

The Ontario Securities Commission

# OSC Bulletin

January 24, 2013

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

**The Ontario Securities Commission**

Cadillac Fairview Tower  
Suite 1903, Box 55  
20 Queen Street West  
Toronto, Ontario  
M5H 3S8

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# Chapter 1

## Notices / News Releases

### 1.1 Notices

#### 1.1.1 Current Proceedings Before The Ontario Securities Commission

January 24, 2013

#### CURRENT PROCEEDINGS

#### BEFORE

#### ONTARIO SECURITIES COMMISSION

#### ----- Temporary Change of Location of Ontario Securities Commission Proceedings

All hearings scheduled to be heard between November 22, 2012 and March 15, 2013 will take place at the following location:

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

### SCHEDULED OSC HEARINGS

January 28, January 30 – February 11 and February 13-22, 2013	<b>Jowdat Waheed and Bruce Walter</b>  s. 127  J. Lynch in attendance for Staff
---	---

10:00 a.m.	Panel: CP/SBK/PLK
------------	-------------------

January 28 and January 30 – February 1, 2013	<b>Moncasa Capital Corporation and John Frederick Collins</b>  s. 127
---	---

10:00 a.m.	T. Center in attendance for Staff  Panel: EPK
------------	---

January 28, 2013	<b>AMTE Services Inc., Osler Energy Corporation, Ranjit Grewal, Phillip Colbert and Edward Ozga</b>
---------------------	---

10:00 a.m.	s. 127
------------	--------

C. Rossi in attendance for Staff

Panel: JEAT

January 28, 2013	<b>Issam El-Bouji, Global Resp Corporation, Global Growth Assets Inc., Global Educational Trust Foundation and Margaret Singh</b>
---------------------	---

s. 127 and 127.1

M. Vaillancourt in attendance for Staff

Panel: JEAT

January 30, 2013	<b>Primaris Retail Real Estate Investment Trust and KS Acquisition II LP</b>
---------------------	--

10:00 a.m.	s. 127
------------	--------

K. Daniels in attendance for Staff

Panel: MGC/JNR

February 1, 2013 1:00 p.m.	<b>Ground Wealth Inc., Armadillo Energy Inc., Paul Schuett, