount.

10. The Temporary Classic FCPE will apply the cash received from the Canadian Participants to subscribe for Shares from the Filer.

11. Initially, the Shares subscribed for will be held in the Temporary Classic FCPE and the Canadian Participants 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 (such transaction being referred to as the "**Merger**").

12. Canadian Participants may select one of the two following options for treatment of dividends paid to the Classic FCPE in respect of Shares represented by their Units: (i) for dividends to be used to purchase additional Shares, in which case new Units (or fractions thereof) of the Classic FCPE will be issued to such Canadian Participants, or (ii) for dividends to be paid out to such Canadian Participants.

13. At the end of the Lock-Up Period a Canadian Participant may: (i) 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 (ii) 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.

14. In the event of an early unwind resulting from a Canadian Participant exercising one of the exceptions to the Lock-Up Period prescribed by French law and meeting the applicable criteria, the 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 corresponding to such Units.

15. In addition, subject to the approval of the Management Board of the Filer, the Filer will grant the Canadian Participant the right to receive at the end of the Lock-Up Period, free of charge: (i) two Shares for each of the first whole 15 Shares subscribed for by the Canadian Participant, and (ii) one Share for each additional whole Share from the 16th whole Share that is subscribed for, but subject to the limitation that no further free Shares will be granted to a Canadian Participant to the extent that the Canadian Participant's total personal investment has exceeded €800 (collectively, the "**Matching Contribution**"). The right to receive the Matching Contribution is subject to a continued employment condition (with certain exceptions) until the end of the Lock-Up Period; if this condition is satisfied, Shares granted under the Matching Contribution shall be delivered to the Canadian Participant or to the Principal Classic FCPE or another FCPE on behalf of the Canadian Participant.

16. An FCPE is a limited liability entity under French law. The Classic FCPE's portfolio will consist almost entirely of Shares of the Filer and may, from time to time, also include cash in respect of dividends paid on the Shares which will be reinvested in Shares, and cash or cash equivalents pending investments in Shares and for the purposes of Unit redemptions.

17. 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. 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 the other Jurisdictions.

18. The Management Company's portfolio management activities in connection with the Employee Share Offering and the Classic FCPE are limited to purchasing Shares from the Filer, selling such Shares as necessary in order to fund redemption requests, and investing available cash in cash equivalents.

19. The Management Company is also responsible for preparing accounting documents and publishing periodic informational documents as provided by the rules of the 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 the other Jurisdictions.

20. Shares issued in the Employee Share Offering will be deposited in the Principal Classic FCPE and/or the Temporary Classic FCPE, as applicable, through BNP Paribas Securities Services SCA (the "**Depositary**"), a large French commercial bank subject to French banking legislation. The Depositary carries out orders to purchase, trade and sell securities in the portfolio and takes all necessary action to allow each of the Principal Classic FCPE and the Temporary Classic FCPE to exercise the rights relating to the securities held in its respective portfolio.

21. 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.

22. 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.

23. The total amount invested by a Canadian Employee in the Employee Share Offering cannot exceed 25% of his or her gross annual compensation.

24. None of the Filer, the Management Company, the Canadian Affiliates 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.

25. The Shares are not currently listed for trading on any stock exchange in Canada and the Filer has no intention to have the Shares so listed. As there is no market for the Shares in Canada, and none is expected to develop, any first trades of Shares by Canadian Participants will be effected through the facilities of, and in accordance with the rules and regulations of, a foreign stock exchange outside of Canada.

26. Canadian Employees will have access through the website www.rexel-opportunity.com to the information package on the Employee Share Offering 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 containing a description of Canadian income tax consequences of subscribing to and holding the Units and redeeming Units at the end of the Lock-Up Period.

27. Upon request, Canadian Employees may receive copies of the Filer's French *Document de Référence* filed with the French AMF in respect of the Shares and a copy of the rules of the Temporary Classic FCPE and the Principal Classic FCPE (which are analogous to company by-laws). The Canadian Employees will also have access to copies of the continuous disclosure materials relating to the Filer that are furnished to holders of the Shares.

28. Canadian Participants will receive an initial statement of their holdings under the Classic Plan, together with an updated statement at least once per year.

29. There are approximately 2,330 Employees and 22 Retired Employees resident in Canada, with the greatest number of Employees resident in Ontario (approximately 947 Employees and 13 Retired Employees), and the remainder in the other Jurisdictions who represent, in the aggregate, less than 9% of the number of employees in the Rexel Group worldwide.

Decision

The principal regulator is satisfied that the test contained in the Legislation that provides the principal regulator with the jurisdiction to make the decision has been met.

The decision of the principal regulator under the Legislation is that the Offering Relief is granted provided that 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.

“Edwin P. Kerwin”
Commissioner
Ontario Securities Commission

“Paulette Kennedy”
Commissioner
Ontario Securities Commission

2.2 Orders

2.2.1 HEIR Home Equity Investment Rewards Inc. et al. – Rule 1.7.4 of the OSC Rules of Procedure

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

AND

IN THE MATTER OF
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
(Rule 1.7.4 of the Ontario Securities Commission Rules of Procedure (2010, 33 O.S.C.B. 8017)

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 Fruit Investments Inc., Wealth Building Mortgages Inc., Archibald Robertson (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 Eric Deschamps;

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 on June 21, 2012, counsel for the HEIR Respondents, Borden Ladner Gervais LLP, filed a notice of motion, pursuant to rule 1.7.4 of the Commission's *Rules of Civil Procedure* (2010), 33 O.S.C.B. 8017, for leave to withdraw as representative for the HEIR Respondents and requesting that the motion be heard in writing (the "Withdrawal Motion");

AND WHEREAS Borden Ladner Gervais LLP has confirmed that the HEIR Respondents have been served with the Withdrawal Motion;

IT IS ORDERED that the Withdrawal Motion is heard in writing;

IT IS FURTHER ORDERED that Borden Ladner Gervais LLP is granted leave to withdraw as representative for the HEIR Respondents.

DATED at Toronto, this 3rd day of July, 2012.

"James D. Carnwath"

2.2.2 Acorn Global Investments Inc. et al. – s. 213(3)(b) of the LTCA

Headnote

Clause 213(3)(b) of the Loan and Trust Corporations Act – Application by manager, with no prior track record acting as trustee, for approval to act as trustee of existing pooled funds and future pooled funds to be managed by the applicant and offered pursuant to a prospectus exemption – The pooled funds contemplated are specifically 'hedge funds' and have unique custodial arrangements – Fund investment objectives include focus on extensive use of exchange-traded futures – Use of futures requires deposit of fund assets with futures commission merchants which are IIROC members – Deposit of assets with futures commissions merchants will comply with s. 6.8 of National Instrument 81-102 Mutual Fundsexcept for the 10% requirement in s. 6.8(1) or s. 6.8(2)(c).

Statutes Cited

Loan and Trust Corporations Act, R.S.O. 1990, c. L.25, as am.,s. 213(3)(b).

June 19, 2012

IN THE MATTER OF
THE LOAN AND TRUST CORPORATIONS ACT
R.S.O. 1990, CHAPTER L.25, AS AMENDED
(the Act)

AND

IN THE MATTER OF
ACORN GLOBAL INVESTMENTS INC.
(the Applicant)

AND

IN THE MATTER OF
ACORN DIVERSIFIED TRUST AND
ACORN DIVERSIFIED PORTFOLIO
(each an Existing Fund)

ORDER
(Section 213(3)(b) of the Act)

UPON the application by the Applicant to the Ontario Securities Commission (the **Commission**) for an order pursuant to section 213(3)(b) of the Act granting relief to the Applicant, which is the manager of the Existing Funds and will be the manager of such other pooled funds that the Applicant may manage and establish in the future under the laws of Ontario (each a **Future Fund**, and together with the Existing Funds, the **Funds** and individually a **Fund**), to allow it to act as the trustee of the Funds;

AND WHEREAS the Applicant has represented to the Commission that:

1. The Applicant is a corporation incorporated under the *Business Corporations Act* (Ontario) and is and will be the manager and adviser of each Fund;

2. The Applicant, which has its head office in Oakville, Ontario, is registered as a portfolio manager, a commodity trading manager, an investment fund manager and as an exempt market dealer with the Commission;

3. The investment objective of each Existing Fund is to deliver annualized double digit returns over a three to five year period and a diversification benefit by providing low correlation to traditional equity, bond, and real estate investments;

4. The Applicant uses a disciplined approach to achieve the investment objective of a Fund by applying an investment strategy which contemplates investment in a wide variety of highly liquid global markets, including exchange traded futures, equities and options as well as currencies. It is expected that each Fund will, directly or indirectly, make extensive use of exchange traded futures to achieve its investment objective;

5. The Applicant in its capacity as trustee of a Fund will be responsible for the business, operations and affairs of the Fund, other than acting as administrator or custodian of the assets of the Fund;

6. CIBC Mellon Trust Company (the **Custodian**) acts and may act as the custodian and administrator of the Funds;

7. The assets of a Fund will be held by the Custodian and/or a Canadian financial institution that complies with Part 6 of National Instrument 81-102 *Mutual Funds* (**NI 81-102**) (a **Financial Institution**) and/or a futures commission merchant, each of which will be independent of the Applicant and each Fund;

8. Cash of the Funds is and may be held by the Custodian and/or one or more Financial Institutions;

9. A futures commission merchant which holds assets of a Fund will be registered with the Commission in the category of futures commission merchant and a member of the Investment Industry Regulatory Organization of Canada;

10. All futures transactions carried out by a futures commission merchant on behalf of a Fund will:

    (a) only involve a deposit of portfolio assets of the Fund in Canada;

(b) occur within Canada or outside of Canada; and

(c) not involve a deposit by the Fund with any counterparty of any portfolio assets of the Fund over which the Fund has granted a security interest in connection with a particular specified derivatives transaction;

11. When a Fund invests in exchange-traded futures, each Fund will comply with:

(i) section 6.8(1) of NI 81-102, except for the reference to "10% of the net assets of the mutual fund" included therein;

(ii) section 6.8(2)(a) and (b) of NI 81-102; and

(iii) section 6.8(4) of NI 81-102;

12. A Fund may deliver portfolio assets to a person or company in satisfaction of its obligations under a securities lending, repurchase or reverse repurchase agreement that complies with NI 81-102 if the collateral, cash proceeds or purchased securities that are delivered to the Fund in connection with the transaction are held by the Custodian or a Financial Institution;

13. Units of the Funds are and will only be offered on an exempt basis to investors in each of the provinces and territories of Canada pursuant to the prospectus exemptions in National Instrument 45-106 *Prospectus and Registration Exemptions*; and

14. Prospective investors will be provided with an offering memorandum prior to their investment in a Fund(s) which, among other things, will describe the investment objectives and investment strategies of the Fund(s);

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

THE ORDER of the Commission is that the Applicant may act as the trustee of each Fund, provided that units of that Fund are only offered to potential investors in Canada pursuant to a prospectus exemption.

"Christopher Portner"
Commissioner
Ontario Securities Commission

"James D. Carnwath"
Commissioner
Ontario Securities Commission

2.2.3 Thirdcoast Limited and Parrish & Heimbecker, Limited – s. 127

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

AND

IN THE MATTER OF
THIRDCOAST LIMITED AND
PARRISH & HEIMBECKER, LIMITED

ORDER
(Section 127)

WHEREAS on June 8, 2012, Parrish & Heimbecker, Limited ("P&H") filed an application (the "Rights Plan Application") with the Ontario Securities Commission (the "Commission") pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5 (the "Act") for a permanent order that all trading cease in connection with the shareholder rights plan of Thirdcoast Limited ("Thirdcoast") dated May 30, 2012 (the "Rights Plan");

AND WHEREAS P&H seeks the following relief pursuant to the Rights Plan Application:

(a) a permanent order pursuant to section 127 of the Act that all trading cease in respect of any securities issued, or that are proposed to be issued, in connection with the Rights Plan, including, without limitation, in respect of any rights issued or to be issued under the Rights Plan ("Rights") and any common shares of Thirdcoast to be issued upon the exercise of such Rights; and

(b) a permanent order removing prospectus exemptions in respect of the distribution of Rights issued under or in connection with the Rights Plan and in respect of the exercise of such Rights;

AND WHEREAS on June 12, 2012, Thirdcoast filed an application (the "Lock-up Agreements Application") with the Commission pursuant to section 127 of the Act for a permanent order that all trading in Thirdcoast common shares pursuant to lock-up agreements (the "Lock-up Agreements") entered into by P&H pursuant to its take-over bid (the "Bid") for common shares of Thirdcoast cease;

AND WHEREAS in its Lock-up Agreements Application and in subsequently filed written submissions, Thirdcoast seeks the following relief:

(a) a permanent order pursuant to section 127 of the Act that all trading in Thirdcoast common shares pursuant to the terms of the Lock-up Agreements cease; and

(b) an order pursuant to section 104(1)(b) of the Act that P&H amend its Offer and its take-over bid circular delivered to shareholders of Thirdcoast in connection with the Bid to provide for the amended information with respect to the Lock-up Agreements, which would include a recommencement of the 35-day minimum period that shareholders of Thirdcoast would be permitted to deposit their common shares of Thirdcoast under the Bid;

AND WHEREAS on June 14, 2012, the Commission issued a Notice of Hearing for a hearing commencing on July 4, 2012 to consider whether it is in the public interest to make an order, pursuant to the Rights Plan Application, cease trading the securities issued or proposed to be issued pursuant to the Rights Plan and to consider whether it is in the public interest to make an order, pursuant to the Lock-up Agreements Application, cease trading the securities that are subject to the Lock-up Agreements;

AND WHEREAS Thirdcoast is a reporting issuer existing under the laws of Ontario whose common shares trade primarily on the over-the-counter market and are not listed on any stock exchange;

AND WHEREAS P&H is the largest holder of Thirdcoast common shares, holding approximately 27.99% of the issued and outstanding common shares of the company;

AND WHEREAS on February 21, 2012, P&H informed members of Thirdcoast's board of directors of its intention to acquire the remaining common shares of Thirdcoast that P&H did not then own and requested that Thirdcoast obtain an independent valuation in accordance with requirements for insider bids pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("MI 61-101");

AND WHEREAS as of the close of business on March 5, 2012, the prices for Thirdcoast common shares were posted as at January 31, 2012 at a bid price of $75.00 per common share and an ask price of $79.00 per common share;

AND WHEREAS on March 6, 2012, P&H issued a press release announcing its intention to make an all-cash offer of $115 per share for Thirdcoast common shares and disclosing that it had entered into Lock-up Agreements with certain shareholders of Thirdcoast, pursuant to which those shareholders agreed to tender their common shares to P&H and not to withdraw their common shares from the offer unless the Lock-up Agreements are terminated;

AND WHEREAS the Thirdcoast common shares owned by P&H, combined with those common shares subject to the Lock-up Agreements, constitute 51.62% of the issued and outstanding Thirdcoast common shares;

AND WHEREAS on March 30, 2012, P&H issued a press release which states that P&H's intention is "to continue the operation of Thirdcoast's grain handling facilities under the existing public house model in the event that P&H successfully acquires or controls Thirdcoast as a result of the Bid";

AND WHEREAS on May 28, 2012, the independent valuation of Thirdcoast, prepared pursuant to the requirements of MI 61-101, valued Thirdcoast common shares in the range of $130 to $170 per common share;

AND WHEREAS on May 29, 2012, after receipt and review of the independent valuation of Thirdcoast made in connection with the Bid, P&H issued a press release announcing an increase in the consideration that will be offered in its proposed Bid for Thirdcoast common shares to $155 per common share;

AND WHEREAS on May 30, 2012, Thirdcoast issued a press release announcing that the Thirdcoast board of directors adopted the Rights Plan "to allow the Board time to explore and develop strategic alternatives in the context of [P&H's] Insider Bid";

AND WHEREAS on May 31, 2012, P&H formally commenced its Bid for any and all of the issued and outstanding common shares of Thirdcoast not currently owned by P&H for all-cash consideration of $155 per common share;

AND WHEREAS on June 28, 2012, Thirdcoast issued a press release announcing, among other things, that the independent committee of the Thirdcoast board of directors (the "Independent Committee"), in consultation with its financial advisor, "is working on an alternative asset transaction involving the sale of its grain business which would result in Shareholders receiving a superior return to [P&H's offer]". The June 28, 2012 press release further states that "[t]here is no guarantee that a Superior Transaction will be entered into, but if it were, it is expected that the net proceeds of such Superior Transaction (after all taxes and transaction costs) combined with Thirdcoast's cash and liquid investment balance would be in excess of $155 per share, and result in cash being paid out to Shareholders in the form of a dividend";

AND WHEREAS, in response to P&H's Rights Plan Application, Thirdcoast requests that the Rights Plan be permitted to remain in place for a further 30 days, "to permit the Independent Committee to fulfill their fiduciary duties to Thirdcoast", and in particular, to pursue "an alternative asset transaction", which is currently the subject of litigation;

AND WHEREAS a hearing was held on July 4, 2012 to consider the merits of the Rights Plan Application and the Lock-up Agreements Application;

AND UPON considering the evidence and the submissions of P&H, Thirdcoast and Staff of the Commission;

AND UPON considering the case law, including the Commission's decision in *Re Sears Canada Inc.* 2006 LNONOSC 1044 and *Re CDC Life Sciences Inc.* (1998), 11 O.S.C.B. 2541, and evidence presented with respect to the Lock-up Agreements;

AND UPON being presented with no evidence that would lead us to conclude that P&H has entered into any collateral agreement, commitment or understanding that would have the effect of providing any Thirdcoast shareholder with consideration of greater value than any other shareholder;

AND UPON considering the nature of the Lock-up Agreements, the lack of a minimum tender condition in the Bid and the requirements of Part XX of the Act, we are not satisfied that the Bid is coercive or contrary to the public interest;

AND WHEREAS, with respect to the Rights Plan Application, we have considered National Policy 62-202 – *Take-Over Bids – Defensive Tactics* and the case law which sets out the relevant factors to be considered in making a determination to cease trade a shareholder rights plan, including those enumerated in *Re Royal Host Real Estate Investment Trust* (1999), 22 O.S.C.B. 7819;

AND WHEREAS in this case, we have considered certain factors to be particularly important in deciding to cease trade the Rights Plan, including:

1. Thirdcoast shareholders have not had an opportunity to approve the Rights Plan and no evidence has been provided of shareholder support for the Rights Plan. Thirdcoast acknowledges that, based on the existence of the Lock-up Agreements, it is unlikely that any such approval would be forthcoming;

2. The Rights Plan was adopted in response to P&H's offer;

3. As of the expiry of the Bid on July 5, 2012, the formal Bid will have been outstanding for 35 days, public notice of P&H's intention to make the Bid will have been made for 122 days and Thirdcoast will have been aware of P&H's intention to acquire the remaining common shares of Thirdcoast which it does not currently own for 135 days;

4. No other viable bidder for Thirdcoast's common shares has come forward to date. We are not satisfied that the Rights Plan continues to provide an opportunity for further bids for Thirdcoast's common shares;

5. The evidence presented at the hearing does not support the allegation by Thirdcoast that the Bid is coercive; and

6. We were not presented with sufficient evidence that would lead us to conclude that permitting the Rights Plan to remain in place for an additional 30 days would serve the purpose of enhancing shareholder value;

AND WHEREAS we have concluded that it is in the public interest to make this order and will issue reasons for this order in due course;

IT IS ORDERED that:

1. pursuant to clause 2 of subsection 127(1) of the Act, trading in any securities issued or to be issued under or in connection with the Rights Plan shall cease permanently;

2. pursuant to clause 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply permanently to any securities issued or to be issued under or in connection with the Rights Plan; and

3. the Lock-up Agreements Application is dismissed.

Dated at Toronto this 4th day of July 2012.

"Mary G. Condon"

"C. Wesley M. Scott"

"Paulette L. Kennedy"

2.2.4 Peter Sbaraglia

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

AND

IN THE MATTER OF
PETER SBARAGLIA

ORDER

WHEREAS on February 24, 2011, 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 relation to a Statement of Allegations filed by Staff of the Commission ("Staff") on February 24, 2011 with respect to Peter Sbaraglia ("Sbaraglia");

AND WHEREAS on March 31, 2011, the Commission heard submissions from Staff and counsel for Sbaraglia and adjourned the hearing to April 28, 2011;

AND WHEREAS on April 28, 2011, the Commission heard submissions from Staff and counsel for Sbaraglia and adjourned the hearing to June 7, 2011;

AND WHEREAS on June 7, 2011, the Commission heard submissions from Staff and counsel for Sbaraglia and adjourned the hearing to July 27, 2011;

AND WHEREAS on July 27, 2011, the Commission heard submissions from Staff and Sbaraglia and ordered that a pre-hearing conference in this matter take place on October 28, 2011;

AND WHEREAS on October 28, 2011, the Commission held a pre-hearing conference in this matter and heard submissions from Staff and counsel for Sbaraglia and adjourned the pre-hearing conference to November 25, 2011 on the consent of the parties;

AND WHEREAS on November 25, 2011, following a pre-hearing conference at which the Commission heard submissions from Staff and counsel for Sbaraglia, the Commission ordered that: Sbaraglia's motion regarding Staff's disclosure, if Sbaraglia determined to bring such a motion, be scheduled for January 24, 2012; the hearing on the merits commence on June 4, 2012 and continue until June 26, 2012, excluding June 5 and 19, 2012; and a pre-hearing conference be held on April 30, 2012;

AND WHEREAS on January 24, 2012, the Commission held a hearing with respect to a disclosure motion brought by Sbaraglia and ordered that the minimum time requirements under subrule 4.3(1) and rule 4.5 of the Ontario Securities Commission *Rules of Procedure* (2010), 33 O.S.C.B. 8017 (the "Rules") be extended by an additional 10 days;

AND WHEREAS on April 30, 2012, the Commission held a hearing with respect to a motion brought by counsel for Sbaraglia seeking an adjournment of the hearing on the merits, which was opposed by Staff, and the Commission ordered that: the hearing on the merits originally scheduled to commence on June 4, 2012 will commence on October 22, 2012 and continue until November 14, 2012, inclusive, with the exception of October 23, 2012 and November 5 and 6, 2012, on a peremptory basis with respect to Sbaraglia; a pre-hearing conference be held on June 4, 2012; and the extension of the minimum time requirements under subrule 4.3(1) and rule 4.5 of the Rules ordered on January 24, 2012 be set aside;

AND WHEREAS on June 4, 2012, the Commission held a pre-hearing conference and heard submissions from Staff and counsel for Sbaraglia and adjourned the pre-hearing conference to July 4, 2012;

AND WHEREAS on July 4, 2012, the Commission held a pre-hearing conference and heard submissions from Staff and counsel for Sbaraglia;

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

IT IS ORDERED THAT a confidential pre-hearing conference will be held on July 19, 2012, at 9:00 a.m.

DATED at Toronto this 4th day of July 2012.

"Christopher Portner"

2.2.5 Maitland Capital Ltd. 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
MAITLAND CAPITAL LTD., ALLEN GROSSMAN, HANOCH ULFAN, LEONARD WADDINGHAM, RON GARNER, GORD VALDE, MARIANNE HYACINTHE, DIANNA CASSIDY, RON CATONE, STEVEN LANYS, ROGER MCKENZIE, TOM MEZINSKI, WILLIAM ROUSE AND JASON SNOW

ORDER
(Sections 127 and 127.1)

WHEREAS on January 24, 2006, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") accompanied by a Statement of Allegations filed by staff of the Commission ("Staff") with respect to Maitland Capital Ltd. ("Maitland") Allen Grossman, Hanouch Ulfan, Leonard Waddingham, Ron Garner, Gord Valde, Marianne Hyacinthe, Dianna Cassidy, Ron Catone, Steven Lanys, Roger Mckenzie, Tom Mezinski ("Mezinski"), William Rouse and Jason Snow (collectively the "Respondents");

AND WHEREAS on January 24, 2006, the Commission ordered pursuant to s. 127(5) of the Act that: (a) all trading by Maitland and its officers, directors, employees and/or agents in securities of Maitland shall cease forthwith for a period of 15 days from the date thereof; (b) the Respondents cease trading in all securities; and (c) any exemptions in Ontario securities law do not apply to the Respondents (the "Temporary Order");

AND WHEREAS on September 12, 2006, the Commission extended the Temporary Order until the conclusion of the "Hearing";

AND WHEREAS on September 2, 2011, the Commission ordered that the hearing on the merits with respect to the allegations against Mezinski would take place on February 15, 16 and 17, 2012;

AND WHEREAS a hearing on the merits in respect of Mezinski was held before the Commission on February 15, 2012;

AND WHEREAS following the hearing on the merits, the Commission issued its Reasons and Decision with respect to the merits on July 6, 2012;

IT IS ORDERED THAT:

1. A hearing to determine sanctions and costs will be held on August 21, 2012, at 10:00 a.m. at the offices of the Commission, 20 Queen Street West, 17th Floor, Toronto;

2. A party who is unable to attend a hearing on August 21, 2012, must advise the Office of the Secretary within 10 days of the date of this Order;

3. Should any party not contact the Office of the Secretary within 10 days of the date of this Order and fail to attend at the time and place aforesaid, the hearing may proceed in the absence of the party, and such party is not entitled to any further notice of the proceeding; and

4. For the sake of clarity, the Temporary Order, as it pertains to Mezinski, is extended until the conclusion of the sanctions and costs hearing.

DATED at Toronto, Ontario this 6th day of July, 2012

"Edward P. Kerwin"

2.2.6 Maitland Capital Ltd. 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
MAITLAND CAPITAL LTD., ALLEN GROSSMAN, HANOCH ULFAN, LEONARD WADDINGHAM, RON GARNER, GORD VALDE, MARIANNE HYACINTHE, DIANNA CASSIDY, RON CATONE, STEVEN LANYS, ROGER MCKENZIE, TOM MEZINSKI, WILLIAM ROUSE AND JASON SNOW

ORDER
with respect to Steven Lanys
(Section 127 of the Securities Act)

WHEREAS on January 24, 2006, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") with respect to Maitland Capital Ltd. ("Maitland") Allen Grossman, Hanouch Ulfan, Leonard Waddingham, Ron Garner, Gord Valde, Marianne Hyacinthe, Dianna Cassidy, Ron Catone, Steven Lanys ("Lanys"), Roger Mckenzie, Tom Mezinski, William Rouse and Jason Snow, accompanied by a Statement of Allegations filed by staff of the Commission ("Staff");

AND WHEREAS on September 2, 2011, the Commission ordered that the hearing on the merits with respect to the allegations against Lanys would commence on February 15, 2012;

AND WHEREAS on February 15, 2012, Staff filed an Agreed Statement of Facts between and Staff and Lanys in which Lanys admitted certain acts in contravention of the Act;

AND WHEREAS the Commission is satisfied that Lanys did not comply with Ontario securities law and acted contrary to the public interest;

AND WHEREAS on February 15, 2012, on the consent of the parties, the Commission heard submissions from Staff and counsel for Lanys on the issue of whether it was in the public interest to issue an order under s. 127 of the Act imposing sanctions against Lanys;

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

IT IS HEREBY ORDERED THAT:

(a) pursuant to clause 2 of subsection 127(1) of the Act, Lanys shall cease trading in any securities for a period of three years from the date of this Order, with the exception that Lanys shall be permitted to trade securities for the account of his registered retirement savings plans (as defined in the *Income Tax Act* (Canada)) in which he has sole legal and beneficial ownership, provided that:

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

(ii) he does not own legally or beneficially more than one percent of the outstanding securities of the class or series of the class in question;

(iii) he carries out any permitted trading through a registered dealer (who has been given a copy of this Order) and in accounts opened in his name only, and he must close any accounts that are not in his name only; and

(iv) no such trading shall be permitted unless and until he has paid in full the disgorgement order set out in subparagraph (e) of this Order;

(b) pursuant to clause 2.1 of subsection 127(1) of the Act, the acquisition of any securities by any of Lanys is prohibited for a period of three years from the date of this Order, subject to the same exception set out in subparagraph (a) of this Order;

(c) pursuant to clause 3 of subsection 127(1) of the Act, any exemptions in Ontario securities law do not apply to Lanys for a period of three years from the date of this Order, subject to the same exception set out in subparagraph (a) of this Order;

(d) pursuant to clause 6 of subsection 127(1) of the Act, Lanys is reprimanded;

(e) pursuant to clause 10 of subsection 127(1) of the Act, Lanys shall disgorge to the Commission $91,407.10;

(f) pursuant to section 37 of the Act, Lanys shall be prohibited permanently from calling at a residence or telephoning from a location in Ontario to any residence located in or out of Ontario for the purpose of trading in any security or in any class of securities; and

(g) the amount set out in subparagraph (e) of this Order shall be allocated by the Commission to or for the benefit of third parties, including investors who lost money as a result of investing in the Maitland shares, as permitted under subsection 3.4(2)(b) of the Act.

DATED at Toronto, Ontario this 6th day of July, 2012

"Edward P. Kerwin"

2.2.7 Portus Alternative 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
PORTUS ALTERNATIVE ASSET MANAGEMENT INC., PORTUS ASSET MANAGEMENT INC., BOAZ MANOR, MICHAEL MENDELSON, MICHAEL LABANOWICH AND JOHN OGG

ORDER
(Sections 127 and 127.1)

WHEREAS on October 5, 2005, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990 c. S.5, as amended (the "Act") accompanied by a Statement of Allegations issued by Staff of the Commission, in respect of Portus Alternative Asset Management Inc., Portus Asset Management Inc., Boaz Manor, Michael Mendelson, Michael Labanowich and John Ogg (collectively, the "Respondents");

AND WHEREAS on October 4, 2005, the Commission authorized the commencement of proceedings against Boaz Manor ("Manor") in the Ontario Court of Justice pursuant to section 122 of the Act;

AND WHEREAS on April 20, 2006, the Commission authorized the commencement of proceedings against Michael Mendelson ("Mendelson") and the laying of additional charges against Manor, in the Ontario Court of Justice, pursuant to section 122 of the Act (collectively, the "Section 122 Proceeding");

AND WHEREAS on March 31, 2006, Manor brought an application (the "Application") requesting the adjournment of the sections 127 and 127.1 proceeding (the "Administrative Proceeding") against him, pending the conclusion of the Section 122 Proceeding;

AND WHEREAS on June 16, 2006, each of the Respondents in the Administrative Proceeding consented to the adjournment requested in the Application;

AND WHEREAS on June 16, 2006, each of the Respondents in the Administrative Proceeding requested that the Commission grant an adjournment of the Administrative Proceeding against them pending the conclusion of the Section 122 Proceeding;

AND WHEREAS on June 16, 2006, Staff consented to the granting of an adjournment of the Administrative Proceeding against each of the Respondents pending the conclusion of the Section 122 Proceeding;

AND WHEREAS on June 16, 2006, the Commission ordered that the Administrative Proceeding be adjourned against each of the Respondents pending the conclusion of the Section 122 Proceeding and that Staff and the Respondents appear before the Commission within eight weeks of judgment being rendered in the Section 122 Proceeding;

AND WHEREAS on November 19, 2007, Mendelson was convicted of a charge under the *Criminal Code of Canada* before the Ontario Court of Justice and was sentenced to two years in jail and three years probation;

AND WHEREAS on May 25, 2011, Manor was convicted of two charges under the *Criminal Code of Canada* before the Superior Court of Justice (Ontario) and was sentenced to four years in jail;

AND WHEREAS the convictions registered against Manor and Mendelson under the *Criminal Code of Canada* were for acts related to the Administrative Proceeding and the Section 122 Proceeding;

AND WHEREAS on July 13, 2011, the Section 122 Proceeding was concluded;

AND WHEREAS on August 4, 2011, a Notice of Hearing was issued giving notice that the Administrative Proceeding would continue on August 8, 2011;

AND WHEREAS on August 8, 2011, Staff and counsel for Manor attended before the Commission and requested that the Administrative Proceeding be adjourned to October 13, 2011;

AND WHEREAS on October 13, 2011, Staff and an agent for counsel for Manor attended before the Commission and requested that the Administrative Proceeding be adjourned to November 22, 2011;

AND WHEREAS on November 22, 2011, Staff informed the Commission that each of the Respondents were given notice of the adjournment of the Administrative Proceeding until November 22, 2011;

AND WHEREAS on November 22, 2011, Staff, counsel for Manor, and Ogg attended before the Commission and made submissions;

AND WHEREAS on November 22, 2011, it was ordered that the Administrative Proceeding be adjourned to January 12, 2012 for the purposes of a pre-hearing conference;

AND WHEREAS on November 22, 2011, it was further ordered that the hearing on the merits shall commence on September 4, 2012, and shall continue on September 5, 6, 7, 10, 12, 13, 14, 19, 20, 21, 24, 26, 27, 28, and October 1, 2, 3, 4, and 5, 2012;

AND WHEREAS on January 12, 2012, Staff, counsel for the Court Appointed Receiver for Portus, counsel for Manor and counsel for Labanowich appeared before the Commission for a pre-hearing conference, and made submissions to the Commission;

AND WHEREAS on January 12, 2012, it was ordered that the hearing be adjourned to April 25, 2012 for the purpose of continuing the pre-hearing conference;

AND WHEREAS on April 25, 2012, Staff and counsel for Manor attended before the Commission and made submissions;

AND WHEREAS on April 25, 2012, it was ordered that the hearing be adjourned to July 6, 2012 for the purpose of continuing the pre-hearing conference;

AND WHEREAS on July 6, 2012, Staff and counsel for Manor attended before the Commission and made submissions;

AND WHEREAS on July 6, 2012, Staff informed the Commission that each of the Respondents were given notice of the pre-hearing conference on July 6, 2012;

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 is adjourned to Friday August 10, 2012 at 10:00 a.m. for the purpose of continuing the pre-hearing conference.

DATED at Toronto this 6th day of July, 2012.

"Mary G. Condon"

2.2.8 North American Financial Group Inc. et al. – Rule 6.7 of the OSC Rules of Procedure

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

AND

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

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

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 ordered that a pre-hearing conference be held on July 5, 2012 at 10:30 a.m.;

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 further confidential pre-hearing conference to be held on September 28, 2012 at 10:00 a.m.;

IT IS FURTHER ORDERED that the hearing on the merits in this matter shall take place on April 29, 2013 at 10:00 a.m. and shall continue on April 30, 2013 and May 1, 2, 3, 6, 8, 9 and 10, 2013, each day commencing at 10:00 a.m.

DATED at Toronto this 5th day of July, 2012.

"Mary G. Condon"

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

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

AND

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

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

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

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

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

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

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

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

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

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

AND WHEREAS by Order dated March 25, 2011, the Temporary Order was further amended to permit NAFG and its officers and directors to issue convertible debentures in accordance with a Proposal made under the

Bankruptcy and Insolvency Act in the matter of NAFG (the "Temporary Order as further amended");

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

AND WHEREAS by Order dated April 10, 2012, the Temporary Order as further amended was extended to July 10, 2012 and the hearing was adjourned to July 5, 2012;

AND WHEREAS on July 5, 2012, counsel for the Respondents advised the Commission that the Respondents consent to the extension of the Temporary Order as further amended;

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

IT IS ORDERED that the Temporary Order as further amended is extended until the final disposition of this matter, including, if appropriate, any final determination with respect to sanctions and costs.

DATED at Toronto this 5th day of July, 2012.

"Mary G. Condon"

2.2.10 Parlay Entertainment Inc. – s. 144

Headnote

Application by an issuer for a revocation of a cease trade order – Issuer subject to cease trade order as a result of its failure to file financial statements – Issuer has brought its filings up-to-date – Issuer is otherwise not in default of applicable securities legislation, except for certain matters which it intends to remedy – Issuer is currently inactive, but intends to reactivate itself – Issuer has provided an undertaking to the Commission that it will not complete (a) a restructuring transaction involving, directly or indirectly, an existing or proposed, material underlying business which is not located in Canada, (b) 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, or (c) a significant acquisition involving, directly or indirectly, an existing or proposed, material underlying business which is not located in Canada, unless the issuer files a preliminary prospectus and a final prospectus with the Ontario Securities Commission and obtains receipts for the preliminary prospectus and the final prospectus from the Director under the Act.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 127(1), 127(5), 127(8), 144.

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

AND

IN THE MATTER OF
PARLAY ENTERTAINMENT INC.

ORDER
(Section 144)

WHEREAS the securities of Parlay Entertainment Inc. (the "**Applicant**") are subject to a cease trade order dated May 5, 2011 issued by the Director under paragraph 2 of subsection 127(1) and subsection 127(5) of the Act, as extended by a further order issued by the Director dated May 17, 2011 pursuant to subsection 127(a) of the Act (together, the "**Cease Trade Order**") ordering that 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 May 10, 2011 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 has made an application (the "**Application**") to the Ontario Securities Commission (the "**Commission**") for a revocation of the Cease Trade Order pursuant to Section 144 of the Act;

AND WHEREAS the Applicant has also made an application concurrently to the British Columbia Securities Commission for an order for a revocation of the B.C. Cease Trade Order;

AND UPON the Applicant having represented to the Commission that:

1. The Applicant was created on November 30, 2004 pursuant to articles of amalgamation pursuant to the *Business Corporations Act* (Ontario) (the "**OBCA**").

2. The registered head office, the executive office and the mailing address of the Applicant is located at 5096 South Service Road, Suite 102, Burlington, Ontario, L7L 5H4.

3. The Applicant is a reporting issuer or its equivalent under the securities legislation of Ontario, British Columbia and Alberta (the "**Jurisdictions**"). Other than the Jurisdictions, the Applicant is not a reporting issuer in any other jurisdiction in Canada and is not subject to a cease trade order in any other jurisdiction.

4. The Applicant's authorized share capital consists of an unlimited number of common shares (the "**Common Shares**"), of which 13,499,265 Common Shares are issued and outstanding. Other than the Common Shares, the Applicant has no securities, including debt securities, outstanding.

5. The Applicant's Common Shares are listed on the TSX Venture Exchange ("**TSXV**") on the NEX board but the listing is presently suspended as a consequence of the Cease Trade Order. Once the Cease Trade Order has been revoked, the Applicant will proceed to apply to have the trading suspension lifted by the TSXV.

6. Prior to the Cease Trade Order, the Applicant carried on the business of software development in the field of Internet gaming. The Applicant developed and licensed the use of its software products and other intellectual property to customers throughout the world. The Applicant earned its revenues from several sources, including its assessment of installation and implementation fees, software licensing fees, fees for managed services and royalties from the use of its software. Additionally, the Applicant generated revenue on a fee for service basis by providing licensees with support services (such services included web site design and integration, custom products, corporate branding, systems consulting services and technical support, maintenance and software upgrades).

7. The Applicant has not carried on business since August 31, 2011. The Applicant has no material assets other than cash held in trust, which will be used to fund payments on the liabilities of the Applicant which will be settled on the creditor proposal, as discussed below. At December 31, 2011, the total of cash and cash held in trust was $322,150. The Applicant has no liabilities at December 31, 2011 other than the following:

Accounts payable and accrued liabilities of subsidiary companies and accounts payable and accrued liabilities of the Applicant post September 29, 2011	$ 189.012
Liabilities of the Applicant to be discharged on the conclusion of the creditor proposal	870,927
Liabilities for professional fees pursuant to the creditor proposal	71,744
Due to Parlay Games Limited	6,417
Total	$1,138,100

8. 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 December 31, 2010, management's discussion and analysis ("**MD&A**") relating to the audited annual financial statements for the year ended December 31, 2010, and 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 December 31, 2010.

9. Subsequently, the Applicant failed to file its interim financial statements, interim MD&A and certificates of certifying officers pursuant to NI 52-109 relating to the periods from and including the three months ended March 31, 2011 to the nine-months ended September 30, 2011.

10. The Applicant has concurrently applied to the British Columbia Securities Commission for an order for the revocation of the B.C. Cease Trade Order.

11. On May 6, 2011, the Applicant appointed BDO Canada Limited ("**BDO**") to assist it in a restructuring and to act as its proposal trustee in the filing of a Notice of Intention to Make a

Proposal, and to make a Proposal to its creditors (the "**BIA Filing**") with the Superior Court of Justice, Province of Ontario, pursuant to the *Bankruptcy and Insolvency Act* (Canada).

12. On September 29, 2011, the creditors of the Applicant rejected the Proposal and, as a result the Applicant was deemed bankrupt and BDO was appointed Bankruptcy Trustee.

13. On November 29, 2011, the Bankruptcy Trustee executed a Letter of Intent with Mr. J. Scott Bending in anticipation of a transaction and, based on the Letter of Intent, the Bankruptcy Trustee offered a new Proposal to the creditors (the "**New Proposal**") and on January 19, 2012, the creditors accepted the New Proposal.

14. The New Proposal of the Applicant under the *Bankruptcy and Insolvency Act* (Canada) was approved by the Court on February 6, 2012 and, on that date, the Applicant also ceased to be deemed bankrupt.

15. In connection with the New Proposal of the Applicant under the *Bankruptcy and Insolvency Act* (Canada), all creditors of the Applicant with proven and accepted claims were paid an interim distribution on or around January 13, 2012. Subject to the requirements of the *Bankruptcy and Insolvency Act* (Canada), BDO will move to complete the requirements of the New Proposal.

16. On September 29, 2011, on the deemed bankruptcy of the Applicant, Mr. Scott F. White, Mr. Perry N. Malone and Mr. Soren R. Mirzai resigned as directors of the Applicant. Mr. Scott F. White, Mr. Perry N. Malone and Mr. David Callander also resigned their officer positions with the Applicant.

17. On February 2, 2012, the Bankruptcy Trustee, appointed Mr. Scott F. White, Mr. Perry N. Malone and Mr. David Callander to the board of the directors of the Applicant; Mr. Scott F. White was appointed Chief Executive Officer of the Applicant; and Mr. David Callander was appointed Chief Financial Officer of the Applicant.

18. Following the revocation of the Cease Trade Order, the following changes will be made to the board of directors: Mr. Scott F. White will resign as a director, and as the Chief Executive Officer, of the Applicant; Mr. Perry N. Malone will resign as a director of the Applicant; Mr. Craig D. Schneider will be appointed a director and the Chief Executive Officer of the Applicant; Mr. Alan D. Vichert will be appointed a director of the Applicant; Mr. Schneider and Mr. Vichert will be appointed to the audit committee of the Applicant.

19. The Applicant has filed all outstanding continuous disclosure documents that are required to be filed under Ontario securities law. The Issuer has filed:

(i) Material change report May 6, 2011;

(ii) Form 13-502F1 *Class 1 Reporting Issuers – Participation Fee* for the year ended December 31, 2010;

(iii) Audited consolidated financial statements and MD&A for the year ended December 31, 2010;

(iv) Certificates pursuant to NI 52-109 for the year ended December 31, 2010;

(v) Interim financial statements and MD&A for the period ended March 31, 2011;

(vi) Certificates pursuant to NI 52-109 for the period ended March 31, 2011;

(vii) Interim financial statements and MD&A for the period ended June 30, 2011;

(viii) Certificates pursuant to NI 52-109 for the period ended June 30, 2011;

(ix) Material change report September 2, 2011;

(x) Interim financial statements and MD&A for the period ended September 30, 2011;

(xi) Certificates pursuant to NI 52-109 for the period ended September 30, 2011;

(xii) Material change report March 30, 2012.

(xiii) Form 13-502F1 *Class 1 Reporting Issuers – Participation Fee* for the year ended December 31, 2011;

(xiv) Audited consolidated financial statements and MD&A for the year ended December 31, 2011;

(xv) Certificates pursuant to NI 52-109 for the year ended December 31, 2011;

(xvi) Interim financial statements and MD&A for the period ended March 31, 2012; and

(xvii) Certificates pursuant to NI 52-109 for the period ended March 31, 2012.

20. Other than the Cease Trade Order, the Applicant is not in default of any of the requirements of the Act or of the rules and regulations made pursuant thereto except as discussed below.

21. The Applicant has paid all outstanding participation fees, filing fees and late fees owing to the Ontario Securities Commission and the British Columbia Securities Commission.

22. Other than the Cease Trade Order, the Applicant has not been subject to any cease trade order by the Commission.

23. The Applicant has not held an annual meeting of shareholders since June 23, 2010 and therefore has been in default of the annual meeting requirements under the OBCA. The Applicant has provided the Commission with an undertaking that it will hold an annual meeting of shareholders within three months after the date on which the Cease Trade Order is revoked. All matters relating to the meeting will be conducted in accordance with the OBCA and applicable securities legislation.

24. Except for the events leading up to the Applicant's bankruptcy on September 29, 2011 (as described above), the departure of old directors and officers and the appointment of new directors and officers, the Applicant has not had any "material changes" within the meaning of the Act since it was cease traded and is not otherwise in default of requirements to file material change reports under applicable securities legislation. The events leading up to the Applicant's bankruptcy on September 29, 2011 are disclosed in the Applicant's MD&A for the financial year ended December 31, 2011.

25. The Applicant's SEDAR profile and SEDI issuer profile supplement are up-to-date.

26. The Applicant is currently inactive and following the revocation of the Cease Trade Order, the Applicant intends to reactivate itself. The Applicant does not have any definitive plans in place for the operation of the business going forward. In particular, the Applicant is not presently considering, nor is it involved in any discussions relating to, an acquisition, a reverse takeover or similar transaction. However, it is the intention of management of the Applicant to investigate opportunities going forward. The Applicant has provided the Commission with an undertaking that it will not complete:

    (a) a restructuring transaction involving, directly or indirectly, an existing or proposed, material underlying business which is not located in Canada,

    (b) 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, or

    (c) a significant acquisition involving, directly or indirectly, an existing or proposed, material underlying business which is not located in Canada,

    unless

    i. the Applicant files a preliminary prospectus and a final prospectus with the Commission and obtains receipts for the preliminary prospectus and the final prospectus from the Director under the Act,

    ii. the Applicant files or delivers with the preliminary prospectus and the final prospectus the documents required by Part 9 of National Instrument 41-101 General Prospectus Requirements ("NI 41-101") including a completed personal information form and authorization in the form set out in Appendix A of NI 41-101 for each current and incoming director, executive officer and promoter of the Applicant, and

    iii. the preliminary prospectus and final prospectus contain the information required by applicable securities legislation.

27. 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 National Instrument 41-101 *General Prospectus Requirements*.

28. The Applicant has been inactive for more than seven months and had no material assets as at March 31, 2012 other than cash held in trust in the amount of $106,927.

29. Forthwith after the revocation of the Cease Trade Order, the Applicant will issue and file a news release and file a material change report on SEDAR disclosing the revocation of the Cease Trade Order and outlining the Applicant's future plans. The material change report will include disclosure on the Applicant's directors and officers, the Applicant's audit committee members, the Applicant's principal shareholder, what remedial continuous disclosure documents have been filed on SEDAR, and a description of the undertakings referred to in paragraphs 23 and 26 above.

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

AND UPON being satisfied that to make this order would not be prejudicial to the public interest;

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

DATED this 6th day of July, 2012

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

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Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions, Orders and Rulings

3.1.1 L. Jeffrey Pogachar 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
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.

REASONS FOR DECISION ON SANCTIONS AND COSTS
(Sections 127 and 127.1 of the Act)

Sanctions and Costs Hearing:	May 11, 2012		
Order Issued:	May 17, 2012		
Decision:	July 6, 2012		
Panel:	Edward P. Kerwin	–	Commissioner and Chair of the Panel
	Paulette L. Kennedy	–	Commissioner
Appearances:	Matthew Britton	–	For Staff of the Commission
	No one appeared	–	Jeffrey Pogachar
	for the Respondents:	–	Paola Lombardi

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REASONS FOR DECISION

I. INTRODUCTION

[1] This was a hearing before the Ontario Securities Commission (the "**Commission**") pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c., S.5, as amended (the "**Act**") to consider whether it was in the public interest to make an order with respect to sanctions and costs against the respondents, L. Jeffrey Pogachar ("**Pogachar**") and Paola Lombardi ("**Lombardi**") (collectively, the "**Individual Respondents**").

[2] The hearing on the merits was heard over 6 days from December 5, 2011 to January 20, 2012, and the decision on the merits was rendered after closing submissions on January 20, 2012 with reasons for decision issued on March 28, 2012 at *Re L. Jeffrey Pogachar et al.* (2012), 35 OSCB 3389 (the "**Merits Decision**").

[3] After the release of the Merits Decision, a separate hearing was held on May 11, 2012 to consider submissions from Enforcement Staff of the Commission ("**Staff**") and the Individual Respondents regarding sanctions and costs (the "**Sanctions and Costs Hearing**"). The Individual Respondents, who chose not to attend the Merits Hearing, also chose not to attend the Sanctions and Costs Hearing. The panel is satisfied that the Individual Respondents received notice of the Sanctions and Costs Hearing and accordingly the panel is satisfied that it was entitled to proceed in their absence pursuant to section 7(1) of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22. This panel rendered its decision with respect to sanctions and costs at the close of submissions at the Sanctions and Costs Hearing on May 11, 2012 and issued an order in respect thereof on May 17, 2012 at (2012), 35 OSCB 4849 (the "**Sanctions Order**") with reasons to follow.

[4] These are our reasons. A copy of our Sanctions Order is attached as Schedule "A" to these reasons. Capitalized terms that are not defined in these reasons are used as defined in the Merits Decision and Sanctions Order.

II. THE MERITS DECISION

[5] In the Merits Decision, the panel held that the Individual Respondents acted contrary to the public interest and contravened Ontario securities law through the following breaches of the Act:

a) The Individual Respondents traded in securities of NLCI, NLCA and the Numbered Companies without being registered to trade in securities in accordance with Ontario securities law, contrary to section 25(1)(a) of the Act;

b) The Individual Respondents engaged in acts relating to securities that they knew or reasonably ought to have known perpetrated a fraud on investors contrary to section 126.1(b) of the Act; and

c) The Individual Respondents, in their capacity as directors and officers of New Life, authorized, permitted and acquiesced in New Life's non-compliance with Ontario securities law contrary to section 129.2 of the Act.

[6] The panel found that neither Pogachar nor Lombardi was registered as a trading officer of NLCI, NLCA, or the Numbered Companies at any time according to the section 139 certificates, and that the Individual Respondents engaged in activities with respect to NLCI, NLCA, and the Numbered Companies, which constitute acts in furtherance of a trade. The panel determined that the Individual Respondents had sole control over the New Life TD Accounts and that they accepted investors' funds in the total amount of approximately CAD $22,508,607: Merits Decision, *supra* at paras. 83-85.

[7] The panel's conclusions with respect to the Individual Respondents' fraudulent activities were as follows:

> The Respondents knew their actions to be false when they transferred New Life funds to the Lexington and Amarcord accounts in the Bahamas and used such funds for personal purchases. The Respondents knew that their actions were depriving investors of something they thought they had – security in New Life's ownership of life insurance policies. Although it appears that New Life did purchase some life insurance policies, it is clear that the proportion of investors' funds used to purchase policies fell significantly short of the 80% to 85% as represented in the NLCI offering memorandum. Instead, the Respondents, as the sole signatories on the New Life, Lexington and Amarcord bank accounts, knowingly transferred investor funds into their hands for personal gain. The Respondents knew that they were placing investor funds at risk.
>
> We find that the Respondents deliberately lied to investors by means of written misrepresentations with respect to the use of proceeds in the NLCI Offering Memorandum. They further misrepresented the profitability of New Life by purporting to pay dividends when in fact these amounts were paid from investors' funds. The Respondents' lies were told to induce potential investors to purchase securities of New Life. We find that the Respondents knew at the time they

> made these misrepresentations that investors' funds were not being used for the purposes as set out in the Offering Memorandum and that the information disseminated about the declaration and payment of dividends including the DRIP was entirely a falsehood as no profits had been earned that would have permitted such dividends. (Merits Decision, *supra* at paras. 99 and 100)

[8] The panel concluded that the Individual Respondents were involved in all aspects of the New Life companies:

> It is difficult to conclude anything other than that the Respondents authorized, permitted, and acquiesced in all aspects of the New Life business. (Merits, *supra* at para. 104)

[9] The New Life investors have not been repaid. The Receiver is using its best efforts to recover and put such funds back into investors' hands. The Individual Respondents' egregious behaviour warrants sanctions for the purpose of both specific and general deterrence in order to protect investors from unfair, improper and fraudulent practices and to foster confidence in capital markets.

III. SANCTIONS

A. Sanctions Requested by Staff

[10] Staff seek the following sanctions against the Individual Respondents:

a) An order that trading in any securities by the Individual Respondents cease permanently or for such period as is specified by the Commission;

b) An order that the acquisition of any securities by the Individual Respondents shall be prohibited permanently or for such period as is specified by the Commission;

c) An order that any exemptions contained in Ontario securities law do not apply to the Individual Respondents permanently or for such period as is specified by the Commission;

d) An order that the Individual Respondents disgorge to the Commission $21,908,607.00 being the difference between the amount that was obtained from investors as a result of non-compliance with the Act less the amount paid to investors in dividends;

e) An order that the Individual Respondents be reprimanded;

f) An order that the Individual Respondents resign as directors and/or officers of any issuer or registrant;

g) An order that the Individual Respondents be prohibited from becoming or acting as a director or officer of any issuer or registrant;

h) An order that the Individual Respondents each pay an administrative penalty in the range of $500,000 to $1,000,000 for failing to comply with Ontario securities law; and

i) An order that the Individual Respondents pay jointly and severally the costs of the Commission investigation and hearing in the amount of $257,756.32.

B. The Law on Sanctions

[11] The Supreme Court of Canada has held that the legislature intended for the Commission to have very wide discretion when intervening in activities related to the Ontario capital markets pursuant to section 127(1) of the Act when it is in the public interest to do so (*Committee for the Equal Treatment of Asbestos Minority Shareholders v. Ontario (Securities Commission)*, [2001] 2 S.C.R. 132 at para. 39 ("***Asbestos***")). The Commission's public interest jurisdiction is guided by section 1.1 of the Act, which provides as follows:

> 1.1 The purposes of this Act are,
>
> (a) to provide protection to investors from unfair, improper or fraudulent practices; and
>
> (b) to foster fair and efficient capital markets and confidence in capital markets.

[12] It is imperative that this Commission not only focus on the fair treatment of investors but also the effect that an order made in the public interest will have on capital market efficiencies and public confidence.

[13] It is also important to note that the Commission is a regulatory body with a focus on the protection of societal interests and not punishment of an individual's moral faults. The purpose of an order under section 127 of the Act is "to restrain future conduct that is likely to be prejudicial to the public interest in fair and efficient capital markets" and the role of the Commission under section 127 of the Act is "to protect the public by removing from the capital markets those whose past conduct is so abusive as to warrant apprehension of future conduct detrimental to the integrity of the capital markets": *Asbestos*, *supra* at para. 43.

[14] When determining what sanctions are appropriate to impose in this case, we considered some of the relevant factors identified by this Commission in the past, which include:

a) The seriousness of the misconduct and the breaches of the Act;

b) The Individual Respondents' experience in the marketplace;

c) The level of the Individual Respondents' activity in the marketplace;

d) Whether or not there has been any recognition by the Individual Respondents of the seriousness of the improprieties;

e) Whether or not the sanctions imposed may serve to deter not only those involved in the matter being considered, but any like-minded people, from engaging in similar abuse of the capital markets;

f) The size of any profit obtained or loss avoided from the illegal conduct;

g) The size of any financial sanction or voluntary payment;

h) The effect any sanctions may have on the livelihood of the Individual Respondents;

i) The effect any sanctions may have on the ability of the Individual Respondents to participate without check in the capital markets;

j) The reputation and prestige of the Individual Respondents;

k) The remorse of the Individual Respondents;

l) The shame or financial pain that any sanction would reasonably cause to the Individual Respondents;

m) The particular facts of this case and proportionality; and

n) Any mitigating factors.

(*Re M.C.J.C. Holdings Inc.* (2002), 25 OSCB 1133 at para. 26 and *Re Belteco Holdings Inc.* (1998), 21 OSCB 7743 at p. 7746-7747)

[15] Further, we are mindful that this Commission has stipulated that there must be a relationship between the seriousness of the violation and the sanctions selected to achieve compliance with the law:

> Sanctions should invariably be fair, proportioned to the degree of participation and should have regard to any mitigating factors which may be present. In this sense, sanctions are custom-made to fit the circumstances of the particular case or to sanction a precise problem or breach. (*Re M.C.J.C. Holdings Inc.*, *supra* at para 56)

[16] We note that a number of the factors enumerated above relate to information that can only be obtained from the Individual Respondents themselves. Since the Individual Respondents chose not to participate in this hearing, we were unable to assess their remorse, shame or to determine the effect that any sanction may have on their livelihood. We have looked to the evidence submitted at the Merits Hearing for any mitigating factors.

C. Analysis of the Sanction Factors Applicable in this Case

(a) Seriousness of Misconduct and Harm Done

[17] The Individual Respondents were found to have breached sections 25(1)(a), 126.1(b) and 129.2 of the Act. They perpetrated a fraud on the New Life investors with misleading information and apparent greedy motivation. This panel believes

that an act of fraud is one of the most serious securities regulatory violations. The evidence at the Merits Hearing showed that the Individual Respondents were able to solicit investor funds by intentionally misrepresenting the success of New Life and then used those funds for their own benefit at the risk and ultimately the expense of these investors. This misconduct by the Individual Respondents is extremely serious and, as a result, significant financial harm came to the investors in the amount of approximately $22 million.

(b) Level of the Individual Respondents' Activity in the Marketplace

[18] The Individual Respondents sold securities in New Life to approximately 600 investors in Canada for a total amount of approximately $22,508,607 raised between 2006 and 2008. In doing so, the Individual Respondents have demonstrated their ability to act quickly and efficiently in soliciting market participants. In our opinion, this is very aggressive activity in the marketplace, particularly with the hindsight evidence that these funds were primarily being used for personal benefits and luxuries. The Individual Respondents fraudulently enticed investors by causing NLCI to declare and pay dividends at a time when NLCI was not profitable, paying the dividends from investor funds. The Individual Respondents further defrauded the investors by using investor funds for personal purposes, contrary to the representations made to the New Life investors

(c) Specific and General Deterrence

[19] The Individual Respondents had an opportunity to participate in the marketplace in a legal and profitable manner based on sound business principles. Instead, they chose to take advantage of market participants by inducing them to invest with New Life based on false representations about the use of proceeds of the invested funds and the profitability of the company in order that they could divert the funds to their personal use and benefit and live a luxurious lifestyle at the expense of those investors. In our opinion, the Individual Respondents have demonstrated a blatant disregard for Ontario's securities laws and the reasons that such laws are in place. As a result, we believe that they have lost their privilege to participate in the Ontario capital markets. They have shown themselves to be a potential risk for causing further harm to investors in the future and as such there is clearly a need for specific deterrence in this matter in order to protect the public interest.

[20] Unfortunately, the Individual Respondents' egregious behaviour is not the first of its kind. The Supreme Court of Canada has recognized that this Commission should exercise its sanctioning powers for the purpose of general deterrence in order to protect the public interest:

> In my view, nothing inherent in the Commission's public interest jurisdiction, as it was considered by this Court in *Asbestos*, *supra*, prevents the Commission from considering general deterrence in making an order. To the contrary, it is reasonable to view general deterrence as an appropriate, and perhaps necessary, consideration in making orders that are both protective and preventative. Ryan J.A. recognized this in her dissent: "The notion of general deterrence is neither punitive nor remedial. A penalty that is meant to generally deter is a penalty designed to discourage or hinder like behaviour in others" (para. 125)…
>
> …
>
> It may well be that the regulation of market behaviour only works effectively when securities commissions impose ex post sanctions that deter forward-looking market participants from engaging in similar wrongdoing. That is a matter that falls squarely within the expertise of securities commissions, which have a special responsibility in protecting the public from being defrauded and preserving confidence in our capital markets. (*Re Cartaway Resources Corp.*, 2004 SCC 26 at paras. 60 and 62)

[21] In light of the specific facts of this case, and the view of the Supreme Court of Canada with respect to general deterrence, this panel believes that both specific and general deterrence are warranted.

(d) Profit from Illegal Conduct

[22] In the Merits Decision, we found that approximately USD $7,092,597 of the investors' funds were transferred from the TD Accounts to the Lexington Account. Of that amount, approximately USD $6,872,752 was transferred to the Amarcord Account, which amount was almost entirely spent on personal luxury goods and expenses for the benefit of the Individual Respondents, including jewellery, Bahamian government bonds, Ferraris, property in Fort Erie, Ontario, property in the Bahamas, personal cash advances, and personal credit card payments. In addition to the use of funds from the Amarcord Account, the Individual Respondents took personal cash advances from the New Life TD Accounts in the amount of approximately CAD $1,094,463 and USD $43,500. While these advances were characterized as shareholder loans, this panel found there was no evidence of such loans. As well, the Individual Respondents applied an additional CAD $1,238,736.33 of the New Life investor funds to pay their personal credit cards, which were used for both business and personal expenses (Merits, *supra* at paras. 68-72).

[23] The evidence of personal profit at the expense of New Life investors was described in detail in the Merits Decision and was overwhelmingly palpable.

(e) Proportionality and Mitigation

[24] The panel reviewed the evidence submitted at the Merits Hearing and failed to find significant mitigating factors in this case. We note that a limited amount of the funds raised were returned to investors in the guise of dividend payments:

> The corporate records of NLCI contain resolutions declaring dividends on a quarterly basis from July 2006 until July 2008 for a total sum of approximately CAD $1,106,660.61 notwithstanding that, as noted above, none of the policies had matured and as such New Life had not made any profit during that time. Of that amount, Collins testified that she was able to determine that approximately CAD $600,000 in dividend payments was paid to investors in cash and concluded that the balance of the dividend payments were likely intended to have been directed to the proposed issuance of shares through the DRIP. (Merits, *supra*, at para. 62)

[25] We are satisfied that this small portion of the investor funds in the amount of approximately CAD $600,000 was returned to investors and we have taken this into consideration in determining the sum ordered to be disgorged by the Individual Respondents to the Commission.

[26] We are also mindful of the significant amount of funds that were raised by the Individual Respondents from a large number of investors in a relatively short period of time. We took these proportions into consideration in determining appropriate sanctions.

D. Sanctions Imposed

(a) Prohibitions on Participation in Capital Markets

[27] Staff took the position that it is appropriate to order that the Individual Respondents cease trading and acquiring securities permanently and that they are permanently prohibited from claiming exemptions in Ontario securities law. Staff further submitted that the Individual Respondents be reprimanded, resign any positions they hold as director or officer of any issuer or registrant, and be prohibited from become or acting as a director or officer of any issuer or registrant.

[28] In light of all of the considerations enumerated above, we found it appropriate to order that the Individual Respondents cease trading and acquiring securities permanently and that any exemptions in Ontario securities law are permanently unavailable. We believe that a permanent ban on the Individual Respondents is necessary given that they were the directing minds of New Life and therefore the masterminds behind New Life's activities.

[29] We further agreed that the Individual Respondents be reprimanded, that they resign any positions that they hold as director or officer of any issuer or registrant, and that they be prohibited from becoming or acting as a director or officer of any issuer or registrant in the future.

[30] This panel believes that these sanctions of reprimand, trading bans, and prohibitions on acting as a director or officer of any issuer or registrant provide both general and specific deterrence to ensure similar conduct does not take place in the future.

(b) Disgorgement

[31] Staff submitted that the Individual Respondents should be ordered to jointly disgorge to the Commission $21,908,607.00 being the difference between the amount that was obtained from investors in non-compliance with Ontario securities law of $22,508,607 less the amount paid to investors in dividends of $600,000.

[32] We note that the Corporate Respondents are subject to a disgorgement order in this proceeding as a result of a settlement agreement entered into by and through the Receiver of New Life with Staff, which was approved by the Commission on January 25, 2011 at (2011), 34 OSCB 1048 (the "**Corporate Respondents' Disgorgement Order**"). The Corporate Respondents' Disgorgement Order provides, in part, as follows:

> 4. the Corporate Respondents shall disgorge to the Commission the amount of $22,508,784.50 (the "Disgorged Amount") being the amount of monies raised from investors by the sale of shares of New Life entities contrary to Ontario securities law to be allocated, subject to the approval of the Commission, under s. 3.4(2)(b) of the Act …

[33] No motion for variation was brought in respect of the New Life Disgorgement Order and this Commission is loath to make two isolated orders for disgorgement in respect of the same funds. In this case, however, the evidence in the Merits

Hearing demonstrates a clear connection between the Individual Respondents and the funds that are the subject of the New Life Disgorgement Order, and we believe it would be an unfair result not to obligate the Individual Respondents to disgorge any financial benefits they have received from their breaches of the Act.

[34] In making the order for disgorgement, we were mindful of paragraph 10 of section 127(1) of the Act, which provides that the Commission may make an order requiring the Individual Respondents to disgorge to the Commission *any amounts obtained* as a result of their non-compliance with the Act. This Commission has described the purpose of the disgorgement remedy as follows:

> … [T]he objective of the disgorgement remedy is to deprive a wrongdoer of ill-gotten gains, reflecting the view that it would be inappropriate for those who contravene Ontario securities law to be able to retain any illegally obtained profits...
>
> …
>
> … [T]he legal question is not whether a respondent "profited" from the illegal activity but whether the respondent "obtained amounts" as a result of that activity. In our view, this distinction is made in the Act to make clear that all money illegally obtained from investors can be ordered to be disgorged, not just the "profit" made as a result of the activity. (*Re Limelight Entertainment Inc. et al*, (2008), 31 OSCB 12030 at paras. 47 and 49 ("***Limelight***"))

[35] We took this description of the purpose of the disgorgement remedy into consideration when we turned our minds to the precise wording of the Sanctions Order.

[36] We also took into consideration the factors set out in *Limelight* in reaching our decision and found that the sum of $22,508,607 was taken from investors by the Individual Respondents jointly with the Corporate Respondents as a result of non-compliance with the Act. This amount was ascertainable based on the banking records described in detail in the Merits Decision. The Individual Respondents' misconduct was egregious and has resulted in the loss of investment funds for approximately 600 investors in Canada. In reaching our decision, we have acknowledged the mitigating factor that $600,000 was returned to investors in the guise of dividend payments. Overall, we believe that a joint and several disgorgement order for the balance of the funds is an effective specific and general deterrent. Accordingly, this panel ordered that the Individual Respondents disgorge $21,908,607 to the Commission jointly and severally with, and not in addition to, the disgorgement funds that are the subject of the Corporate Respondents' Disgorgement Order.

(c) Administrative Penalties

[37] We believe that it is in the public interest to impose a $750,000 administrative penalty on each of the Individual Respondents to be allocated to or for the benefit of third parties pursuant to section 3.4(2)(b) of the Act for the following reasons:

a) The Individual Respondents were the directors, officers, and controlling minds of New Life and as such they authorized, permitted and acquiesced in the contravention of Ontario securities law by New Life;

b) The Individual Respondents were the sole signatories on the TD Accounts, Lexington Account, and Amarcord Account, and as such had full control over the deposit and application of New Life investor funds. They used a significant portion of those funds for their benefit, including personal luxury expenses, which they knew did not have legitimate business purposes;

c) The Individual Respondents' acts deprived investors of funds and induced investors by deceit;

d) The Individual Respondents' conduct breached sections 25(1)(a), 126.1(b), and 129.2 and was conduct contrary to the public interest.

[38] Given the Respondents' fraudulent conduct involving approximately 600 investors and their exclusive control and application of the New Life investor funds, we found that an administrative penalty in the amount that we have determined for each of the Individual Respondents is required to protect the public.

IV. COSTS

[39] Pursuant to section 127.1(1) and (2) of the Act, the Commission has the discretion to order the Individual Respondents to pay the costs of an investigation and hearing if it is satisfied that the Individual Respondents have not complied with the Act or acted in the public interest. We are satisfied that these requirements are met. We reviewed Staff's bill of costs and were satisfied that the request for an order that the Individual Respondents pay the costs of the investigation and hearing in this matter is

warranted. Accordingly, we found it appropriate to order the Individual Respondents to pay the Commission's costs in respect of the investigation and the hearing in this matter in the amount of $257,756.32.

V. CONCLUSION

[40] We believe that this panel's decision on sanctions and costs is proportionate to the activities of the Individual Respondents in this matter in breach of the Act and contrary to the public interest and will assist in deterring both the Individual Respondents and like-minded people from engaging in future conduct that violates securities laws. Accordingly, we ordered as against the Individual Respondents, pursuant to the Sanctions Order, as follows:

a) Trading in any securities by the Individual Respondents shall cease permanently pursuant to clause 2 of section 127(1) of the Act;

b) The acquisition of any securities by the Individual Respondents is prohibited permanently pursuant to clause 2.1 of section 127(1) of the Act;

c) Any exemptions contained in Ontario securities law shall not apply to the Individual Respondents permanently pursuant to clause 3 of section 127(1) of the Act;

d) The Individual Respondents are reprimanded pursuant to clause 6 of section 127(1) of the Act;

e) The Individual Respondents shall resign any position that he or she holds as a director or officer of any issuer or registrant pursuant to clauses 7 and 8.1 of section 127(1) of the Act;

f) The Individual Respondents are prohibited permanently from becoming or acting as a director or officer of any issuer or registrant pursuant to clauses 8 and 8.2 of section 127(1) of the Act;

g) Having determined that the Individual Respondents have failed to comply with the securities laws of Ontario, each of the Individual Respondents shall pay an administrative penalty of $750,000 each pursuant to clause 9 of section 127(1) of the Act;

h) Having determined that the Individual Respondents have failed to comply with the securities laws of Ontario, the Individual Respondents shall disgorge to the Commission the sum of $21,908,607 on a joint and several basis pursuant to clause 10 of section 127(1) of the Act, which sum shall be paid jointly and severally with, and not in addition to, the disgorgement funds that are the subject of the Corporate Respondents' Disgorgement Order;

i) All amounts received by the Commission in respect of the administrative penalty ordered in paragraph (g) above and the disgorgement amounts ordered in paragraph (h) above are to be applied to or for the benefit of third parties pursuant to section 3.4(2)(b) of the Act as the Commission in its absolute discretion shall decide; and

j) Having determined that the Individual Respondents have failed to comply with the securities laws of Ontario, the Individual Respondents shall pay the costs of the Commission's investigation and hearing in the amount of $257,756.32 on a joint and several basis pursuant to section 127.1 of the Act.

Dated at Toronto this 6th day of July, 2012.

"Edward P. Kerwin" "Paulette L. Kennedy"
Edward P. Kerwin Paulette L. Kennedy

SCHEDULE "A"

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

AND

IN THE MATTER OF
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.,
2126375 ONTARIO INC., 2108375 ONTARIO INC.,
2126533 ONTARIO INC., 2152042 ONTARIO INC.,
2100228 ONTARIO INC., 2173817 ONTARIO INC.,
AND 1660690 ONTARIO LTD.

ORDER
(Sections 127(1) and 127.1 of the Securities Act)

WHEREAS on August 7, 2008, the Ontario Securities Commission (the "**Commission**") issued and filed a Notice of Hearing returnable August 21, 2008 to consider the allegations made by Staff of the Commission ("**Staff**") in the Statement of Allegations dated August 7, 2008;

AND WHEREAS on June 30, 2010, the Commission issued an Amended Notice of Hearing returnable September 13, 2010 to consider allegations made by Staff in the Amended Statement of Allegations dated June 23, 2010;

AND WHEREAS on November 10, 2010, the Commission approved a Settlement Agreement between Staff and the Respondent, Alan S. Price;

AND WHEREAS on January 25, 2011, the Commission approved a Settlement Agreement between Staff and New Life Capital Corp., New Life Capital Investments Inc., New Life Capital Advantage Inc., New Life Capital Strategies Inc., 2126375 Ontario Inc., 2108375 Ontario Inc., 2126533 Ontario Inc., 2152042 Ontario Inc., 2100228 Ontario Inc., 2173817 Ontario Inc., and 1660690 Ontario Ltd. (together, the "**Corporate Respondents**" or "**New Life**") by and through KPMG Inc. in its capacity as the Court-appointed Receiver and Manager of the Corporate Respondents (the "**Receiver**"), which provided, in part, that the Corporate Respondents shall disgorge to the Commission the amount of $22,508,784.50 being the amount of monies raised from investors by the sale of shares of New Life entities contrary to Ontario securities law (the "**Corporate Respondents' Disgorgement Order**");

AND WHEREAS the hearing on the merits with respect to Staff's allegations against the remaining respondents to the proceedings, L. Jeffrey Pogachar and Paola Lombardi (together, the "**Individual Respondents**") commenced on December 5, 2011 and concluded on January 20, 2012 (the "**Merits Hearing**");

AND WHEREAS the Individual Respondents did not attend the Merits Hearing as indicated in their correspondence with Staff and the Commission;

AND WHEREAS the Commission rendered its decision on the merits on January 20, 2012 after the conclusion of the Merits Hearing and issued its Reasons for Decision on the merits on March 28, 2012, finding that the Individual Respondents contravened sections 25(1)(a), 126.1(b), and 129.2 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "**Act**");

AND WHEREAS the Commission directed that a sanctions and costs hearing in respect of the Individual Respondents be scheduled for May 11, 2012 (the "**Sanctions Hearing**");

AND WHEREAS Staff and counsel for the Receiver attended the Sanctions Hearing and the Individual Respondents did not attend the Sanctions Hearing;

AND WHEREAS on May 11, 2012, having considered the written and oral submissions of Staff, the Corporate Respondents' Disgorgement Order, and the Receiver's oral evidence called by Staff at the Sanctions Hearing indicating, among other things, the Receiver's consent to the terms of this order, the Commission is of the opinion that it is in the public interest to make the following order with reasons to be issued in due course;

IT IS ORDERED THAT:

1. Trading in any securities by the Individual Respondents shall cease permanently pursuant to clause 2 of section 127(1) of the Act;

2. The acquisition of any securities by the Individual Respondents is prohibited permanently pursuant to clause 2.1 of section 127(1) of the Act;

3. Any exemptions contained in Ontario securities law shall not apply to the Individual Respondents permanently pursuant to clause 3 of section 127(1) of the Act;

4. The Individual Respondents are reprimanded pursuant to clause 6 of section 127(1) of the Act;

5. The Individual Respondents shall resign any position that he or she holds as a director or officer of any issuer or registrant pursuant to clauses 7 and 8.1 of section 127(1) of the Act;

6. The Individual Respondents are prohibited permanently from becoming or acting as a director or officer of any issuer or registrant pursuant to clauses 8 and 8.2 of section 127(1) of the Act;

7. Having determined that the Individual Respondents have failed to comply with the securities laws of Ontario, each of the Individual Respondents shall pay an administrative penalty of $750,000 each pursuant to clause 9 of section 127(1) of the Act;

8. Having determined that the Individual Respondents have failed to comply with the securities laws of Ontario, the Individual Respondents shall disgorge to the Commission the sum of $21,908,607 on a joint and several basis pursuant to clause 10 of section 127(1) of the Act, which sum shall be paid jointly and severally with, and not in addition to, the disgorgement funds that are the subject of the Corporate Respondents' Disgorgement Order;

9. All amounts received by the Commission in respect of the administrative penalty ordered in paragraph 7 above and the disgorgement amounts ordered in paragraph 8 above are to be applied to or for the benefit of third parties pursuant to section 3.4(2)(b) of the Act as the Commission in its absolute discretion shall decide; and

10. Having determined that the Individual Respondents have failed to comply with the securities laws of Ontario, the Individual Respondents shall pay the costs of the Commission's investigation and hearing in the amount of $257,756.32 on a joint and several basis pursuant to section 127.1 of the Act.

DATED at Toronto this 17th day of May, 2012.

"Edward P. Kerwin"

"Paulette L. Kennedy"

3.1.2 Maitland Capital Ltd. 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
MAITLAND CAPITAL LTD., ALLEN GROSSMAN,
HANOCH ULFAN, LEONARD WADDINGHAM,
RON GARNER, GORD VALDE, MARIANNE HYACINTHE,
DIANNA CASSIDY, RON CATONE, STEVEN LANYS, ROGER MCKENZIE,
TOM MEZINSKI, WILLIAM ROUSE and JASON SNOW

REASONS AND DECISION
with respect to Tom Mezinski
(Section 127 of the Securities Act)

Hearing: February 15, 2012

Reasons: July 6, 2012

Panel:	Edward P. Kerwin	–	Commissioner
Counsel:	Derek J. Ferris	–	For Staff of the Ontario Securities Commission
		–	No one appearing for Tom Mezinski

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I. INTRODUCTION

A. Background

[1] This proceeding arises out of a Notice of Hearing issued on January 24, 2006, by the Ontario Securities Commission (the "**Commission**") and a Statement of Allegations filed by staff of the Commission ("**Staff**") on the same day. The Statement of Allegations contained allegations against Steven Lanys ("**Lanys**"), Tom Mezinski ("**Mezinski**"), Maitland Capital Ltd. ("**Maitland**"), Allen Grossman ("**Grossman**"), Hanoch Ulfan ("**Ulfan**"), Leonard Waddingham ("**Waddingham**"), Ron Garner ("**Garner**"), Gord Valde ("**Valde**"), Marianne Hyacinthe ("**Hyacinthe**"), Dianna Cassidy ("**Cassidy**"), Ron Catone ("**Catone**"), Roger McKenzie ("**McKenzie**"), William Rouse ("**Rouse**") and Jason Snow ("**Snow**") (collectively the "**Maitland Respondents**").

[2] Staff alleges that between November 2004 and November 2005, inclusive, Maitland operated a "boiler room" from two locations in Toronto, Ontario and raised approximately $5.5 million through the sale of Maitland shares to approximately 1,200 investors across Canada and in other countries. Staff alleges that Maitland hired salespersons to telephone investors and sell Maitland shares to them, such salespersons being paid a commission ranging from 17% to 20% of the amounts paid for the purchase of Maitland shares.

[3] The specific allegations relating to Mezinski include the following:

i. Mezinski traded in securities as a salesperson for Maitland shares and received a commission on the sale of Maitland shares that he sold;

ii. Mezinski was not registered with the Commission in any capacity, and therefore traded in securities contrary to s. 25 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "**Act**") and contrary to the public interest;

iii. No prospectus receipt had been issued to qualify the sale of Maitland shares by Mezinski, contrary to s. 53 of the Act and contrary to the public interest; and

iv. Mezinski made misleading representations to investors, including representations regarding the future listing and future value of Maitland shares with the intention of effecting sales of Maitland shares contrary to s. 38 of the Act and contrary to the public interest.

B. History of Proceedings

[4] On January 24, 2006, the Commission ordered pursuant to subsection 127(1) and 127(5) of the Act that (i) all trading by Maitland and its officers, directors, employees and/or agents in securities of Maitland cease; (ii) the Maitland Respondents cease trading in all securities; and (iii) any exemptions in Ontario securities law not apply to the Maitland Respondents (the "**Temporary Order**").

[5] As stated above, the Commission issued a Notice of Hearing on January 24, 2006, advising the Maitland Respondents that a hearing would be convened on February 8, 2006, to consider whether it was in the public interest for the Commission to make an Order (i) extending the Temporary Order until the conclusion of the hearing; (ii) that all trading in Maitland securities be ceased; (iii) imposing sanctions against the Respondents under subsection 127(1) of the Act; and (iv) for the payment of costs by the Maitland Respondents pursuant to section 127.1 of the Act.

[6] Mezinski did not attend the hearing on February 8, 2006, and did not attend or participate in any subsequent hearings before the Commission in this proceeding.

[7] At the hearing on February 8, 2006, Staff filed an affidavit of Ian MacIntyre, sworn February 6, 2006, as evidence that a copy of the Notice of Hearing, the Temporary Order, and the Statement of Allegations had each been personally served on Mezinski on February 3, 2006.

[8] The Temporary Order was extended by orders of the Commission on February 8, 2006, February 28, 2006, April 19, 2006, May 29, 2006, and June 28, 2006.

[9] On May 19, 2006, the Commission authorized the commencement of a quasi-criminal proceeding under section 122 of the Act against Maitland, Grossman (who was the president and director of Maitland), and Ulfan (who was the secretary-treasurer of Maitland) (the "**Section 122 Proceeding**").

[10] On September 12, 2006, the Commission ordered that (i) the Temporary Order be extended until the conclusion of the "Hearing", (ii) proceedings against the remaining Maitland Respondents be adjourned pending completion of the Section 122 Proceeding, and (iii) within four to eight weeks of judgment being rendered in the Section 122 Proceeding, a hearing be scheduled before the Commission in connection with the section 127 proceeding.

[11] On March 23, 2011, following a trial in the Section 122 Proceeding, Justice Sparrow of the Ontario Court of Justice found Maitland, Grossman and Ulfan guilty of breaches of subsections 25(1), 38(2), 38(3), 53(1), 122(1)(b) and 122(3) of the Act. On May 4, 2011, Justice Sparrow sentenced each of Grossman and Ulfan to 21 months in jail and two years of probation, and fined Maitland $1 million.

[12] On May 27, 2011, Staff amended the Notice of Hearing and Statement of Allegations to request an inter-jurisdictional enforcement order under subsection 127(10) of the Act in reliance upon previous decisions of the Alberta Securities Commission, the Saskatchewan Financial Services Commission (the "SFSC") and convictions of the Ontario Court of Justice involving Maitland and some of the Maitland Respondents. None of the amendments to the Statement of Allegations concerned Staff's allegations against Mezinski.

[13] By Order of the Commission issued on June 28, 2011, the proceeding in respect of certain Maitland Respondents was split into three parts, which would proceed as follows:

i. The proceeding against Maitland, Grossman and Ulfan would be dealt with by a hearing in writing;

ii. The hearing with respect to Waddingham, Cassidy, Valde, Garner, Snow, Catone, McKenzie and Hyacinthe would be adjourned to September 2, 2011, to consider possible agreed statements of facts and appropriate sanctions, if any; and

iii. The hearing in respect of Lanys, Rouse and Mezinski would be adjourned to September 2, 2011, to set a date for a merits hearing.

[14] By Order of the Commission issued September 2, 2011, the merits hearing in respect of Lanys, Rouse and Mezinski was ordered to commence on February 15, 2012, and continue on February 16 and 17, 2012.

[15] On September 2, 2011, Staff filed a Notice of Withdrawal with respect to the allegations against Snow, Catone, McKenzie and Hyacinthe.

[16] On February 15, 2012, Staff filed a Notice of Withdrawal with respect to the allegations against Rouse.

[17] Lanys was present at the hearing on February 15, 2012, and was represented by counsel, Jerry Herszkopf. Mezinski was neither present nor represented at the hearing.

[18] At the commencement of the hearing on the merits on February 15, 2012, Staff filed an "Agreed Statement of Facts Between Staff of the Enforcement Branch and Steven Lanys" dated February 14, 2012. Staff requested the hearing with respect to Lanys proceed as a sanctions hearing for the purpose of considering whether is it in the public interest for the Commission to make an Order under subsection 127(1) of the Act imposing sanctions against Lanys as a result of his admitted contraventions of Ontario securities law. Counsel for Lanys agreed there was no need to conduct a separate sanctions hearing with respect to his client, and consented to the Panel hearing submissions on sanctions with respect to the conduct and contraventions of the Act by his client.

[19] I ruled that the hearing with respect to Lanys may proceed as a sanctions hearing. A separate Order and Reasons for Order will be issued with respect to the Commission's decision with respect to the appropriate sanctions in respect of Lanys. My ruling converting the hearing to a sanctions hearing pertained only to Lanys and did not apply to Mezinski. The hearing in respect of Mezinski continued as a hearing on the merits.

[20] At the conclusion of Staff's evidence and submissions with respect to the allegations against Mezinski, Staff suggested that I hear submissions on the sanctions to be applied against Mezinski in the event the Commission finds that Mezinski acted contrary to the Act and/or contrary to the public interest. Staff submitted that I was not required to make a final determination on the merits of the allegations against Mezinski before hearing Staff's submissions on sanctions. I agreed to hear Staff's submissions on sanctions with respect to Mezinski on the understanding that I had not made and would reserve my decision with respect to whether Mezinski has acted contrary to the Act and/or contrary to the public interest.

[21] These are my reasons with respect to the issue of whether Mezinski acted contrary to the Act and/or contrary to the public interest.

II. PRELMINARY ISSUES

A. Failure of Mezinski to attend the proceedings

[22] As noted above, Mezinski did not attend the hearing and did not participate, either in person or through an authorized representative, at any stage of these proceedings. Staff submit that Mezinski was given proper notice of these proceedings and the Commission should proceed in his absence.

[23] Staff filed an Affidavit of Service sworn February 3, 2006, as evidence that Mezinski was personally served with the Notice of Hearing, the Temporary Order and Staff's Statement of Allegations. In addition, Staff filed an affidavit sworn February 10, 2012, stating that Staff attempted to serve Mezinski with copies of their hearing briefs on February 7, 2012 and February 8, 2012. The affidavit states that on February 7, 2012, a man identifying himself as Mezinski's father advised the affiant that Mezinski was not currently living in Canada. On February 8, 2012, a woman identifying herself as Mezinski's mother advised the affiant that she did not know where Mezinski was residing or how Staff might contact him.

[24] Subsection 7(1) of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22, as amended (the "**SPPA**") provides that a tribunal may proceed in the absence of a party when that party has been given adequate notice. That section provides as follows:

> Where notice of an oral hearing has been given to a party to a proceeding in accordance with this Act and the party does not attend at the hearing, the tribunal may proceed in the absence of the party and the party is not entitled to any further notice in the proceeding.

[25] I note the following passage from *Administrative Law in Canada*:

> Where a party who has been given proper notice fails to respond or attend, the tribunal may proceed in the party's absence and the party is not entitled to further notice. All that the tribunal need establish, before proceeding in the absence of the party, is that the party was given notice of the date and place of the hearing. The tribunal need not investigate the reasons for the party's absence.
>
> (Sara Blake, *Administrative Law in Canada*, 5th ed. (Markham, Ont.: LexisNexis Butterworths, 2011) at p. 32)

[26] I find that Mezinski was served a copy of the original Notice of Hearing and Statement of Allegations, together with a copy of the Temporary Order. His failure to attend the initial hearing in this matter on February 8, 2006, and his subsequent failure to advise the Commission of changes to his address for service should not accrue to his benefit. I am satisfied that Mezinski had adequate notice of this proceeding and that I am entitled to proceed in his absence in accordance with subsection 7(1) of the SPPA.

[27] In making this finding, I am conscious of the fact that there is no evidence to show that Mezinski was served the Amended Statement of Allegations filed May 27, 2011. However, as stated above, the amendments to the Statement of Allegations did not alter the original allegations made by Staff against Mezinski, and therefore he is not prejudiced by Staff's inability to serve him with the Amended Statement of Allegations.

B. The Alberta Securities Commission Proceedings

[28] On November 8, 2005, the Alberta Securities Commission (the "**ASC**") issued a temporary cease trade order against Mezinski and others on the basis that ASC Staff had established a *prima facie* case that Mezinski had breached Alberta securities law.

[29] By decision dated June 7, 2007, the ASC found that Mezinski had not been given proper notice of the hearing before the ASC nor had he been given notice of the ASC Staff's allegations against him. Therefore, the ASC declined to consider the allegations against Mezinski.

III. THE ISSUES

[30] This matter raises the following issues:

(a) Did Mezinski trade in securities of Maitland without being registered to trade in securities, contrary to section 25 of the Act and contrary to the public interest?

(b) Did Mezinski engage in a distribution of securities of Maitland when a preliminary prospectus and a prospectus had not been filed and receipts had not been issued for them by the Director, contrary to section 53 of the Act and contrary to the public interest? and

(c) Did Mezinski, with the intention of effecting a trade in securities of Maitland, make misleading representations to investors, including representations regarding the future listing and future value of Maitland shares contrary to section 38 of the Act and contrary to the public interest?

IV. EVIDENCE

A. The Allegations against Mezinski

[31] Staff submitted an affidavit from a Maitland investor, [redacted], sworn February 13, 2012 (hereafter "Maitland Investor #1"). In the Affidavit, Maitland Investor #1 states that he resides in Bomanville, Ontario. He states that his net annual income is approximately $24,000 and he has an RRSP valued at $6,000. Maitland Investor #1 identifies himself as having a low level of investment experience. He states that he has never earned more than $200,000 per year, his combined income with his spouse has never exceeded $300,000 per year and his net assets have never exceeded $1,000,000.

[32] Maitland Investor #1 states that he purchased 400 shares of Maitland at $2.50 per share in or about September 2005 from a representative of Maitland who is not a respondent to this proceeding. According to Maitland Investor #1, he subsequently received a phone call from Mezinski in October 2005 advising him to increase his shareholdings in Maitland before Maitland shares are listed on the stock exchange. Maitland Investor #1 agreed to purchase an additional 600 shares at a cost of $1,500.

[33] Attached as exhibits to Maitland Investor #1's affidavit were copies of the following six documents:

i. A document titled "Purchase Agreement" dated September 14, 2005, with respect to the purchase of 400 shares of Maitland by Maitland Investor #1 for a total purchase price of $1,000. The "Purchase Agreement" is signed by Investor #1 but is not signed by anyone on behalf of Maitland;

ii. A document titled "Subscription Agreement" dated October 26, 2005, providing for the purchase of 600 shares of Maitland by Maitland Investor #1 for a total purchase price of $1,500. The "Subscription Agreement" is signed by Investor #1 but is not signed by anyone on behalf of Maitland;

iii. A document titled "Purchase Agreement" dated October 26, 2005, with respect to the purchase of 600 shares of Maitland by Maitland Investor #1 for a total purchase price of $1,500. The "Purchase Agreement" is signed by Investor #1 but is not signed by anyone on behalf of Maitland;

iv. A printed copy of an e-mail sent October 26, 2005, from info@maitlandcapital.com to Maitland Investor #1 confirming his purchase of an additional 600 shares of Maitland and containing a signature line which reads "Tom Mezinski VP (Investor Relations)";

v. Two copies of Maitland share certificates dated September 26, 2005, and November 9, 2005, certifying that Maitland Investor #1 is the holder of 400 and 600 shares of Maitland, respectively;

[34] The "Purchase Agreements" attached to Maitland Investor #1's affidavit contain the following statement:

> THE SECURITIES HEREBY OFFERED ARE BEING PRIVATELY OFFERED TO ACCCREDITED INVESTORS, AS DEFINED AT PARAGRAPHS 1(g) IN ATTACHED SCHEDULE "B", PURSUANT TO EXEMPTIONS FROM PROSPECTUS AND REGISTRATION REQUIREMENTS UNDER RULE 45-501 (REVISED) IMPLEMENTED BY THE ONTARIO SECURITIES COMMISSION AND UNDER REVISED MULTILATERAL INSTRUMENTS 45-103 IMPLEMENTED BY THE SECURITES REGULATORY AUTHORITIES IN ALBERTA, BRITISH COLUMBIA, MANITOBA, NEWFOUNDLAND AND LABRADOR, NORTHWEST TERRITORIES, NOVA SCOTIA, NUNAVUT, PRINCE EDWARD ISLAND AND SASKATCHEWAN.

[35] Maitland Investor #1 states in his affidavit that at no time did Mezinski mention any risks associated with investing in Maitland, nor did Mezinski ask any questions about his personal financial situation including his income or financial assets.

[36] Staff submitted an affidavit from Bryan Gourlie, an Investigator with the ASC, sworn November 7, 2005. In his affidavit, Mr. Gourlie states that he conducted an investigation on behalf of the ASC into whether Maitland, Mezinski and others had contravened Alberta securities laws.

[37] In his affidavit, Mr. Gourlie states that he was advised by [redacted] of Edmonton, Alberta, (hereafter "Maitland Investor #2") that she had purchased shares of Maitland from Tom Mezinski. Mr. Gourlie states that Maitland Investor #2 provided him with a letter from Dianna Cassidy (one of the other respondents in this proceeding) on behalf of Tom Mezinski. The following documents were attached as an exhibit to Mr. Gourlie's affidavit:

i. a copy of a fax transmittal sheet dated October 18, 2005, to Maitland Investor #2, "From: Dianna Cassidy per Tom Mezinski". In the memo portion of the transmittal sheet, there is a brief note to the investor followed by hand-printed initials "TM" and a signature line which reads "Tom Mezinski, Investor Relations, Maitland Capital Ltd."; and

ii. a copy of a document titled "Subscription Agreement" (unsigned) dated October 18, 2005, providing for the purchase of 1000 shares of Maitland by Maitland Investor #2 for a total purchase price of $2,500.

[38] Mr. Gourlie states in his affidavit that he was advised by Maitland Investor #2 that she does not qualify as an "accredited investor".

[39] Staff submitted an affidavit from Sabine Dobell, sworn February 2, 2006. The affidavit states that Ms. Dobell is an Assistant Investigator with the Commission. In her affidavit, Ms. Dobell states that she wrote to Grossman on November 5, 2005, requesting, among other things, a list of the current and former employees of Maitland. Attached to her affidavit are the following documents:

i. A letter from Grossman to Ms. Dobell dated November 21, 2005, attaching a list of two current employees and 51 past employees of Maitland. Included on the list of past employees is the entry "29. Tom Mezinski Dept: Marketing";

ii. A letter from Ms. Dobell to Grossman dated November 22, 2005, in which Ms. Dobell requests, among other things, an explanation of the compensation structure applicable to Maitland employees for the sale of Maitland shares; and

iii. A letter from Grossman to Ms. Dobell dated November 29, 2005, attaching answers to the questions posed by Ms. Dobell in her letter of November 22, 2005, including the following statement with respect to the compensation of Maitland employees: "Marketing reps selling [Maitland] shares receive a commission of 17%".

[40] Staff called Jody Sikora, Senior Forensic Accountant with the Enforcement Branch of the Commission, as a witness. Mr. Sikora testified that he obtained, by summons issued to TD Canada Trust, banking records relating to an account held in the name of Maitland Corp. Mr. Sikora testified that the banking records revealed that approximately $5.5 million worth of cheques from individuals believed to be Maitland investors had been deposited into Maitland's TD Canada Trust account. Mr. Sikora testified that the banking records also contained records of payments made to Maitland's officers and employees. He submitted a copy of a cheque number 1336 dated November 17, 2005, drawn on Maitland's TD Canada Trust account payable to "Tom Mezinski" in the amount of $595. The cheque was cashed on November 22, 2005.

[41] Finally, Staff submitted a Certificate issued in accordance with section 139 of the Act, signed by Donna Leitch, Assistant Manager of Registrant Regulation in the Capital Markets Branch of the Commission which states "There is no record of Tom Mezinski having been registered under the Securities Act (Ontario)."

V. ANALYSIS

A. Did Mezinski trade in securities without being registered, contrary to section 25 of the Act?

i. Submissions

[42] Staff submits that Mezinski traded in securities without being registered, contrary to section 25 of the Act.

ii. The Law

[43] Subsection 25(1)(a) of the Act prohibits trading in securities without being registered:

> No person or company shall,
>
> (a) trade in a security or act as an underwriter unless the person or company is registered as a dealer, or is registered as a salesperson or as a partner or as an officer of a registered dealer and is acting on behalf of the dealer;

> …
>
> and the registration has been made in accordance with Ontario securities law and the person or company has received written notice of the registration from the Director and, where the registration is subject to terms and conditions, the person or company complies with such terms and conditions.

[44] The definition of a "security" as defined in subsection 1(1) of the Act includes "any share".

[45] Registration requirements play a key role in Ontario securities law and form one of the cornerstones of the regulatory framework of the Act. They impose requirements of proficiency, good character and ethical standards on those people and companies trading in and advising on securities. As the Commission stated in *Re Limelight Entertainment Inc.* (2008), 31 O.S.C.B. 1727 ("***Limelight***") at para. 135:

> Registration serves an important gate-keeping mechanism ensuring that only properly qualified and suitable individuals are permitted to be registrants and to trade with or on behalf of the public. Through the registration process, the Commission attempts to ensure that those who trade in securities meet the applicable proficiency requirements, are of good character, satisfy the appropriate ethical standards and comply with the Act.

[46] Further, as stated in *Gregory & Co. v. Quebec (Securities Commission)*, [1961] S.C.R. 584 at p. 588:

> The paramount object of the Act is to ensure that persons who, in the province, carry on the business of trading in securities or acting as investment counsel, shall be honest and of good repute and, in this way, to protect the public, in the province or elsewhere, from being defrauded as a result of certain activities initiated in the province by persons therein carrying on such a business. For the attainment of this object, trading in securities is defined in s. 14 [now s. 1.1]; registration is provided for in s. 16 [now s. 25] as a requisite to trade in securities…

iii. Analysis

[47] I find that Mezinski was employed by Maitland as a salesperson for the sale of Maitland shares and traded in securities with Maitland Investor #1 and Maitland Investor #2. I further find that Mezinski has never been registered in any capacity with the Commission.

[48] Having determined that Mezinski traded in shares of Maitland without being registered with the Commission, I must consider whether any exemptions from the registration requirements applied to Mezinski. The onus for proving the existence of a valid exemption from the requirements of the Act is borne by the individual seeking to rely on the exemption. Although Mezinski was not present at the hearing, and made no attempt to assert the applicability of any exemptions, I am required to determine, on the basis of the evidence before me, whether any exemptions should apply.

[49] The Purchase Agreements tendered by Staff state that Maitland sought to rely on the accredited investor exemption from the registration and prospectus requirements in the Act pursuant to National Instrument 45-501 (now National Instrument 45-106).

[50] During the Material Time, National Instrument 45-501 – *Prospectus and Registration Exemptions* ("**NI 45-501**") provided an exemption from the prospectus and registration requirements if the purchaser purchased the security as principal and was an "accredited investor".

[51] An "accredited investor" was defined in section 1.1 of NI 45-501 and includes the following:

> […]
>
> (m) an individual who beneficially owns, or who together with a spouse beneficially own, financial assets having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds $1,000,000;
>
> (n) an individual whose net income before taxes exceeded $200,000 in each of the 2 most recent years or whose net income before taxes combined with that of a spouse exceeded $300,000 in each of the 2 most recent years and who, in either case, has a reasonable expectation of exceeding the same net income level in the current year;

[…]

[52] I find that neither Maitland Investor #1, nor Maitland Investor #2 qualified as an "accredited investor" within the meaning of NI 45-501 (as it read during the material time). Indeed, there is no evidence before me to suggest that Mezinski made any attempt to determine whether either of these investors had sufficient assets or income to qualify as an accredited investor before he sold them Maitland shares. Therefore, I find that the accredited investor exemption to the registration requirements did not apply to Mezinski with respect to the sale of shares to Maitland Investor #1 or Maitland Investor #2.

[53] There is no evidence of any other exemptions capable of relieving Mezinski of the requirement to register with the Commission. Therefore I find that Mezinski traded in securities without registration contrary to s. 25 of the Act.

B. Did Mezinski engage in distributions of securities of Maitland when a preliminary prospectus and a prospectus had not been filed and receipts had not been issued for them by the Director, contrary to section 53 of the Act?

i. Submissions

[54] Staff submits that Mezinski engaged in distributions of securities of Maitland when a preliminary prospectus and a prospectus had not been filed and receipts had not been issued for them by the Director, contrary to section 53 of the Act.

ii. The Law

[55] "Distribution," is defined in subsection 1(1) of the Act and includes a trade in securities of an issuer that have not been previously issued.

[56] Subsection 53(1) of the Act states that no person or company shall trade in a security "if the trade would be a distribution of the security", unless a prospectus has been filed with and receipted by the Commission. The requirement to comply with section 53 of the Act is important because a prospectus ensures that prospective investors have full, true and plain disclosure of information to properly assess the risks of an investment and make an informed investment decision. The prospectus requirements of the Act play a significant role in the overall scheme of investor protection. As stated by the court in *Jones v. F.H. Deacon Hodgson Inc.* (1986), 9 O.S.C.B. 5579 (H.C.) (at p. 5590), "there can be no question but that the filing of a prospectus and its acceptance by the Commission is fundamental to the protection of the investing public who are contemplating purchase of the shares."

iii. Analysis

[57] I find that previously unissued Maitland shares were sold to investors and that such trades were distributions within the meaning of the Act.

[58] Staff did not file any direct evidence to support their allegation that no prospectus had been issued with respect to the shares sold to Maitland Investors #1 and #2. It would have been helpful if Staff had filed a Certificate issued under section 139 of the Act in respect of Maitland in confirmation of Staff's allegation. In the absence of such evidence, I was asked to infer from the Purchase Agreement, and in particular the assertion that Maitland shares were exempt from the prospectus requirements under the Act (reproduced at paragraph 34 above) that a prospectus had not been filed with respect to Maitland Shares and receipts had not been issued for them by the Director. That is a possible inference, I would agree.

[59] Staff also filed the Affidavit of Sabine Dobell, referred to in para. 39 above, in which Ms. Dobell states that Grossman filed a Form 45-103F4 Report of Exempt Distribution. That report is generally filed only where an issuer has conducted a distribution without a prospectus.

[60] Finally, Staff filed a copy of the decision of Justice Sparrow in the section 122 proceedings against Maitland, Grossman and Ulfan. In that proceeding, Maitland, Grossman and Ulfan had been charged with the offence of trading in securities of Maitland without a prospectus contrary to subsection 53(1) of the Act. At paragraph 94 of her judgement, Justice Sparrow concludes that the prosecution had proven that Grossman and Ulfan had committed the offence:

> *Grossman and Ulfan both clearly traded in Maitland securities without being registered and without a prospectus having been issued.*

[61] On the strength of the evidence before me, and the findings of Justice Sparrow in the section 122 proceedings, I find it reasonable to conclude, on a balance of probabilities, that Mezinski engaged in the distribution of security where a preliminary prospectus and a prospectus had not been filed and receipts had not been issued for them by the Director, contrary to s. 53 of the Act. Having found that Mezinski did not abide by the prospectus requirements in the Act, I am obliged to consider any claims for exemption from the prospectus requirements. For the reasons set out at paragraphs 48 to 53 above, I find that no exemptions from the prospectus requirement apply to the distribution of shares to Maitland Investors #1 and #2.

C. Did Mezinski, with the intention of effecting a trade in securities of Maitland, make misleading representations to investors, including representations regarding the future listing and future value of Maitland shares contrary to section 38 of the Act?

i. Submissions

[62] Staff submits that Mezinski made a prohibited representation to Maitland Investor #1 concerning the future listing of Maitland shares.

ii. The Law

[63] Subsection 38(3) of the Act prohibits representations with respect to the future listing of a security on any stock exchange. Subsection 38(3) of the Act states:

> 38. (3) Subject to the regulations, no person or company, with the intention of effecting a trade in a security, shall, except with the written permission of the Director, make any representation, written or oral, that such security will be listed on any stock exchange or quoted on any quotation and trade reporting system, or that application has been or will be made to list such security upon any stock exchange or quote such security on any quotation and trade reporting system, unless,
>
> (a) application has been made to list or quote the securities being traded, and securities of the same issuer are currently listed on any stock exchange or quoted on any quotation and trade reporting system; or
>
> (b) the stock exchange or quotation and trade reporting system has granted approval to the listing or quoting of the securities, conditional or otherwise, or has consented to, or indicated that it does not object to, the representation.

[64] Subsection 38(3) does not require an undertaking with respect to the future listing. An oral representation about listing shares on a stock exchange is sufficient to constitute a violation of subsection 38(3) of the Act, provided that such representation was made during the process of selling or trading a share. For example, in *Limelight*, the Commission found that evidence of salespersons stating that Limelight shares would be listed on an exchange, with the timeframe given ranging from 10 to 12 days to a year, constituted a breach of subsection 38(3) of the Act (*Limelight*, *supra*, at para. 181).

iii. Analysis

[65] I am satisfied that Mezinski told Maitland Investor #1 that Maitland shares would soon be listed on a stock exchange, and that the purpose of that representation was to induce Maitland Investor #1 to purchase the securities. Therefore, I find that Mezinski made a prohibited representation to Maitland Investor #1 concerning the future listing of Maitland shares, contrary to subsection 38(3) of the Act.

VI. CONCLUSION

[66] For the reasons set out above, I find that Mezinski contravened Ontario securities law through the following breaches of the Act:

(a) Mezinski traded in securities of Maitland without being registered to trade in securities, contrary to subsection 25(1) of the Act;

(b) Mezinski engaged in the distribution of securities of Maitland when a preliminary prospectus and a prospectus had not been filed and receipts had not been issued for them by the Director, contrary to subsection 53(1) of the Act; and

(c) Mezinski, with the intention of effecting a trade in securities of Maitland, made misleading representations to investors regarding the future listing of Maitland shares contrary to subsection 38(3) of the Act.

[67] As outlined above in these Reasons, Staff requested that the Commission address both the merits of the allegations against Mezinski and the appropriate sanctions in the same decision, without the need for a separate sanctions hearing. The Ontario Securities Commission Rules of Procedure (2010), 33 O.S.C.B 8017 (the "**Rules**") formally establish a two-part hearing process. Under the Rules, a respondent, having been found to have acted contrary to the Act, has an opportunity to attend a hearing before the Commission to make submissions on whether it would be appropriate for the Commission to impose sanctions as a result of those contraventions. Rules 17.3 reads:

> **17.3 Sanctions Hearing** – (1) Unless the parties to a proceeding agree to the contrary, a separate hearing shall be held to determine the matter of sanctions and costs.

[68] Mezinski did not agree to dispense with the requirement that a separate hearing be held to determine the matter of sanctions and costs. Indeed, Mezinski has a reasonable expectation that the Commission will follow its own Rules. While the Commission may deviate from its Rules, it should only do so for compelling reasons. In my opinion, there is no compelling reason to deviate from the requirement to hold a separate hearing on the issue of sanctions and costs. As a result, there will be a separate hearing to determine the issue of sanctions and costs.

[69] For the reasons outlined above, I will issue an interim order in the form attached as Schedule "A" to these reasons setting a date for the sanctions and costs hearing and extending the Temporary Order, as it pertains to Mezinski, until the conclusion of the sanctions and costs hearing.

Dated at Toronto, this 6th day of July, 2012.

"Edward P. Kerwin"

Schedule "A"

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

AND

IN THE MATTER OF
MAITLAND CAPITAL LTD., ALLEN GROSSMAN, HANOCH ULFAN, LEONARD WADDINGHAM, RON GARNER, GORD VALDE, MARIANNE HYACINTHE, DIANNA CASSIDY, RON CATONE, STEVEN LANYS, ROGER MCKENZIE, TOM MEZINSKI, WILLIAM ROUSE AND JASON SNOW

ORDER
(Sections 127 and 127.1)

WHEREAS on January 24, 2006, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") accompanied by a Statement of Allegations filed by staff of the Commission ("Staff") with respect to Maitland Capital Ltd. ("Maitland") Allen Grossman, Hanouch Ulfan, Leonard Waddingham, Ron Garner, Gord Valde, Marianne Hyacinthe, Dianna Cassidy, Ron Catone, Steven Lanys, Roger Mckenzie, Tom Mezinski ("Mezinski"), William Rouse and Jason Snow (collectively the "Respondents");

AND WHEREAS on January 24, 2006, the Commission ordered pursuant to s. 127(5) of the Act that: (a) all trading by Maitland and its officers, directors, employees and/or agents in securities of Maitland shall cease forthwith for a period of 15 days from the date thereof; (b) the Respondents cease trading in all securities; and (c) any exemptions in Ontario securities law do not apply to the Respondents (the "Temporary Order");

AND WHEREAS on September 12, 2006, the Commission extended the Temporary Order until the conclusion of the "Hearing";

AND WHEREAS on September 2, 2011, the Commission ordered that the hearing on the merits with respect to the allegations against Mezinski would take place on February 15, 16 and 17, 2012;

AND WHEREAS a hearing on the merits in respect of Mezinski was held before the Commission on February 15, 2012;

AND WHEREAS following the hearing on the merits, the Commission issued its Reasons and Decision with respect to the merits on July 6, 2012;

IT IS ORDERED THAT:

1. A hearing to determine sanctions and costs will be held on August 21, 2012, at 10:00 a.m. at the offices of the Commission, 20 Queen Street West, 17th Floor, Toronto;

2. A party who is unable to attend a hearing on August 21, 2012, must advise the Office of the Secretary within 10 days of the date of this Order;

3. Should any party not contact the Office of the Secretary within 10 days of the date of this Order and fail to attend at the time and place aforesaid, the hearing may proceed in the absence of the party, and such party is not entitled to any further notice of the proceeding; and

4. For the sake of clarity, the Temporary Order, as it pertains to Mezinski, is extended until the conclusion of the sanctions and costs hearing.

DATED at Toronto, Ontario this 6th day of July, 2012

_____
Edward P. Kerwin

3.1.3 Maitland Capital Ltd. 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
MAITLAND CAPITAL LTD., ALLEN GROSSMAN,
HANOCH ULFAN, LEONARD WADDINGHAM,
RON GARNER, GORD VALDE, MARIANNE HYACINTHE,
DIANNA CASSIDY, RON CATONE, STEVEN LANYS, ROGER MCKENZIE,
TOM MEZINSKI, WILLIAM ROUSE and JASON SNOW

REASONS AND DECISION ON SANCTIONS AND COSTS
with respect to Steven Lanys
(Section 127 of the Securities Act)

Hearing:	February 15, 2012		
Reasons:	July 6, 2012		
Panel:	Edward P. Kerwin	–	Commissioner
Counsel:	Derek J. Ferris	–	For Staff of the Ontario Securities Commission
	Jerry Herszkopf	–	For Steven Lanys

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I. INTRODUCTION

A. Background

[1] This proceeding arises out of a Notice of Hearing issued on January 24, 2006, by the Ontario Securities Commission (the "**Commission**") and a Statement of Allegations filed by staff of the Commission ("**Staff**") on the same day. The Statement of Allegations contained allegations against Steven Lanys ("**Lanys**"), Tom Mezinski ("**Mezinski**"), Maitland Capital Ltd. ("**Maitland**"), Allen Grossman ("**Grossman**"), Hanoch Ulfan ("**Ulfan**"), Leonard Waddingham ("**Waddingham**"), Ron Garner ("**Garner**"), Gord Valde ("**Valde**"), Marianne Hyacinthe ("**Hyacinthe**"), Dianna Cassidy ("**Cassidy**"), Ron Catone ("**Catone**"), Roger McKenzie ("**McKenzie**"), William Rouse ("**Rouse**") and Jason Snow ("**Snow**") (collectively the "**Maitland Respondents**").

B. History of Proceedings

[2] Staff alleges that between November 2004 and November 2005, inclusive, Maitland operated a "boiler room" from two locations in Toronto, Ontario and raised approximately $5.5 million through the sale of Maitland shares to approximately 1,200 investors across Canada and in other countries. Staff alleges that Maitland hired salespersons to telephone investors and sell Maitland shares to them, such salespersons being paid a commission ranging from 17% to 20% of the amounts paid for the purchase of Maitland shares.

[3] On January 24, 2006, the Commission ordered pursuant to subsection 127(1) and 127(5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "**Act**") that (i) all trading by Maitland and its officers, directors, employees and/or agents in securities of Maitland cease; (ii) the Maitland Respondents cease trading in all securities; and (iii) any exemptions in Ontario securities law not apply to the Maitland Respondents (the "**Temporary Order**").

[4] As stated above, the Commission issued a Notice of Hearing on January 24, 2006, advising the Maitland Respondents that a hearing would be convened on February 8, 2006, to consider whether it was in the public interest for the Commission to make an Order (i) extending the Temporary Order until the conclusion of the hearing; (ii) that all trading in Maitland securities be ceased; (iii) imposing sanctions against the Respondents under subsection 127(1) of the Act; And (iv) for the payment of costs by the Maitland Respondents pursuant to section 127.1 of the Act

[5] Lanys did not attend the hearing on February 8, 2006, although he attended with counsel at subsequent hearings before the Commission.

[6] The Temporary Order was extended by orders of the Commission on February 8, 2006, February 28, 2006, April 19, 2006, May 29, 2006, and June 28, 2006.

[7] On May 19, 2006, the Commission authorized the commencement of a quasi-criminal proceeding under section 122 of the Act against Maitland, Grossman (who was the president and director of Maitland), and Ulfan (who was the secretary-treasurer of Maitland) (the "**Section 122 Proceeding**").

[8] On September 12, 2006, the Commission ordered that (i) the Temporary Order be extended until the conclusion of the hearing on the merits, (ii) the hearing of the proceedings under section 127 of the Act against the Maitland Respondents be adjourned pending completion of the Section 122 Proceeding, and (iii) within four to eight weeks of judgement being rendered in the Section 122 Proceeding, a hearing be scheduled before the Commission in connection with the section 127 proceeding.

[9] On March 23, 2011, following a trial in the Section 122 Proceeding, Justice Sparrow of the Ontario Court of Justice found Maitland, Grossman and Ulfan guilty of breaches of subsections 25(1), 38(2), 38(3), 53(1), 122(1)(b) and 122(3) of the Act. On May 4, 2011, Justice Sparrow sentenced each of Grossman and Ulfan to 21 months in jail and two years of probation, and fined Maitland $1 million.

[10] On May 27, 2011, Staff amended the Notice of Hearing and Statement of Allegations to request an inter-jurisdictional enforcement order under subsection 127(10) of the Act in reliance upon previous orders of the Alberta Securities Commission, the Saskatchewan Financial Services Commission ("**SFSC**") and the convictions of Ontario Court of Justice involving Maitland and some of the Maitland Respondents, including Lanys in respect of the order of the SFSC.

[11] By Order of the Commission issued on June 28, 2011, the proceeding in respect of certain Maitland Respondents was split into three parts, which would proceed as follows:

i. The proceeding against Maitland, Grossman and Ulfan would be dealt with by a hearing in writing;

ii. The hearing with respect to Waddingham, Cassidy, Valde, Garner, Snow, Catone, McKenzie and Hyacinthe would be adjourned to September 2, 2011, to consider possible agreed statements of facts and appropriate sanctions, if any; and

iii. The hearing in respect of Lanys, Rouse and Mezinski would be adjourned to September 2, 2011, to set a date for a merits hearing.

[12] On September 2, 2011, Staff filed a Notice of Withdrawal with respect to the allegations against Snow, Catone, McKenzie and Hyacinthe.

[13] By Order of the Commission issued on September 2, 2011, the merits hearing in respect of Lanys, Rouse and Mezinski was ordered to commence on February 15, 2012, and continue on February 16 and 17, 2012.

[14] On February 15, 2012, Staff filed a Notice of Withdrawal with respect to the allegations against Rouse.

[15] The hearing on the merits was convened on February 15, 2012. Lanys was present at the hearing and was represented by counsel, Jerry Herszkopf. Mezinski was neither present nor represented at the hearing.

II. PRELMINARY ISSUES

A. Request to convert the Merits Hearing into a Sanctions Hearing

[16] At the commencement of the hearing on the merits on February 15, 2012, Staff filed an "Agreed Statement of Facts Between Staff of the Enforcement Branch and Steven Lanys" dated February 14, 2012 (the "**Agreed Statement of Facts**"), a copy of which is reproduced as Schedule "B" to these Reasons.

[17] In the Agreed Statement of Facts, Lanys admits to having engaged in the following conduct, which constituted breaches of Ontario securities law and/or was contrary to the public interest:

(a) Lanys traded in securities of Maitland where no exemption was available contrary to the registration requirements of section 25 of the Act;

(b) Lanys traded securities of Maitland without a prospectus in circumstances where no exemption was available contrary to the prospectus requirements of section 53 of the Act; and

(c) Lanys made prohibited representations to Maitland investors contrary to subsections 38(2) and 38(3) of the Act.

[18] On the basis of the Agreed Statement of Facts, Staff asked the Commission to issue an Order imposing sanctions against Lanys pursuant to section 127(1) of the Act. Staff requested that the Panel immediately hear submissions on sanctions with respect to Lanys, thereby obviating the need to schedule a separate sanctions hearing for that purpose. Counsel for Lanys agreed there was no need to conduct a separate sanctions hearing with respect to his client, and consented to the Panel hearing submissions on the nature of the sanctions order that may be considered in respect of the conduct and contraventions of the Act admitted by his client.

[19] Rule 17.3 of the Ontario Securities Commission Rules of Procedure (2010), 33 O.S.C.B 8017, states that "[u]nless the parties to a proceeding agree to the contrary, a separate hearing shall be held to determine the matter of sanctions and costs." In this case, I agreed to convert the hearing on the merits with respect to Lanys into a sanctions hearing because the Agreed Statement of Facts effectively resolved the question of whether Lanys contravened the Act (the primary purpose of the merits hearing), and because the parties agree to forego a separate hearing on sanctions. Counsel for Staff and counsel for Lanys proceeded to make submissions in respect of sanctions.

[20] My decision to convert the hearing to a sanctions hearing pertained only to Lanys. The hearing with respect to Mezinski proceeded as a merits hearing for the purpose of determining whether Mezinski acted contrary to the Act and/or contrary to the public interest. My findings with respect to the merits of the allegations against Mezinski are addressed in separate Reasons.

[21] These are my reasons and decision as to the appropriate sanctions against Lanys.

III. OTHER DECISIONS CONCERNING THE MAITLAND RESPONDENTS

A. The Decision of Justice Sparrow of the Ontario Court of Justice

[22] As referenced above, Maitland, Grossman and Ulfan were the subject of a criminal proceeding under section 122 of the Act. On March 23, 2011, Justice Sparrow of the Ontario Court of Justice convicted Maitland, Grossman and Ulfan of contraventions of the Act in the course of their operation of a "boiler room", which sold large volumes of Maitland shares through high pressure sales tactics to non-accredited investors across Canada and in other countries (*R. v. Maitland Capital Limited et al.*, 2011 ONCJ 168 (CanLII), hereafter "***R. v. Maitland***"). Specifically, Justice Sparrow convicted Grossman and Ulfan on the following offences:

- trading in securities of Maitland without registration contrary to subsections 25(1) and 122(1)(c) of the Act;
- trading in securities of Maitland without a prospectus contrary to subsections 53(1) and 122(1)(c) of the Act;
- giving prohibited undertakings as to the future value or price of the securities of Maitland with the intention of effecting trades contrary to subsections 38(2) and 122(1)(c) of the Act;
- making prohibited representations regarding the future listing of the securities of Maitland on a stock exchange contrary to subsections 38(3) and 122(1)(c) of the Act.

[23] In addition, Grossman and Ulfan were convicted of the following offences arising from the fact that they were officers or directors of Maitland:

- authorizing, permitting or acquiescing in trades in securities of Maitland without Maitland and its salespersons being registered to trade in such securities contrary to subsection 122(3) of the Act;
- authorizing, permitting or acquiescing in trades in securities of Maitland where such trading was a distribution of such securities without a prospectus contrary to subsection 122(3) of the Act;
- authorizing, permitting or acquiescing in the giving of undertakings as to the future value or price of the securities of Maitland with the intention of effecting trades contrary to subsection 122(3) of the Act; and
- authorizing, permitting or acquiescing in the making of prohibited representation by Maitland salespersons regarding the future listing of the securities of Maitland on a stock exchange with the intention of effecting trades contrary to subsection 122(3) of the Act;

[24] Finally, Grossman and Maitland were convicted of the offence of making a misleading or untrue statement contrary to subsection 122(1)(b) of the Act, and Ulfan was convicted of the offence of authorizing, permitting or acquiescing to the making of that misleading or untrue statement, contrary to subsection 122(3) of the Act.

[25] At his hearing of the criminal proceeding, Grossman testified that he believed Maitland was exempt from the registration and prospectus requirements under the "accredited investor" exemption in National Instrument 45-501 – *Prospectus and Registration Exemptions* ("**NI 45-501**"), although he claimed not to know what the term "accredited investor" meant. Justice Sparrow rejected Grossman's claim of ignorance, finding it "inherently incredible" in light of his experience in the investment industry (*R. v. Maitland supra* at para. 110). She ruled that most of the investors did not qualify as "accredited investors" and that neither Grossman or Ulfan had taken reasonable steps to ascertain whether the investors fell within the definition of an "accredited investor".

[26] In a subsequent sentencing decision dated May 4, 2011, Justice Sparrow sentenced each of Grossman and Ulfan to 21 months in jail, and imposed a fine against Maitland in the amount of $1,000,000.

B. OSC Decision with respect to Maitland, Grossman and Ulfan

[27] On June 28, 2011, the Commission ordered that a hearing be conducted "…in respect of Grossman, Ulfan and Maitland to consider whether an order should be made against them under subsection 127(10) of the Act" and that such hearing "…shall proceed in writing."

[28] Subsection 127(10) of the Act reads as follows:

> **127(10)** – Without limiting the generality of subsections (1) and (5), an order may be made under subsection (1) or (5) in respect of a person or company if any of the following circumstances exist:
>
> 1. The person or company has been convicted in any jurisdiction of an offence arising from a transaction, business or course of conduct related to securities or derivatives.
>
> 2. The person or company has been convicted in any jurisdiction of an offence under a law respecting the buying or selling of securities or derivatives.
>
> 3. The person or company has been found by a court in any jurisdiction to have contravened the laws of the jurisdiction respecting the buying or selling of securities or derivatives.
>
> 4. The person or company is subject to an order made by a securities regulatory authority, derivatives regulatory authority or financial regulatory authority, in any jurisdiction, that imposes sanctions, conditions, restrictions or requirements on the person or company.
>
> 5. The person or company has agreed with a securities regulatory authority, derivatives regulatory authority or financial regulatory authority, in any jurisdiction, to be made subject to sanctions, conditions, restrictions or requirements.

[29] Following receipt of written submissions from Staff, and no submissions having been made by Grossman, Ulfan or Maitland, the Commission issued an Order on February 8, 2012, pursuant to subsection 127(1) and (10) of the Act, imposing the following sanctions:

(a) pursuant to clause 2 of subsection 127(1) of the Act, Grossman, Maitland and Ulfan shall permanently cease trading in any securities;

(b) pursuant to clause 2.1 of subsection 127(1) of the Act, the acquisition of any securities by Grossman, Maitland or Ulfan is permanently prohibited;

(c) pursuant to clause 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Grossman, Maitland or Ulfan permanently;

(d) pursuant to clause 6 of subsection 127(1) of the Act, Grossman, Maitland and Ulfan are reprimanded;

(e) pursuant to clause 7 of subsection 127(1) of the Act, Grossman and Ulfan shall immediately resign all positions that they may hold as a director or officer of any issuer;

(f) pursuant to clause 8 of subsection 127(1) of the Act, Grossman and Ulfan are prohibited permanently from becoming or acting as a director or officer of any issuer;

(g) pursuant to clause 8.1 of subsection 127(1) of the Act, Grossman and Ulfan shall immediately resign all positions that they may hold as a director or officer of any registrant;

(h) pursuant to clause 8.2 of subsection 127(1) of the Act, Grossman and Ulfan are prohibited permanently from becoming or acting as a director or officer of any registrant;

(i) pursuant to clause 8.3 of subsection 127(1) of the Act, Grossman and Ulfan shall immediately resign all positions that they may hold as a director or officer of any investment fund manager;

(j) pursuant to clause 8.4 of subsection 127(1) of the Act, Grossman and Ulfan are prohibited permanently from becoming or acting as a director or officer of any investment fund manager;

(k) pursuant to clause 8.5 of subsection 127(1) of the Act, Grossman, Maitland and Ulfan are prohibited permanently from becoming or acting as a registrant, as an investment fund manager or as a promoter; and

(l) pursuant to subsection 37(1) of the Act, Maitland, Grossman and Ulfan are prohibited permanently from telephoning from a location within Ontario to residences within or outside Ontario for the purposes of trading in securities.

C. OSC Decision with respect to Valde, Waddingham, Cassidy and Garner

[30] On or about September 2, 2011, each of Valde, Waddingham, Cassidy and Garner entered into an agreed statement of facts with Staff in which each of them admitted certain breaches of the Act. The Commission conducted a sanctions hearing on September 2, 2011, on the basis of the four agreed statements of fact. On November 4, 2011, the Commission issued reasons, indicating that the Commission was satisfied that each of those four Maitland Respondents participated as salespersons in a fraudulent investment scheme, did not comply with Ontario securities law and acted contrary to the public interest, and accordingly the Commission issued an Order imposing the following sanctions against Valde, Waddingham, Cassidy and Garner:

(a) pursuant to clause 2 of subsection 127(1) of the Act, each of Valde, Waddingham, Cassidy and Garner shall cease trading in any securities for a period of three years, with the exception that each of them will be permitted to trade securities for the account of their respective registered retirement savings plans (as defined in the Income Tax Act (Canada)) in which the respondent and/or the spouse of the respondent have sole legal and beneficial ownership, provided that

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

(ii) the four subject Respondents do not own legally or beneficially (in the aggregate, together with the Respondents' spouse) more than one percent of the outstanding securities of the class or series of the class in question;

(iii) the four subject Respondents carry out any permitted trading through a registered dealer (who has been given a copy of this Order) and in accounts opened in the Respondents' name only, and the Respondents must close any accounts that are not in the Respondents' name only; and

(iv) no such trading shall be permitted unless and until the subject Respondent has paid in full the disgorgement order against the Respondent set out in subparagraph (e) of this Order;

(b) pursuant to clause 2.1 of subsection 127(1) of the Act, the acquisition of any securities by any of Valde, Waddingham, Cassidy and Garner is prohibited for a period of three years, subject to the same exception set out in subparagraph (1) of the order;

(c) pursuant to clause 3 of subsection 127(1) of the Act, any exemptions in Ontario securities law do not apply to any of Valde, Waddingham, Cassidy and Garner for a period of three years, subject to the same exception set out in subparagraph (a) of the order;

(d) pursuant to clause 6 of subsection 127(1) of the Act, each of Cassidy, Garner, Waddingham and Valde is reprimanded;

(e) pursuant to clause 10 of subsection 127(1) of the Act, the following amounts shall be disgorged by each of the four subject Respondents, respectively:

- Cassidy $10,000
- Garner $27,791.25
- Waddingham $32,857.59; and
- Valde $12,307.50

(f) pursuant to section 37 of the Act, each of Valde, Waddingham, Cassidy and Garner shall be prohibited permanently from calling or telephoning from a location in Ontario to any residence located in or out of Ontario for the purpose of trading in any security or in any class of securities.

IV. THE AGREED STATEMENT OF FACTS

[31] The following facts were among those agreed to between Staff and Lanys as set out in the Agreed Statement of Facts:

(a) Lanys worked as a securities salesperson at various firms at various times between May 1986 and March 1999;

(b) Lanys was hired by Grossman as a Maitland salesperson in May 2005. Lanys held the title "Senior V.P. (Operations) Maitland Capital Ltd.";

(c) Lanys worked as a "reseller". He contacted existing shareholders of Maitland and encouraged them to purchase additional Maitland shares;

(d) Lanys advised Maitland shareholders that prices of Maitland shares were poised to increase. Grossman and Ulfan advised Lanys that Maitland was a "pre-IPO" company that was going public, and Lanys advised existing Maitland shareholders that Maitland was "going public". These representations were made by Lanys to existing Maitland shareholders to encourage them to purchase additional shares;

(e) Lanys normally did not ask about investors' income or net worth as he was never instructed to make such inquiries;

(f) Grossman advised Lanys that each purchaser of Maitland shares was required to sign a document signifying that they were an accredited investor, and it was Lanys' understanding that each investor signed such a document;

(g) Lanys sold Maitland shares to investors at $2.50 per share. There was no minimum purchase requirement;

(h) Lanys received from Maitland a commission of 8.75% on the amount of each "resale" of additional Maitland shares;

(i) Lanys, through Mastermind Consultants Group, was paid $91,407.10 in commission by way of cheques from Maitland between May 12, 2005 and October 28, 2005;

(j) Lanys left Maitland at the end of October 2005;

(k) Lanys is divorced with three children aged 26 years, 23 years and 21 years. Two of his children attend college or university;

(l) Lanys is not currently working and currently has no RRSP; and

(m) Lanys is remorseful for his dealings with Maitland shareholders.

[32] As noted in paragraph 17 above, Lanys specifically admitted in the Agreed Statement of Facts that he engaged in conduct, which constituted breaches of Ontario securities law and/or was contrary to the public interest, including:

(a) Lanys worked as a salesperson for Maitland;

(b) Lanys traded securities of Maitland where no exemption was available contrary to the registration requirements of section 25 of the Act;

(c) Lanys traded securities of Maitland without a prospectus in circumstances where no exemption was available contrary to the prospectus requirements of section 53 of the Act; and

(d) Lanys made prohibited representations to Maitland investors contrary to subsections 38(2) and 38(3) of the Act.

[33] I am satisfied that Lanys participated as a salesperson in a fraudulent investment scheme, did not comply with Ontario securities law and acted contrary to the public interest, all as admitted by Lanys and as set forth in the Agreed Statement of Fact.

V. EVIDENCE

[34] Jody Sikora, Senior Forensic Accountant with the Enforcement Branch of the Commission, testified as a witness on behalf of Staff. Mr. Sikora testified that he obtained, by summons issued to TD Canada Trust, banking records relating to an account held in the name of Maitland Corp. Mr. Sikora testified that the banking records revealed that approximately $5.5 million worth of cheques from individuals believed to be Maitland investors had been deposited into Maitland's TD Canada Trust account. Mr. Sikora testified that the banking records also contained records of payments made to Maitland's officers and employees, including approximately $1.5 million paid to each to Grossman and Ulfan through their respective business accounts. The banking records also contain records of 25 cheques for a total amount of $91,407.10 having been paid by Maitland to Mastermind Consultants Group between May 12, 2005 and October 28, 2005.

[35] Mr. Sikora also testified that he questioned various Maitland investors about what they had been asked by Maitland salespersons concerning their personal finances , and whether they met the definition of "accredited investors". Mr. Sikora testified that most of the investors were not aware of, and were not made aware of, the "accredited investor" exemption or did not indicate that they were asked about the exemptions or their personal finances by Maitland salespersons.

VI. SANCTIONS REQUESTED BY STAFF

[36] In their written and oral submissions, Staff requested that the following sanctions be imposed against Lanys:

(a) trading in any securities by Lanys shall cease for a further three years from the date of the Order, with a carve out for trading by Lanys in his personal RRSP account after the payment set out in subparagraph (5) below is paid in full;

(b) the acquisition of any securities by Lanys is prohibited for three years from the date of the Order, with a carve out for the acquisition of securities by Lanys in his personal RRSP account after the payment set out in subparagraph (5) below is paid in full;

(c) any exemptions contained in Ontario securities law do not apply to Lanys for three years subject to the carve out set out in subparagraphs (1) and (2) above;

(d) Lanys is reprimanded;

(e) Lanys shall disgorge to the Commission the amount of $91,407.10 obtained as a result of his non-compliance with Ontario securities law to be allocated to or for the benefit of third parties including investors who lost money as a result of purchasing Maitland shares, in accordance with subsection 3.4(2)(b) of the Act; and

(f) Lanys shall cease permanently, from the date of the Order, to call at or telephone from a location within Ontario to any residence within or outside Ontario for the purpose of trading in any security or class of securities pursuant to section 37 of the Act.

VII. THE SUBMISSIONS OF STAFF

[37] Staff submits that the sanctions requested are proportionate to Lanys' conduct in this matter and will serve as a specific and general deterrent. In Staff's view, an order removing Lanys from the capital markets for an additional period of three years and requiring disgorgement of all funds obtained by him as sales commissions will signal both to Lanys and to like-minded individuals that disregard for the rules governing the sale of securities to investors will result in significant consequences and sanctions.

[38] Staff submitted that the sanctions sought against Lanys are consistent with the sanctions imposed by the Commission against Valde, Waddingham, Cassidy and Garner in its Order of November 4, 2011. Staff argued that the conduct of Valde, Waddingham, Cassidy and Garner, who were Maitland salespersons during the relevant time, was substantially similar to the conduct of Lanys and justifies similar sanctions, including an order that Lanys disgorge the funds he obtained in contravention of the Act.

[39] Staff submitted that the Commission has jurisdiction to order full disgorgement of the amounts earned by Lanys in contravention of the Act despite the fact that some of the investors may have resided outside Ontario. Staff points out that all the "trades" by Lanys that are the subject of this proceeding were conducted from Ontario. Staff relies on the Supreme Court of Canada decision in *Gregory & Co. v. Quebec (Commission des valueurs mobilières)*, [1961] S.C.R. 584, in which the Court stated:

> The paramount object of the Act is to ensure that persons who, in the province, carry on the business of trading in securities or acting as investment counsel, shall be honest and of good repute and, in this way, to protect the public, in the province or elsewhere, from being defrauded as a result of certain activities initiated in the province by persons therein carrying on such a business.
>
> …
>
> In order to protect the public against fraud, it provides for the establishment and operation of a control and supervision over the conduct, in the Province of Quebec, of persons engaged therein, in carrying on the business of trading in securities or acting as investment counsel.

[40] Staff also relies on the recent decision in *Re XI Biofuels Inc.* 2011 ONSC 6918 (December 5, 2011), in which the Divisional Court found that the Commission had jurisdiction over extraprovincial trading activity. Referring to the SCC's decision in *Gregory*, Justice Swinton of the Divisional Court states:

> As *Gregory* makes clear, and contrary to what the appellants assert, a province is not limited to protecting the interests of domestic investors from unfair or fraudulent activities. Provincial securities legislation can also be applied to regulate corporations or individuals within the province in order to protect investors outside the province from unfair, improper or fraudulent activities. Where the Commission is regulating trades that have an extraprovincial character, the question is not the location of the investors; rather, it is whether there is a sufficient connection between Ontario and the impugned activities and the entities involved to justify regulatory action by the Commission.

[41] In Staff's submission, the Commission has jurisdiction to regulate the trades conducted by Lanys, including the issuance of a disgorgement order in respect of the amounts earned through those trades, because the trades were conducted from Ontario.

[42] Staff submitted that an order requiring Lanys to disgorge the funds he obtained in contravention of the Act would ensure that Lanys does not benefit from his breaches of the Act. In Staff's view, it is not in the public interest to allow Lanys to retain any of those funds.

[43] Finally, Staff sought to distinguish the Commission's Order of February 8, 2012, in which the Commission declined to order Grossman and Ulfan to disgorge the amounts they obtained in contravention of the Act. Staff argued that the case against Lanys more closely resembles, both substantively and procedurally, the proceedings against Valde, Waddingham, Cassidy and Garner, and a similar disgorgement order should follow. In particular, Staff submitted that the Commission's refusal to issue a disgorgement order against Grossman and Ulfan was procedurally due to the fact that the Grossman and Ulfan hearing was conducted pursuant to subsection 127(10) of the Act to determine whether a reciprocal order should be issued. In that sense, Staff submitted that the proceeding against Lanys is procedurally similar to the case against Valde, Waddingham, Cassidy and Garner, and a similar disgorgement order should follow.

Costs

[44] Staff is not seeking an order for investigation and hearing costs pursuant to section 127.1 of the Act. Costs were not ordered against Valde, Waddingham, Cassidy or Garner, each of whom, like Lanys, had entered into an agreed statement of fact with Staff, thereby significantly shortening these proceedings.

VIII. THE SUBMISSIONS OF LANYS

[45] Counsel for Lanys argued that a $91,000 disgorgement order would be, in effect, a penalty and punitive in nature, would not likely be within the financial ability of Lanys to be paid and would do little to protect Ontario investors. In Counsel's submission, the public interest would be better served if his client is given a lifetime ban on trading in securities with no disgorgement order.

[46] Counsel for Lanys submitted that Lanys was misled by Grossman and Ulfan. Counsel submitted that Lanys believed his activities were exempt from the registration and prospectus requirements of the Act by virtue of the "accredited investor" exemption. Counsel questioned why it should be incumbent upon a salesperson, such as Lanys, to verify whether the information provided by his employer is correct.

[47] Counsel for Lanys asked the Commission to consider the mitigating factors contained in the Agreed Statement of Facts (see paragraphs 21 to 29 of Schedule B attached).

[48] As an alternative to an order of disgorgement, Counsel for Lanys suggested the Commission make the following orders under subsection 127(10) of the Act:

(a) an order requiring Lanys to make an apology, either by letter or via a website, to all Maitland investors that Lanys can reach, the content of which would be subject to approval by Staff and, if necessary, the Commission;

(b) an order requiring Lanys to perform a term of community service; and

(c) an order requiring Lanys make himself available to give speeches to other registrants or salespersons about the risks involved in contravening the Act and his experience of being found to have contravened the Act.

[49] Finally, Counsel for Lanys argued that any sanctions imposed on Lanys by the Commissions should be proportional to the sanctions imposed by the Commission against Grossman and Ulfan. In Counsel's view, since the Commission did not order disgorgement against Grossman and Ulfan, who were the main players involved in Maitland, it would offend the principles of proportionality to order disgorgement by Lanys.

IX. THE LAW ON SANCTIONS

[50] The Commission's mandate is to (a) provide protection to investors from unfair, improper or fraudulent practices; and (b) foster fair and efficient capital markets and confidence in capital markets (section 1.1 of the Act).

[51] In exercising its public interest jurisdiction, the Commission must act in a protective and preventative manner, as stated by the Commission in *Re Mithras Management Ltd.*:

> [T]he role of this Commission is to protect the public interest by removing from the capital markets – wholly or partially, permanently or temporarily, as the circumstances may warrant – those whose conduct in the past leads us to conclude that their conduct in the future may well be detrimental to the integrity of those capital markets. We are not here to punish past conduct; that is the role of the courts, particularly under section 118 [now 122] of the Act. We are here to restrain, as best we can, future conduct that is likely to be prejudicial to the public interest in having capital markets that are both fair and efficient. In so doing we must, of necessity, look to past conduct as a guide to what we believe a person's future conduct might reasonably be expected to be; we are not prescient, after all (*Re Mithras Management Ltd.* (1990), 13 O.S.C.B. 1600 at pp. 1610-1611).

[52] The Supreme Court of Canada has described the Commission's public interest jurisdiction as follows:

> The purpose of an order under s. 127 is to restrain future conduct that is likely to be prejudicial to the public interest in fair and efficient capital markets. The role of the [Commission] under s. 127 is to protect the public interest by removing from the capital markets those whose past conduct is so abusive as to warrant apprehension of future conduct detrimental to the integrity of the capital markets (*Committee for Equal Treatment of Asbestos Minority Shareholders v. Ontario (Securities Commission)*, [2001] 2 S.C.R. 132 at para. 43).

[53] In addition, the Commission should consider general deterrence as an important factor when determining appropriate sanctions. In *Re Cartaway Resources Corp.*, [2004] 1 S.C.R. 672 at para. 60, the Supreme Court of Canada stated that "… it is reasonable to view general deterrence as an appropriate, and perhaps necessary, consideration in making orders that are both protective and preventative".

[54] The Commission has previously identified the following as factors that the Commission should consider when imposing sanctions:

(a) the seriousness of the conduct and the breaches of the Act;

(b) the respondent's experience in the marketplace;

(c) the level of a respondent's activity in the marketplace;

(d) whether or not there has been recognition by a respondent of the seriousness of the improprieties;

(e) whether or not the sanctions imposed may serve to deter not only those involved in the matter being considered, but any like-minded people, from engaging in similar abuses of the capital markets;

(f) the size of any profit obtained or loss avoided from the illegal conduct;

(g) the size of any financial sanction or voluntary payment;

(h) the effect any sanctions may have on the ability of a respondent to participate without check in the capital markets;

(i) the reputation and prestige of the respondent;

(j) the remorse of the respondent; and

(k) any mitigating factors.

(See *Re Belteco Holdings Inc.* (1998), 21 O.S.C.B. 7743 at page 7746; *Re M.C.J.C. Holdings Inc. and Michael Cowpland*, (2002), 25 O.S.C.B. 1133 at para. 26; *Limelight Entertainment Inc. (Re)* (2008) 31 OSCB 12030 at para. 21 ("***Re Limelight***"); and *Re Sabourin* (2010), 33 OSCB 5299 at para. 57 ("***Re Sabourin***"))

X. ANALYSIS

A. Findings with respect to Sanctions

[55] When the Commission imposes sanctions, it must do so (a) based only on the findings in the Merits Decision (or in this case, the Agreed Statement of Facts) and on the other evidence presented at the merits hearing and the sanctions hearing (see for example *Re First Global et al.* (2008), 31 O.S.C.B. 10869, at para. 65); (b) in respect of trades and acts in furtherance of trades that occurred in or from Ontario; and (c) with the objective of protecting Ontario investors and Ontario capital markets.

[56] Overall, the sanctions imposed must protect investors and Ontario capital markets by barring or restricting the respondents from participating in those markets in the future and by sending a clear message to the respondents and to others participating in our capital markets that these types of illegal activities and abusive sales practices will simply not be tolerated.

[57] In making my findings with respect to sanctions, I have given little weight to Lanys' claim that he was misled by Grossman and Ulfan with respect to the accredited investor exemption or the prohibited representations. In light of his experience as a registered securities salesperson, I find it difficult to believe that Lanys did not recognize the impropriety of his activities at Maitland. Lanys may not have been the directing mind of this fraudulent scheme, but he must bear responsibility for his actions, actions which caused serious harm to investors.

[58] For the purposes of this order I have considered all trading activities conducted by Lanys in Ontario, regardless of the location of the investors. On this issue I am guided by the Supreme Court of Canada's decision in *Gregory*, *supra*, and the Divisional Court in *XI Biofuels*, *supra*. In both cases, the Courts have confirmed the Commission's jurisdiction to regulate trading activity in Ontario even where such activities have an extraprovincial aspect.

[59] In considering the factors referred to in paragraph 54 of these Reasons and Decision, I find the following factors and circumstances to be particularly relevant:

(a) The seriousness of the allegations. I accept Staff's submission that the acts committed by Lanys constitute serious breaches of the Act;

(b) Lanys' experience in the marketplace. Lanys was registered with the Commission to trade in securities between May 1986 and March 1999 with various registrants. As a former registered salesperson Lanys would have been aware of the prospectus and registration requirements, as well as the minimum qualifications of an "accredited investor";

(c) Lanys' level of activity in the marketplace. Although there is no direct evidence of the number of Maitland shares Lanys sold during the six months that he worked at Maitland (May 2005 to October 2005), it is possible to extrapolate his total sales activity based on his admitted earnings and his admitted commission rate. Lanys admits to having received $91,407.10 in commission at a rate of 8.75% on his sales. On the basis of those admissions, I conclude that Lanys sold in excess of $1,000,000 in Maitland shares over a six month period. This represents a high level of activity in the marketplace;

(d) Lanys made prohibited representations to vulnerable and unsophisticated investors;

(e) None of the funds obtained from investors has been recovered;

(f) Lanys breached key provisions of the Act which are intended to protect investors from the very conduct that occurred in this matter. His actions caused serious financial harm to investors and to the integrity of Ontario's capital markets and were contrary to the public interest;

(g) Grossman and Ulfan orchestrated the fraudulent scheme and appear to be the directing minds of Maitland;

(h) Lanys reached an agreed statement of facts with Staff with respect to his involvement in the sale of Maitland shares;

(i) Lanys cooperated with Staff by consenting to various procedural orders;

(j) Lanys has limited financial resources; and

(k) Lanys has expressed remorse for his participation in the sale of Maitland shares.

B. Trading and Other Prohibitions

[60] One of the Commission's principal objectives in imposing sanctions is to restrain future conduct that could be harmful to investors or Ontario capital markets. In this case, we find that the public interest requires that the Commission restrict the Respondent's future participation in Ontario's capital markets.

[61] I have concluded that it is in the public interest to make the following orders, substantially on the terms requested by Staff:

(a) trading in all securities by Lanys shall cease for a further three years from the date of the Order;

(b) the acquisition of any securities by Lanys is prohibited for three years from the date of the Order;

(c) any exemptions contained in Ontario securities law do not apply to Lanys for three years from the date of the Order; and

(d) Lanys is reprimanded.

[62] For reasons outlined below in respect of the issue of disgorgement, I believe the public interest is better served in this case by a temporary trading ban, as opposed to the lifetime ban suggested by Counsel for Lanys.

C. Disgorgement

i. The Law on Disgorgement

[63] Subsection 127(1)10 of the Act provides that a person or company that has not complied with Ontario securities law can be ordered to disgorge to the Commission "any amounts obtained" as a result of the non-compliance. The disgorgement remedy is intended to ensure that respondents do not retain any financial benefit from their breaches of the Act and to provide specific and general deterrence.

[64] In considering a disgorgement order, the Commission views the following issues and factors to be relevant:

(a) whether an amount was obtained by a respondent as a result of non-compliance with the Act;

(b) the seriousness of the misconduct and the breaches of the Act and whether investors were seriously harmed;

(c) whether the amount that a respondent obtained as a result of non-compliance with the Act is reasonably ascertainable;

(d) whether the individuals who suffered losses are likely to be able to obtain redress [by other means]; and

(e) the deterrent effect of a disgorgement order on the respondents and other market participants.

(*Re Limelight*, *supra*, at para. 52)

[65] The disgorgement orders being sought by Staff in this proceeding are consistent with the disgorgement orders issued in *Re York Rio Resources Inc. and Adam Sherman* (2011), 34 OSCB 5261, *Re York Rio Resources Inc. and Peter Robinson* (2010), 33 OSCB 10434 and *Re Sabourin* at para. 69 and are also consistent with the disgorgement orders issued by the Commission against Valde, Waddingham, Cassidy and Garner, who were Maitland salespersons, in its Order of November 4, 2011. In each of those decisions, the salespersons were ordered to disgorge the entire amount earned in contravention of the Act. In *Re Sabourin*, the Commission stated:

> In our view, a disgorgement order is appropriate in these circumstances because it ensures that none of the respondents will benefit from their breaches of the Act and because such an order will deter them and others from similar conduct.

ii. Findings on Disgorgement

[66] I find that an order requiring Lanys to disgorge to the Commission the specific amount that he earned in contravention of the Act is appropriate and in the public interest. I agree with Staff that a disgorgement order is necessary in these

circumstances because it will ensure that Lanys does not benefit from his breaches of the Act and because such an order will deter Lanys and others from similar misconduct.

[67] In making my findings on this issue, I am not bound by the Commission's earlier Order against Grossman and Ulfan in which the Commission declined to order disgorgement. As in all cases, I must reach my decision on the basis of the facts and the hearing before me. The specific facts and the hearing which led the Commission to decline to order disgorgement against Grossman and Ulfan are not present in this case. In particular, the sanctions order sought by staff against Lanys is sought in a hearing under subsection 127(1) of the Act and not in a hearing under subsection 127(10) of the Act.

[68] Finally, I do not agree that a disgorgement order against Lanys offends the principle of proportionality. I believe the appropriate comparator in this case is the other Maitland salespersons, each of whom were required to disgorge the amounts they obtained in contravention of the Act.

iii. Conclusion as to Disgorgement

[69] The Commission will order that Lanys disgorge to the Commission the amount of $91,407.10 pursuant to paragraph 10 of subsection 127(1) of the Act for allocation to or for the benefit of third parties in accordance with subsection 3.4(2)(b) of the Act.

D. Carve-outs with respect to trading prohibitions

[70] I agree with Staff that Lanys should be permitted to trade shares and/or acquire shares for the purposes of his personal RRSP account, but only after he has disgorged to the Commission the full amount which he obtained through his contraventions of the Act.

E. Telephone Solicitation Ban

[71] Staff has requested a permanent ban be imposed prohibiting Lanys from calling at a residence or telephoning from a location in Ontario to a residence located within or outside of Ontario for the purpose of trading in any securities, pursuant to section 37 of the Act. Lanys did not oppose the imposition of this sanction. In my view, the public interest is served by a prohibition on calling and telephone solicitation, and I will so order.

F. Other sanctions proposed by Lanys

[72] Counsel for Lanys proposed several sanctions in the alternative to a disgorgement order. Because I have decided that a disgorgement order against Lanys is appropriate and in the public interest, it is not necessary to consider the alternative sanctions proposed. In any event, the Commission lacks the statutory authority to impose any of the alternative sanctions proposed by Counsel for Lanys.

XI. ORDER

[73] For the reasons discussed above, I have concluded that the sanctions to be imposed are in the public interest and are proportionate to the circumstances of this matter. Accordingly, I order that:

(a) pursuant to clause 2 of subsection 127(1) of the Act, Lanys shall cease trading in any securities for a period of three years from the date of this Order, with the exception that Lanys shall be permitted to trade securities for the account of his registered retirement savings plans (as defined in the *Income Tax Act* (Canada)) in which he has sole legal and beneficial ownership, provided that:

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

(ii) he does not own legally or beneficially more than one percent of the outstanding securities of the class or series of the class in question;

(iii) he carries out any permitted trading through a registered dealer (who has been given a copy of this Order) and in accounts opened in his name only, and he must close any accounts that are not in his name only; and

(iv) no such trading shall be permitted unless and until he has paid in full the disgorgement order set out in subparagraph (e) of this Order;

(b) pursuant to clause 2.1 of subsection 127(1) of the Act, the acquisition of any securities by Lanys is prohibited for a period of three years from the date of this Order, subject to the same exception set out in subparagraph (a) of this Order;

(c) pursuant to clause 3 of subsection 127(1) of the Act, any exemptions in Ontario securities law do not apply to Lanys for a period of three years from the date of this Order, subject to the same exception set out in subparagraph (a) of this Order;

(d) pursuant to clause 6 of subsection 127(1) of the Act, Lanys is reprimanded;

(e) pursuant to clause 10 of subsection 127(1) of the Act, Lanys shall disgorge to the Commission $91,407.10;

(f) pursuant to section 37 of the Act, Lanys shall be prohibited permanently from calling at a residence or telephoning from a location in Ontario to any residence located in or out of Ontario for the purpose of trading in any security or in any class of securities; and

(g) the amount set out in subparagraph (e) of this Order shall be allocated by the Commission to or for the benefit of third parties, including investors who lost money as a result of investing in the Maitland shares, as permitted under subsection 3.4(2)(b) of the Act.

XII. CONCLUSION

[74] For the reasons set out above, I have concluded that the sanctions imposed against Lanys are proportionate to his conduct relative to the other Respondents in this Maitland proceeding and are in the public interest. I will issue a sanctions order in the form attached as Schedule “A” to these reasons.

Dated at Toronto, this 6th day of July, 2012.

“Edward P. Kerwin”
Edward P. Kerwin

Schedule "A"

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

AND

IN THE MATTER OF
MAITLAND CAPITAL LTD., ALLEN GROSSMAN, HANOCH ULFAN, LEONARD WADDINGHAM, RON GARNER, GORD VALDE, MARIANNE HYACINTHE, DIANNA CASSIDY, RON CATONE, STEVEN LANYS, ROGER MCKENZIE, TOM MEZINSKI, WILLIAM ROUSE AND JASON SNOW

ORDER
with respect to Steven Lanys
(Section 127 of the Securities Act)

WHEREAS on January 24, 2006, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") with respect to Maitland Capital Ltd. ("Maitland") Allen Grossman, Hanouch Ulfan, Leonard Waddingham, Ron Garner, Gord Valde, Marianne Hyacinthe, Dianna Cassidy, Ron Catone, Steven Lanys ("Lanys"), Roger Mckenzie, Tom Mezinski, William Rouse and Jason Snow, accompanied by a Statement of Allegations filed by staff of the Commission ("Staff");

AND WHEREAS on September 2, 2011, the Commission ordered that the hearing on the merits with respect to the allegations against Lanys would commence on February 15, 2012;

AND WHEREAS on February 15, 2012, Staff filed an Agreed Statement of Facts between and Staff and Lanys in which Lanys admitted certain acts in contravention of the Act;

AND WHEREAS the Commission is satisfied that Lanys did not comply with Ontario securities law and acted contrary to the public interest;

AND WHEREAS on February 15, 2012, on the consent of the parties, the Commission heard submissions from Staff and counsel for Lanys on the issue of whether it was in the public interest to issue an order under s. 127 of the Act imposing sanctions against Lanys;

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

IT IS HEREBY ORDERED THAT:

(a) pursuant to clause 2 of subsection 127(1) of the Act, Lanys shall cease trading in any securities for a period of three years from the date of this Order, with the exception that Lanys shall be permitted to trade securities for the account of his registered retirement savings plans (as defined in the *Income Tax Act* (Canada)) in which he has sole legal and beneficial ownership, provided that:

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

(ii) he does not own legally or beneficially more than one percent of the outstanding securities of the class or series of the class in question;

(iii) he carries out any permitted trading through a registered dealer (who has been given a copy of this Order) and in accounts opened in his name only, and he must close any accounts that are not in his name only; and

(iv) no such trading shall be permitted unless and until he has paid in full the disgorgement order set out in subparagraph (e) of this Order;

(b) pursuant to clause 2.1 of subsection 127(1) of the Act, the acquisition of any securities by any of Lanys is prohibited for a period of three years from the date of this Order, subject to the same exception set out in subparagraph (a) of this Order;

(c) pursuant to clause 3 of subsection 127(1) of the Act, any exemptions in Ontario securities law do not apply to Lanys for a period of three years from the date of this Order, subject to the same exception set out in subparagraph (a) of this Order;

(d) pursuant to clause 6 of subsection 127(1) of the Act, Lanys is reprimanded;

(e) pursuant to clause 10 of subsection 127(1) of the Act, Lanys shall disgorge to the Commission $91,407.10;

(f) pursuant to section 37 of the Act, Lanys shall be prohibited permanently from calling at a residence or telephoning from a location in Ontario to any residence located in or out of Ontario for the purpose of trading in any security or in any class of securities; and

(g) the amount set out in subparagraph (e) of this Order shall be allocated by the Commission to or for the benefit of third parties, including investors who lost money as a result of investing in the Maitland shares, as permitted under subsection 3.4(2)(b) of the Act.

DATED at Toronto, Ontario this 6th day of July, 2012.

_____
Edward P. Kerwin

Schedule "B"

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

AND

**IN THE MATTER OF
MAITLAND CAPITAL LTD., ALLEN GROSSMAN,
HANOCH ULFAN, LEONARD WADDINGHAM,
RON GARNER, GORD VALDE, MARIANNE
HYACINTHE, DIANNA CASSIDY, RON CATONE,
STEVEN LANYS, ROGER MCKENZIE, TOM
MEZINSKI, WILLIAM ROUSE AND JASON SNOW**

**AGREED STATEMENT OF FACTS BETWEEN
STAFF OF THE ENFORCEMENT BRANCH AND STEVEN LANYS**

Background

1. Maitland Capital Ltd. ("Maitland") was incorporated in Ontario on November 2, 2004. Maitland has never filed a prospectus with the Commission and has never been registered with the Commission in any capacity.

2. Between November 2004 and November 2005 inclusive, Maitland operated an office and raised approximately $5.5 million through the sale of Maitland shares to investors across Canada and other countries.

3. Steven Lanys ("Lanys") was formerly a securities salesperson at various times between May 6, 1986 to March 29, 1999 inclusive with Gordon-Daly Grenadier Securities, Trend Capital Services Inc., Arlington Securities Inc., Glendale Securities Inc. and J.M. Charter Securities Corp.

4. Lanys had advised Staff that he worked in the furniture business from approximately 1999 to 2005.

5. Lanys was hired by Allen Grossman ("Grossman") to work as a Maitland salesperson in May 2005. Lanys advised Staff that Lanys had no prior knowledge or dealings with Grossman. Lanys' title was Senior V.P. (Operations), Maitland Capital Ltd.

6. Lanys has advised Staff that he was paid a commission of approximately 8.75% on each resale of additional Maitland shares which was one half of the commission rates paid to Maitland salespersons.

7. Lanys worked out of the Maitland office at 161 Eglinton Avenue East in Toronto.

Trading in Maitland Shares by Steven Lanys

8. Lanys' job as a Maitland "reseller" was to telephone existing Maitland shareholders and encourage these shareholders to purchase additional Maitland shares.

9. Each day, Lanys received cards which contained investors' name, address and other contact information. After a resale was made, the subscription agreements were then prepared by the Maitland office and sent out to Maitland shareholders. A courier was then sent to drop off a blank subscription agreement and pick up the investor's cheque.

10. Maitland shares were sold to investors at $2.50 per share. There was no minimum purchase. Lanys used information from various Maitland press releases which he received from Grossman and Hanoch Ulfan ("Ulfan"). Lanys discussed the growing demand for oil and gas with investors and advised Maitland shareholders that prices of Maitland shares were poised to increase. Grossman and Ulfan advised Lanys and others that Maitland was a pre-IPO company that was going public and Lanys advised existing shareholders that Maitland was going public. These representations were made by Lanys to existing Maitland shareholders in order to encourage them to purchase additional shares.

11. Lanys normally did not ask about investors' income or net worth as he was never instructed to make such enquiries. Prior to selling Maitland shares, Grossman advised Lanys that each purchaser of Maitland shares was required to sign a document signifying that they were accredited investors and it was Lanys' understanding that each investor signed such a document. Lanys advised Staff that Grossman advised him prior to hiring Lanys as a salesperson that Maitland

was relying upon the accredited investor exemption for the sale of Maitland shares to comply with the Ontario Securities Act and OSC Rule 45-501.

12. Lanys through Mastermind Consultants Group was paid $91,407.10 in commission cheques from Maitland from May 12, 2005 to October 28, 2005 inclusive. A list of these cheques payable to Mastermind Consultants Group is attached as Schedule "A".

13. Lanys left Maitland at the end of October 2005.

Saskatchewan Cease Trading Order

14. On July 22, 2005, the Saskatchewan Financial Services Commission issued a temporary order against Maitland, Grossman and Lanys. The temporary order was extended by order dated August 8, 2005 and remains in effect today.

15. Lanys has advised Staff that he was never served with the orders of the Saskatchewan Financial Services Commission and only became aware of the orders from his discussions with a Maitland shareholder.

16. Lanys has advised Staff that he stopped calling Saskatchewan investors after he became aware of the Saskatchewan orders.

17. Lanys has advised Staff that he was very upset at Grossman for not bringing the existence of the Saskatchewan orders to Lanys' attention. Lanys has advised Staff that he continued to work at Maitland as he was advised by Grossman that Maitland's lawyer was dealing with the Saskatchewan orders and Lanys required an income to continue paying his child support.

Admissions by Lanys

18. The foregoing conduct engaged in by Lanys constituted breaches of Ontario securities law and/or was contrary to the public interest:

    (a) Lanys worked as a salesperson for Maitland;

    (b) Lanys traded securities of Maitland where no exemption was available contrary to the registration requirements of section 25 of the Act;

    (c) Lanys traded securities of Maitland without a prospectus in circumstances where no exemption was available contrary to the prospectus requirements of section 53 of the Act; and

    (d) Lanys made prohibited representations to Maitland investors contrary to subsections 38(2) and 38(3) of the Act.

Ronald Collins

19. Staff has information attached to the affidavit of Ed LeBlanc, an investigator with the New Brunswick Securities Commission, that a Maitland salesperson initially sold $250 in Maitland shares to Ronald Collins ("Collins") of Moncton, New Brunswick. According to Collins, Lanys then called and attempted to sell Collins further Maitland shares in the amount of $2,250. Notwithstanding that Collins did not have $2,250 to invest, a purchase confirmation form was sent to him and a courier was sent to his house to pick up his cheque. According to Collins, he then complained to Lanys that the share purchase confirmation was sent to him notwithstanding that Lanys was told that Collins had no extra cash and no available credit and was in a bankrupt situation.

20. Lanys has no independent recollection of any dealings with Collins but Lanys has advised Staff that it was his practice not to allow investors to borrow money in order to purchase additional Maitland shares.

Mitigating Factors

21. Lanys has advised Staff that he was unaware that his conduct constituted breaches of Ontario securities law.

22. Lany has co-operated with Staff in reaching this agreed statement of facts. Lanys has also confirmed for Staff that Mezinski was a Maitland salesperson who sold Mailtand shares to investors at the same time that Lanys worked as a Maitland salesperson.

23. Lanys has advised Staff that Grossman advised him and Lanys believed that Maitland was only selling shares to accredited investors as permitted under OSC Rule 45-501.

24. Lanys has advised Staff that he advised many Maitland shareholders of the risks associated with their investments and told many investors that they could lose their investments and to only invest amounts with which they were comfortable.

25. Lanys has advised Staff that he is divorced with three children aged 26 years, 23 years and 21 years. Lanys advised Staff that none of his children live with him although two of his children attend college and university

26. Lanys has advised Staff that he is remorseful for his dealings with Maitland shareholders.

27. Lanys has advised Staff that he believes that he was deliberately misled by Allen Grossman and Hanoch Ulfan and believed that the representations that he was making to investors were true.

28. Lanys has advised Staff that he did not use an alias in his dealings with Maitland shareholders as he believed that he was complying with the Ontario Securities Act including OSC Rule 45-501.

29. Lanys has advised Staff that he is currently not working and currently has no RRSP.

February 14, 2012

Schedule "A"

Steven Lanys

Date	Amount	Cheque #	Reference #
12-May-2005	3,370.50	470	1857
19-May-2005	6,420.00	500	1876
05-May-2005	8,386.13	433	1899
26-May-2005	6,141.80	530	1920
02-Jun-2005	1,471.25	565	1946
09-Jun-2005	3,250.13	594	1976
16-Jun-2005	3,631.31	626	1998
24-Jun-2005	10,131.56	687	561
14-Jul-2005	1,845.75	771	2051
21-Jul-2005	7,704.00	806	2068
07-Jul-2005	3,210.00	734	2129
29-Jul-2005	1,966.13	855	2161
04-Aug-2005	200.63	900	2207
11-Aug-2005	321.00	933	2222
18-Aug-2005	7,631.78	962	2249
02-Sep-2005	2,688.37	1038	2313
08-Sep-2005	412.50	1077	2328
15-Sep-2005	2,316.01	1109	2353
22-Sep-2005	2,247.00	1145	2373
29-Sep-2005	5,778.00	1176	2397
07-Oct-2005	1,872.50	1236	2427
14-Oct-2005	2,969.25	1259	2447
21-Oct-2005	241.50	1301	2481
21-Oct-2005	3,450.00	1284	2482
28-Oct-2005	3,750.00	1316	2498
Total	**91,407.10**		

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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
Aptilon Corporation	09 July 12	20 Jul 12		
Hotline to HR Inc.	09 July 12	20 Jul 12		
West Isle Energy Inc.	28 Jun 12	10 Jul 12	10 Jul 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

THERE ARE NO ITEMS FOR THIS WEEK.

4.2.2 Outstanding Management & Insider Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/ Expire	Date of Issuer Temporary Order

THERE ARE NO ITEMS FOR THIS WEEK.

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Chapter 7

Insider Reporting

This chapter is available in the print version of the OSC Bulletin, as well as as in Carswell's internet service SecuritiesSource (see www.carswell.com).

This chapter contains a weekly summary of insider transactions of Ontario reporting issuers in the System for Electronic Disclosure by Insiders (SEDI). The weekly summary contains insider transactions reported during the seven days ending Sunday at 11:59 pm.

To obtain Insider Reporting information, please visit the SEDI website (www.sedi.ca).

Chapter 8

Notice of Exempt Financings

REPORTS OF TRADES SUBMITTED ON FORMS 45-106F1 AND 45-501F1

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
06/11/2012	1	Admiralty Oils Ltd. - Common Shares	90,000.00	200,000.00
06/06/2012	25	Adroit Resources Inc. - Common Shares	500,000.00	10,000,000.00
05/30/2012	3	American Capital Mortgage Investment Corp. - Common Shares	4,142,250.00	175,000.00
05/14/2012	1	Bison Income Trust II - Trust Units	100,000.00	10,000.00
06/08/2012	4	Builddirect.com Technologies Inc. - Preferred Shares	16,599,997.05	9,618,132.00
06/01/2012	9	Capital Direct I Income Trust - Trust Units	491,120.00	49,112.00
05/31/2012	4	Centurion Apartment Real Estate Investment Trust - Units	530,604.82	47,671.49
06/06/2012	28	CleanEnergy Developments Corp. - Receipts	2,394,000.00	4,788,000.00
06/08/2012	3	Cobalt Coal Ltd. - Debentures	100,000.00	100,000.00
05/17/2012 to 05/18/2012	10	Colwood City Centre Limited Partnership - Notes	393,920.00	393,920.00
06/04/2012	44	Delavaco Properties Inc. - Units	26,045,000.00	25,000.00
05/29/2012	9	Demeure Operating Company Ltd. - Common Shares	123,131.35	40,031.00
05/14/2012	4	Devon Energy Corporation - Notes	6,493,068.43	6,500,000.00
05/29/2012 to 06/08/2012	123	Difference Capital Funding Inc. - Common Shares	30,280,677.60	100,935,592.00
06/25/2012	17	Duran Ventures Inc. - Units	659,600.00	8,245,000.00
01/31/2012	5	East Coast Energy Inc. - Units	26,250.00	75,000.00
06/19/2012	1	ELA Trust - Units	31,640,530.00	3,164,053.00
06/29/2012	1	Energy Fuels Inc. - Common Shares	1,000,000.00	4,373,917.00
06/21/2012	58	Energy Fuels, Inc. - Receipts	8,165,115.00	35,500,500.00
05/31/2012	2	Eucador Capital Corp. - Common Shares	1,300,000.00	616,000.00
05/31/2012	1	Eucador Capital Corp. - Debentures	150,000.00	150,000.00
06/08/2012	4	GaN Systems Inc. - Preferred Shares	4,609,200.00	2,760,000.00
06/07/2012	1	General Electric Capital Corporation - Common Shares	2,561,000.00	25.00
06/12/2012	4	General Electric Capital Corporation - Common Shares	6,571,520.00	64.00

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
04/30/2012	3	Genwealth Ventures L.P. - Limited Partnership Units	270,000.00	270.00
06/20/2012	25	GoldQuest Mining Corp. - Common Shares	6,572,250.00	14,605,000.00
05/16/2012	2	GRD Holding III Corporation - Notes	15,150,000.00	2.00
06/06/2012	15	Greystone Real Estate Fund Inc. - Common Shares	95,000,000.00	1,121,671.88
05/17/2012	13	Harricana River Mining Corporation - Units	1,005,000.00	4,020,000.00
05/28/2012 to 06/01/2012	73	Hope Investments LLC - Membership Interests	80,778,402.00	N/A
05/22/2012	33	Kenai Resources Ltd - Units	3,350,000.00	33,500,000.00
06/15/2012	2	Kingwest Avenue Portfolio - Units	12,789.03	456.54
05/31/2012	1	Kingwest Canadian Equity Portfolio - Units	1,347,539.35	119,987.12
05/31/2012	1	Kingwest US Equity Portfolio - Units	624,496.79	42,947.31
06/15/2012	1	Kingwest US Equity Portfolio - Units	13,509.54	922.91
05/17/2012 to 06/04/2012	2	KMX Corp. - Debentures	1,543,650.00	2.00
05/07/2012	1	LPL Investment Holdings Inc. - Common Shares	342,757.50	10,000.00
06/01/2012	16	Maritime Resources Corp. - Common Shares	540,699.25	2,873,525.00
06/08/2012	18	Medifocus Inc. - Investment Trust Interests	2,755,088.00	18,367,254.00
03/26/2012 to 03/29/2012	5	Member-Partners Solar Energy Limited Partnership (Amended) - Bonds	93,300.00	933.00
05/24/2012	1	MillenMin Ventures Inc. - Units	600,000.00	3,000,000.00
06/19/2012	1	MLF Trust - Units	44,748,989.66	N/A
06/09/2012	1	Mongolia Minerals Corporation - Units	10,000,000.00	8,000,000.00
05/31/2012	26	Morrison Laurier Mortgage Corporation - Preferred Shares	1,023,550.00	N/A
06/07/2012	1	Nara Cable Funding Limited - Note	30,642,500.00	1.00
06/20/2012	3	Nemaska Lithium Inc. - Flow-Through Units	1,365,000.00	2,730,000.00
05/31/2012	210	NWM Private Equity Limited Partnership - Limited Partnership Units	15,358,000.00	N/A
03/30/2012 to 06/08/2012	32	OmniArch Capital Corporation - Bonds	750,970.00	N/A
06/08/2012	9	Opel Technologies Inc. - Investment Trust Interests	507,690.04	2,207,348.00
05/31/2012	1	Pennybacker II, LP - Limited Partnership Interest	257,215.00	N/A
05/11/2012	1	PennyMac Mortgage Investment Trust - Common Shares	2,908,500.00	150,000.00

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
05/25/2012	1	Pier 21 Global Value Pool - Units	500,000.00	N/A
05/18/2012	15	Prestige Hospitality HW Limited Partnership - Limited Partnership Units	751,200.00	702.00
05/31/2012 to 06/08/2012	5	Redstone Investment Corporation - Notes	760,000.00	N/A
06/11/2012	1	Reliant Gold Corp. - Common Shares	6,000.00	100,000.00
04/27/2012	2	Return On Innovation Capital Ltd - Units	4,000,000.00	4,000,000.00
05/03/2012	2	Return On Innovation Capital Ltd - Units	7,781,805.00	7,781,805.00
06/21/2012	1	Rex Opportunity Corp. - Common Shares	5,000.00	50,000.00
06/12/2012	1	Sysco Corporation - Note	1,013,677.50	1.00
05/11/2012	187	Terra Nova Minerals Inc. - Units	10,652,075.00	42,608,300.00
06/14/2012 to 06/22/2012	1	The Newport Balanced Fund - Trust Units	1,374.75	N/A
06/14/2012 to 06/22/2012	3	The Newport Fixed Income Fund - Trust Units	78,049.80	N/A
06/14/2012 to 06/22/2012	1	The Newport Real Estate LP - Trust Units	7,155,122.39	N/A
06/14/2012 to 06/22/2012	11	The Newport Yield Fund - Trust Units	177,899.12	N/A
06/04/2012 to 06/08/2012	42	UBS AG, Jersey Branch - Certificates	26,421,177.31	42.00
06/08/2012	3	UMC Financial Management Inc. - Mortgage	390,000.00	390,000.00
05/30/2012 to 06/08/2012	41	United Hydrocarbon International Corp. - Common Shares	6,600,000.00	6,600,000.00
05/03/2012	1	U.S. Bancorp - Notes	1,973,600.00	20,037.57
06/22/2012 to 06/29/2012	6	Victory Gold Mines Inc. - Units	74,300.00	250,000.00
05/10/2012	15	Walton MD Gardner Woods LP - Limited Partnership Units	562,331.25	56,250.00
05/31/2012	9	Walton NC Westlake LP - Limited Partnership Units	409,485.44	39,872.00
06/05/2012 to 06/08/2012	5	WG Limited - Debentures	20,000,000.00	20,000.00
06/12/2012	4	Xplorent Communications Inc. - Units	75,000,000.00	75,000.00

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Chapter 9

Legislation

9.1.1 Bill 55, Strong Action for Ontario Act (Budget Measures), 2012

STRONG ACTION FOR ONTARIO ACT (BUDGET MEASURES), 2012

Schedule 55 of the *Strong Action for Ontario Act (Budget Measures), 2012* (Bill 55) contained three amendments to the *Securities Act*. Bill 55 received Royal Assent on June 20, 2012 and has become chapter 8, Statutes of Ontario, 2012.

This Schedule may be viewed on the Ontario Legislative Assembly's website at www.ontla.on.ca. The text of the Schedule is also reflected in the consolidated version of the *Securities Act* available on the Ontario e-laws site at www.e-laws.gov.on.ca.

The Explanatory Notes for Schedule 55 of Bill 55 provided a summary of these amendments. The relevant extract is reproduced below Additional notes have been added to specify the coming into force of the three amendments.

SCHEDULE 55
SECURITIES ACT

The *Securities Act* is amended to raise the maximum number of members of the Ontario Securities Commission from 15 to 16. *[Note: This amendment, to subsection 3(2) of the Act, came into force on June 20, 2012.]*

Section 3.4 of the Act is amended to provide that money received by the Commission pursuant to an order or as payment to settle enforcement proceedings may be used by the Commission for the purpose of educating investors or promoting knowledge about the securities and financial markets. *[Note: This amendment came into force on June 20, 2012.]*

Current section 3.12 of the Act provides that the *Corporations Act* does not apply to the Commission. This is amended to refer to the *Not-for-Profit Corporations Act, 2010* instead. *[Note: This amendment comes into force on the day that subsection 4(1) of the Not-for-Profit Corporations Act, 2010 comes into force.]*

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
ATRIUM MORTGAGE INVESTMENT CORPORATION
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Non Offering Prospectus dated July 9, 2012
NP 11-202 Receipt dated July 9, 2012
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1930903

Issuer Name:
Cervus Equipment Corporation
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated July 9, 2012
NP 11-202 Receipt dated July 9, 2012
Offering Price and Description:
$30,000,000 - 6.00% Convertible Unsecured Subordinated Debentures Price: $1,000.00 per Debenture
Underwriter(s) or Distributor(s):
RAYMOND JAMES LTD.
NATIONAL BANK FINANCIAL INC.
CANACCORD GENUITY CORP.
CIBC WORLD MARKETS INC.
RBC DOMINION SECURITIES INC.
MACQUARIE CAPITAL MARKETS CANADA LTD.
PI FINANCIAL CORP.
FRASER MACKENZIE LIMITED
LAURENTIAN BANK SECURITIES INC.
ACUMEN CAPITAL FINANCE PARTNERS LIMITED
M PARTNERS INC.
Promoter(s):
-
Project #1930985

Issuer Name:
Algae Biosciences Corporation
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated July 3, 2012
NP 11-202 Receipt dated July 4, 2012
Offering Price and Description:
$3,000,000.00 (Minimum Offering); $5,000,000.00 (Maximum Offering) Minimum of 12,000,000 Common Shares Maximum of 20,000,000 Common Shares Price: $0.25 per Offered Share
Underwriter(s) or Distributor(s):
Macquarie Private Wealth Inc.
Beacon Securities Limited
Promoter(s):
Andrew D. Ayers
Kevin Blanchette
Jody Stachiw
Project #1930165

Issuer Name:
BRADES RESOURCE CORP.
Principal Regulator - British Columbia
Type and Date:
Preliminary Long Form Prospectus dated June 29, 2012
NP 11-202 Receipt dated July 4, 2012
Offering Price and Description:
(Minimum of $825,000.00 and up to a Maximum of $1,275,000) MINIMUM OFFERING: 5,500,000 SHARES MAXIMUM OFFERING: 8,500,000 SHARES Price: $0.15 per Share
Underwriter(s) or Distributor(s):
Jordan Capital Markets Inc.
Promoter(s):
Cheryl More
Project #1930056

Issuer Name:
Canadian Imperial Bank of Commerce
Type and Date:
Preliminary Base Shelf Prospectus dated July 5, 2012
Receipted on July 6, 2012
Offering Price and Description:
US$8,000,000,000.00 - Senior Debt Securities
Subordinated Debt Securities (subordinated indebtedness)
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1930518

Issuer Name:
Energy Fuels Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated July 3, 2012
NP 11-202 Receipt dated July 3, 2012
Offering Price and Description:
$22,000,000.00 - Floating-Rate Convertible Unsecured Subordinated Debentures Price: $1,000.00 per Debenture
Underwriter(s) or Distributor(s):
DUNDEE SECURITIES LTD.
SCOTIA CAPITAL INC.
NATIONAL BANK FINANCIAL INC.
HAYWOOD SECURITIES INC.
VERSANT PARTNERS INC.
Promoter(s):
-
Project #1929726

Issuer Name:
Horizons Enhanced U.S. Equity Income ETF
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated July 3, 2012
NP 11-202 Receipt dated July 5, 2012
Offering Price and Description:
Class E Units and Advisor Class Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
AlphaPro Management Inc.
Project #1930092

Issuer Name:
Kitrinor Metals Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated July 6, 2012
NP 11-202 Receipt dated July 9, 2012
Offering Price and Description:
Minimum of $500,000.00 or 2,000,000 Units ; Maximum of $1,520,000.00 or 2,000,000 Units Price: $0.25 per Unit and up to 3,400,000 Flow-Through Units Price: $0.30 per Flow-Through Unit
Underwriter(s) or Distributor(s):
PI Financial Corp.
Promoter(s):
-
Project #1930747

Issuer Name:
PowerShares Tactical Bond ETF
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated July 3, 2012
NP 11-202 Receipt dated July 4, 2012
Offering Price and Description:
Units at NAV
Underwriter(s) or Distributor(s):
-
Promoter(s):
Invesco Canada Ltd.
Project #1929895

Issuer Name:
Shoal Point Energy Ltd.
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated July 4, 2012
NP 11-202 Receipt dated July 5, 2012
Offering Price and Description:
Minimum Offering: $9,000,000.00; Maximum Offering: $25,000,000.00 up to * Units and/or up to * Flow-Through Shares Price: $* Per Unit and $* Per Flow-Through Share
Underwriter(s) or Distributor(s):
Kingsdale Capital Markets Inc.
Promoter(s):
George Langdon
Project #1930136

Issuer Name:
Class B Units, Class D Units, Class F Units and Class I Units (unless otherwise noted) of:
Beutel Goodman Balanced Fund
Beutel Goodman Canadian Equity Fund
Beutel Goodman Canadian Equity Plus Fund
Beutel Goodman Canadian Intrinsic Fund
Beutel Goodman Small Cap Fund
Beutel Goodman Canadian Dividend Fund
Beutel Goodman Global Dividend Fund (Class B Units, Class F Units and Class I Units only)
Beutel Goodman World Focus Equity Fund
Beutel Goodman Global Equity Fund
Beutel Goodman International Equity Fund
Beutel Goodman American Equity Fund
Beutel Goodman Income Fund
Beutel Goodman Long Term Bond Fund
Beutel Goodman Corporate/Provincial Active Bond Fund
Beutel Goodman Short Term Bond Fund (Class B Units, Class F Units and Class I Units only)
Beutel Goodman Money Market Fund (Class D Units, Class F Units and Class I Units only)
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated July 29, 2012
NP 11-202 Receipt dated July 4, 2012
Offering Price and Description:
Class B Units, Class D Units, Class F Units and Class I Units
Underwriter(s) or Distributor(s):
Beutel Goodman Managed Funds Inc,
Promoter(s):
-
Project #1915525

Issuer Name:
RBC Canadian T-Bill Fund (Series A and Series D units only)
RBC Canadian Money Market Fund (Series A, Advisor Series, Series D, Series F and Series O units only)
RBC Premium Money Market Fund (Series A, Series F and Series I units only)
RBC $U.S. Money Market Fund (Series A, Series D and Series O units only)
RBC Premium $U.S. Money Market Fund (Series A, Series F and Series I units only)
RBC Canadian Short-Term Income Fund (Series A, Advisor Series, Series D, Series F and Series O units only)
RBC Monthly Income Bond Fund (Series A, Advisor Series, Series D, Series F and Series O units only)
RBC Bond Fund (Series A, Advisor Series, Series D, Series F, Series I and Series O units only)
RBC Advisor Canadian Bond Fund (Advisor Series, Series F and Series O units only)
RBC Canadian Government Bond Index Fund (Series A units only)
RBC Global Bond Fund (Series A, Advisor Series, Series D, Series F and Series O units only)
RBC Global Corporate Bond Fund (Series A, Advisor Series, Series D, Series F and Series O units only)
RBC High Yield Bond Fund (Series A, Advisor Series, Series D, Series F and Series O units only)
RBC Global High Yield Bond Fund (Series A, Advisor Series, Series D, Series F and Series O units only)
RBC Emerging Markets Bond Fund (Series A, Advisor Series, Series D, Series F and Series O units only)
BlueBay Global Monthly Income Bond Fund (Series A, Advisor Series, Series H, Series D, Series F, Series I and Series O units only)
BlueBay Emerging Markets Corporate Bond Fund (Series A, Advisor Series, Series H, Series D, Series F, Series I and Series O units only)
RBC Managed Payout Solution (Series A, Advisor Series and Series F units only)
RBC Managed Payout Solution – Enhanced (Series A, Advisor Series and Series F units only)
RBC Managed Payout Solution – Enhanced Plus (Series A, Advisor Series, Series D, Series F and Series O units only)
RBC Monthly Income Fund (Series A, Advisor Series, Series D, Series F and Series O units only)
RBC $U.S. Income Fund (Series A, Advisor Series, Series D and Series F units only)
RBC Balanced Fund (Series A, Advisor Series, Series T8, Series D, Series F, Series I and Series O units only)
RBC Global Balanced Fund (Series A, Advisor Series, Series T8, Series D, Series F and Series O units only)
RBC Jantzi Balanced Fund (Series A, Advisor Series, Series D, Series F and Series I units only)

RBC Phillips, Hager & North Monthly Income Fund (Series A units only)
RBC Select Very Conservative Portfolio (Series A, Advisor Series, Series T5, Series F and Series O units only)
RBC Select Conservative Portfolio (Series A, Advisor Series, Series T5, Series F and Series O units only)
RBC Select Balanced Portfolio (Series A, Advisor Series, Series T5, Series F and Series O units only)
RBC Select Growth Portfolio (Series A, Advisor Series, Series T5, Series F and Series O units only)
RBC Select Aggressive Growth Portfolio (Series A, Advisor Series, Series T5, Series F and Series O units only)
RBC Select Choices Conservative Portfolio (Series A and Advisor Series units only)
RBC Select Choices Balanced Portfolio (Series A and Advisor Series units only)
RBC Select Choices Growth Portfolio (Series A and Advisor Series units only)
RBC Select Choices Aggressive Growth Portfolio (Series A and Advisor Series units only)
RBC Target 2015 Education Fund (Series A units only)
RBC Target 2020 Education Fund (Series A and Series D units only)
RBC Target 2025 Education Fund (Series A and Series D units only)
RBC Target 2030 Education Fund (Series A and Series D units only)
RBC Canadian Dividend Fund (Series A, Advisor Series, Series T8, Series D, Series F, Series I and Series O units only)
RBC Canadian Equity Fund (Series A, Advisor Series, Series D, Series F, Series I and Series O units only)
RBC Jantzi Canadian Equity Fund (Series A, Advisor Series, Series D, Series F and Series I units only)
RBC Canadian Index Fund (Series A units only)
RBC O'Shaughnessy Canadian Equity Fund (Series A, Advisor Series, Series D and Series F units only)
RBC O'Shaughnessy All-Canadian Equity Fund (Series A, Advisor Series, Series D, Series F and Series O units only)
RBC Canadian Equity Income Fund (Series A, Advisor Series, Series D, Series F and Series O units only)
RBC North American Value Fund (Series A, Advisor Series, Series D, Series F and Series O units only)
RBC North American Growth Fund (Series A, Advisor Series, Series D, Series F and Series O units only)
RBC U.S. Dividend Fund (formerly, RBC North American Dividend Fund) (Series A, Advisor Series, Series T8, Series D, Series F and Series O units only)
RBC U.S. Equity Fund (Series A, Advisor Series, Series D, Series F, Series I and Series O units only)
RBC U.S. Equity Currency Neutral Fund (Series A, Advisor Series, Series D, Series F and Series O units only)
RBC U.S. Index Fund (Series A units only)
RBC U.S. Index Currency Neutral Fund (Series A units only)
RBC O'Shaughnessy U.S. Value Fund (Series A, Advisor Series, Series D, Series F, Series I and Series O units only)
RBC U.S. Mid-Cap Equity Fund (Series A, Advisor Series, Series D, Series F and Series O units only)
RBC U.S. Mid-Cap Equity Currency Neutral Fund (Series A, Advisor Series, Series D, Series F and Series O units only)
RBC U.S. Mid-Cap Value Equity Fund (Series A, Advisor Series, Series D, Series F and Series O units only)
RBC U.S. Small-Cap Core Equity Fund (Series A, Advisor Series, Series D, Series F and Series O units only)
RBC O'Shaughnessy U.S. Growth Fund (Series A, Series D, Series F and Series O units only)
RBC O'Shaughnessy U.S. Growth Fund II (Series A, Advisor Series, Series D and Series F units only)
RBC Life Science and Technology Fund (Series A, Series D and Series F units only)
RBC International Dividend Growth Fund (formerly, RBC DS International Focus Fund) (Advisor Series, Series F and Series O units only)
RBC International Equity Fund (Series A, Advisor Series, Series D, Series F and Series O units only)
RBC International Index Currency Neutral Fund (Series A units only)
RBC O'Shaughnessy International Equity Fund (Series A, Advisor Series, Series D, Series F, Series I and Series O units only)
RBC European Equity Fund (Series A, Advisor Series, Series D, Series F and Series O units only)
RBC Asian Equity Fund (Series A, Advisor Series, Series D, Series F and Series O units only)
RBC Emerging Markets Equity Fund (Series A, Advisor Series, Series D, Series F, Series I and Series O units only)
RBC Global Dividend Growth Fund (Series A, Advisor Series, Series T8, Series D, Series F, Series I and Series O units only)
RBC Jantzi Global Equity Fund (Series A, Advisor Series, Series D, Series F and Series I units only)
RBC O'Shaughnessy Global Equity Fund (Series A, Advisor Series, Series D, Series F and Series O units only)
RBC Global Energy Fund (Series A, Advisor Series, Series D, Series F and Series O units only)
RBC Global Precious Metals Fund (Series A, Advisor Series, Series D, Series F, Series I and Series O units only)
RBC Global Resources Fund (Series A, Advisor Series, Series D, Series F, Series I and Series O units only)

RBC Global Technology Fund (Series A, Advisor Series, Series D and Series F units only)
RBC DS Canadian Focus Fund (Advisor Series, Series F and Series O units only)
RBC DS U.S. Focus Fund (Advisor Series, Series F and Series O units only)
RBC DS Balanced Global Portfolio (Advisor Series, Series F and Series O units only)
RBC DS Growth Global Portfolio (Advisor Series, Series F and Series O units only)
RBC DS All Equity Global Portfolio (Advisor Series and Series F units only)
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated June 29, 2012
NP 11-202 Receipt dated July 5, 2012
Offering Price and Description:
Series A, Advisor Series, Series T5, Series T8, Series H, Series D, Series F, Series I and Series O units
Underwriter(s) or Distributor(s):
ROYAL MUTUAL FUNDS INC.
RBC DIRECT INVESTING INC.
RBC DOMINION SECURITIES INC.
RBC Global Asset Management Inc.
Royal Mutual Funds Inc./RBC Direct Investing Inc.
Royal Mutual Funds Inc.
RBC Dominion Securities Inc.
Royal Mutual Funds Inc./RBD Direct Investing Inc.
Promoter(s):
RBC Global Asset Management Inc.
Project #1912784

Issuer Name:
Caldwell Balanced Fund
Caldwell Income Fund
Caldwell High Income Equity Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated June 29, 2012
NP 11-202 Receipt dated July 3, 2012
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Caldwell Securities Ltd.
Promoter(s):
-
Project #1910119

Issuer Name:
CC&L Core Income and Growth Fund
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated June 26, 2012 to the Simplified Prospectus and Annual Information Form dated June 6, 2012
NP 11-202 Receipt dated July 3, 2012
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
Connor, Clark & Lunn Capital Markets Inc.
Project #1905344

Issuer Name:
Series A, Series B and Series F shares of:
Creststreet Dividend & Income Class
Creststreet Alternative Energy Class
Series A, Series B, Series F, 2013N Series shares, 2013Q Series shares, 2013N(II) Series shares
and 2013Q(II) Series shares of
Creststreet Resource Class
(Classes of shares of Creststreet Mutual Funds Limited)
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated June 29, 2012
NP 11-202 Receipt dated July 3, 2012
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
Creststreet Asset Management Limited
Project #1916371

Issuer Name:
NEI Money Market Fund (Series A and Series I units)
NEI Canadian Bond Fund (Series A units, Series F units, and Series I units)
NEI Income Fund (Series A units, Series F units, and Series I units)
Ethical Balanced Fund (Series A units, Series F units, and Series I units)
Ethical Canadian Dividend Fund (Series A units, Series F units, and Series I units)
Ethical Growth Fund (Series A units, Series F units, and Series I units)
Ethical Special Equity Fund (Series A units, Series F units, and Series I units)
Ethical American Multi-Strategy Fund (Series A units, Series F units, and Series I units)
Ethical Global Dividend Fund (Series A units, Series F units, and Series I units)
Ethical Global Equity Fund (Series A units, Series F units, and Series I units)
Ethical International Equity Fund (Series A units, Series F units, and Series I units)
Ethical Select Income Portfolio(Series A and Series B units)
Ethical Select Conservative Portfolio (Series A and Series F units)
Ethical Select Canadian Balanced Portfolio (Series A and Series F units)
Ethical Select Canadian Growth Portfolio (Series A and Series F units)
Ethical Select Global Balanced Portfolio (Series A and Series F units)
Ethical Select Global Growth Portfolio (Series A and Series F units)
Northwest Macro Canadian Asset Allocation Fund (Series A, Series F, Series I and Series T units)
Northwest Macro Canadian Equity Fund (formerly Northwest Specialty Innovations Fund) (Series A units, Series F units, and Series I units)
Northwest Canadian Dividend Fund (Series A, Series F, Series I and Series T units)
Northwest Canadian Equity Fund (Series A units, Series F units, and Series I units)
Northwest Tactical Yield Fund (Series A, Series F, Series I and Series T units)
Northwest Growth and Income Fund (Series A, Series F, Series I and Series T units)
Northwest Global Equity Fund (Series A units, Series F units, and Series I units)
Northwest U.S. Equity Fund (Series A units, Series F units, and Series I units)
Northwest EAFE Fund (Series A units, Series F units, and Series I units)
Northwest Specialty High Yield Bond Fund (Series A, Series F, Series I and Series T units)
Northwest Specialty Global High Yield Bond Fund (Series A, Series F, Series I and Series T units)
Northwest Specialty Equity Fund (Series A units, Series F units, and Series I units)
Northwest Specialty Growth Fund Inc. (Series A, Series F, Series I Shares)
Northwest Select Conservative Portfolio (Series A, Series F, and Series B units)
Northwest Select Canadian Balanced Portfolio (Series A, Series F, and Series B units)
Northwest Select Canadian Growth Portfolio (Series A, Series F, and Series B units)
Northwest Select Global Balanced Portfolio (Series A and Series F units)
Northwest Select Global Growth Portfolio (Series A and Series F units)
Northwest Select Global Maximum Growth Portfolio (Series A, Series F, and Series B units)
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated July 3, 2012
NP 11-202 Receipt dated July 5, 2012
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Credential Asset Management Inc.
Credential Asset Management
Promoter(s):
Northwest & Ethical Investments Inc.
Project #1917486

Issuer Name:
Fortress Paper Ltd.
Principal Regulator - British Columbia
Type and Date:
Final Short Form Prospectus dated July 3, 2012
NP 11-202 Receipt dated July 3, 2012
Offering Price and Description:
$60,000,000.00 - 7.0% Convertible Unsecured Subordinated Debentures
Underwriter(s) or Distributor(s):
RAYMOND JAMES LTD.
SCOTIA CAPITAL INC.
CANACCORD GENUITY CORP.
DUNDEE SECURITIES LTD.
RBC DOMINION SECURITIES INC.
TD SECURITIES INC.
CIBC WORLD MARKETS INC.
CORMARK SECURITIES INC.
ACUMEN CAPITAL FINANCE PARTNERS LIMITED
Promoter(s):
-
Project #1925870

Issuer Name:
iCo Therapeutics Inc.
Principal Regulator - British Columbia
Type and Date:
Final Base Shelf Prospectus dated July 3, 2012
NP 11-202 Receipt dated July 3, 2012
Offering Price and Description:
$25,000,000.00 Common Shares, Warrants, Units, Subscription Receipts
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1922360

Issuer Name:
Marengo Mining Limited
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated July 4, 2012
NP 11-202 Receipt dated July 4, 2012
Offering Price and Description:
C$20,000,000.00 - 133,333,333 Ordinary Shares
Underwriter(s) or Distributor(s):
Paradigm Capital Inc.
Casimir Capital Ltd.
Promoter(s):
-
Project #1921536

Issuer Name:
Matrix Monthly Pay Fund
Matrix International Income Balanced Fund
Matrix Tax Deferred Income Fund
(Class A, F, I, O and T8 Units)
Matrix Canadian Bond Fund
Matrix International Balanced Fund
Matrix Small Companies Fund
Matrix Canadian Resource Fund
(Class A, F, I and O Units)
Matrix Money Market Fund
(Class A Units)
Matrix Monthly Pay Fund (Corporate Class)
(Series A, F, I, O, T-F8 and T8 Shares)
Matrix Canadian Balanced Fund (Corporate Class)
Matrix American Dividend Growth Fund (Corporate Class)
(formerly Matrix U.S.
Equity Fund (Corporate Class))
(Series A, F, I, O and T8 Shares)
Matrix Dow Jones Canada High Dividend 50 Fund
(Corporate Class)
Matrix S&P/TSX Canadian Dividend Aristocrats Fund
(Corporate Class)
(Series A, F, I and T8 Shares)
Matrix Canadian Resource Fund (Corporate Class)
(Series A, F, I, and O Shares)
Matrix Covered Call Canadian Banks Plus Fund (Corporate Class)
(Series A, F and I Shares)
Matrix Short Term Income Fund (Corporate Class)
(Series A Shares)
Principal Regulator - British Columbia
Type and Date:
Final Simplified Prospectuses dated June 29, 2012
NP 11-202 Receipt dated July 5, 2012
Offering Price and Description:
Class A, F, I, O, T-F8 and T8 Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
Growth Works Capital Ltd.
Project #1918987

Issuer Name:
Oncolytics Biotech Inc.
Principal Regulator - Alberta
Type and Date:
Final Base Shelf Prospectus dated July 3, 2012
NP 11-202 Receipt dated July 3, 2012
Offering Price and Description:
Cdn.$150,000,000.00 - Common Shares, Subscription Receipts, Warrants, Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1924848

Issuer Name:
PIMCO Canadian Short Term Bond Fund
PIMCO Canadian Total Return Bond Fund
PIMCO Canadian Long Term Bond Fund
PIMCO Canadian Real Return Bond Fund
PIMCO Monthly Income Fund (Canada)
PIMCO Global Advantage Strategy Bond Fund (Canada)
PIMCO Global Balanced Fund (Canada)
PIMCO EqS Pathfinder Fund™ (Canada)
(Class A, Class F, Class I, Class M and Class O units)
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated May 30, 2012 to the Simplified Prospectuses and Annual Information Form dated January 20, 2012
NP 11-202 Receipt dated July 3, 2012
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
PIMCO Canada Corp.
Project #1834972

Issuer Name:
ROI Canadian Retirement Fund (Series A, Series F, Series F-5, Series F-7, Series O, Series R,
Series 5 and Series 7 Units)
ROI Global Retirement Fund (Series A, Series F, Series F-5, Series F-7, Series F-9, Series O, Series
R, Series 5, Series 7 and Series 9 Units)
ROI Canadian Top 30 Small Cap Picks Fund (Series A, Series C-7, Series F, Series F-7, Series F-9,
Series O, Series R, Series 7 and Series 9 Units)
ROI Global Supercycle Fund (Series A, Series F, Series F-7, Series F-9, Series O, Series R, Series
7 and Series 9 Units)
ROI Canadian Top 20 Picks Fund (Series A, Series F, Series O and Series R Units)
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated June 29, 2012
NP 11-202 Receipt dated July 6, 2012
Offering Price and Description:
Series A, Series C-7, Series F, Series F-5, Series F-7, Series F-9, Series O, Series R, Series 5, Series 7 and Series 9 Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
Return On Innovation Management Ltd.
Project #1918933

Issuer Name:
Russell LifePoints Fixed Income Portfolio (Series A, B, E, F, F-3 and I-3 Units)
Russell LifePoints Conservative Income Portfolio (Series A, B, E, F, F-5 and I-5 Units)
Russell LifePoints Balanced Income Portfolio (Series A, B, E, F, F-5 and I-5 Units)
Russell LifePoints Balanced Portfolio (Series A, B, E, F, F-6 and I-6 Units)
Russell LifePoints Balanced Growth Portfolio (Series A, B, E, F, F-7 and I-7 Units)
Russell LifePoints Long-Term Growth Portfolio (Series A, B, E and F Units)
Russell LifePoints All Equity Portfolio (Series A, B, E and F Units)
Russell LifePoints Fixed Income Class Portfolio* (Series B, E, F, F-3 and I-3 Shares)
Russell LifePoints Conservative Income Class Portfolio* (Series B, E, F, F-5 and I-5 Shares)
Russell LifePoints Balanced Income Class Portfolio* (Series B, E, F, F-5 and I-5 Shares)
Russell LifePoints Balanced Class Portfolio* (Series B, E, F, F-6 and I-6 Shares)
Russell LifePoints Balanced Growth Class Portfolio* (Series B, E, F, F-7 and I-7 Shares)
Russell LifePoints Long-Term Growth Class Portfolio* (Series B, E and F Shares)
Russell LifePoints All Equity Class Portfolio* (Series B, E and F Shares)
Russell Canadian Fixed Income Fund (Series A and B Units)
Russell Canadian Equity Fund (Series A and B Units)
Russell US Equity Fund (Series A and B Units)
Russell Overseas Equity Fund (Series A and B Units)
Russell Global Equity Fund (Series A and B Units)
Russell Short Term Income Pool (Series A, B, E, F and O Units)
Russell Fixed Income Pool (Series A, B, E, F and O Units)
Russell Core Plus Fixed Income Pool (Series A, B, E, F and O Units)
Russell Global High Income Bond Pool (Series A, B, E, F and O Units)
Russell Canadian Dividend Pool (Series A, B, E, F and O Units)
Russell Canadian Equity Pool (Series A, B, E, F and O Units)
Russell Smaller Companies Pool (Series A, B, E, F and O Units)
Russell Focused US Equity Pool (Series A, B, E, F and O Units)
Russell US Equity Pool (Series A, B, E, F and O Units)
Russell Overseas Equity Pool (Series A, B, E, F and O Units)
Russell Global Equity Pool (Series A, B, E, F and O Units)
Russell Emerging Markets Equity Pool (Series A, B, E, F and O Units)
Russell Money Market Pool (Series A, B, E, F and O Units)
Russell Income Essentials Portfolio (formerly Russell Retirement Essentials Portfolio) (Series B,
E, E-5, E-6, E-7, F, F-5, F-6, F-7, I-5, I-6, I-7 and O Units)
Russell Diversified Monthly Income Portfolio (Series E-5, E-7, F-5, F-7, I-5, I-7 and OS Units)

Russell Enhanced Canadian Growth & Income Portfolio (Series B, E, E-5, E-6, E-7, F, F-5, F-6, F-7, I-5, I-6, I-7 and O Units)
Russell Short Term Income Class* (Series B, E, F, O, US Dollar Hedged Series B and US Dollar Hedged Series F Shares)
Russell Fixed Income Class (formerly Russell Managed Yield Class)* (Series B, E, E-3, E-5, F, F-3, F-5, I-3, I-5, O, US Dollar Hedged Series B, US Dollar Hedged Series F and US Dollar Hedged Series I-5 Shares)
Russell Core Plus Fixed Income Class* (Series B, E, F and O Shares)
Russell Global High Income Bond Class* (Series B, E, F and O Shares)
Russell Canadian Dividend Class* (Series B, E, F, O and US Dollar Hedged Series B Shares)
Russell Canadian Equity Class* (Series B, E, F and O Shares)
Russell Smaller Companies Class* (Series B, E, F and O Shares)
Russell Focused US Equity Class* (Series B, E, F and O Shares)
Russell US Equity Class* (Series B, E, F and O Shares)
Russell Overseas Equity Class* (Series B, E, F and O Shares)
Russell Global Equity Class* (Series B, E, F and O Shares)
Russell Emerging Markets Equity Class* (Series B, E, F and O Shares)
Russell Money Market Class* (Series B, E, F and O Shares)
Russell Income Essentials Class Portfolio (formerly Russell Retirement Essentials Class Portfolio)* (Series B, E, E-5, E-6, E-7, F, F-5, F-6, F-7, I-5, I-6, I-7, O and US Dollar Hedged Series B Shares)
Russell Diversified Monthly Income Class Portfolio* (Series B, E, E-5, E-7, F, F-5, F-7, I-5, I-7, O and US Dollar Hedged Series B Shares)
Russell Enhanced Canadian Growth & Income Class Portfolio* (Series B, E, E-5, E-6, E-7, F, F-5, F-6, F-7, I-5, I-6, I-7 and O Shares)
* Classes of shares of Russell Investments Corporate Class Inc.
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated June 29, 2012
NP 11-202 Receipt dated July 4, 2012
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Russell Investments Canada Limited
Promoter(s):
Russell Investments Canada Limited
Project #1914780

Issuer Name:
Short Term Investment Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus dated July 3, 2012
NP 11-202 Receipt dated July 6, 2012
Offering Price and Description:
Class F Units, Class O Units and Class P Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
SEI Investments Canada Company
Project #1914405

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Change of Name	From: Crowley Carmichael Capital Markets Inc. To: Cork Capital Markets Inc.	Exempt Market Dealer	June 29, 2012
Amalgamation	AGF Investments Inc. and Robitaille Asset Management Inc. To Form: AGF Investments Inc.	Exempt market Dealer, Portfolio Manager, Investment Fund Manager, Mutual Fund Dealer, Commodity Trading Manager	July 3, 2012
New Registration	Cedarbush Investment Management Inc.	Portfolio Manager, Exempt Market Dealer, Investment Fund Manager	July 4, 2012
Change in Registration Category	Shoreline Capital Management Ltd.	From: Portfolio Manager, Exempt Market Dealer, Investment Fund Manager and Commodity Trading Manager To: Portfolio Manager, Exempt Market Dealer and Commodity Trading Manager	July 4, 2012
Change in Registration Category	Tower Asset Management Inc.	From: Portfolio Manager and Exempt Market Dealer To: Portfolio Manager	July 10, 2012

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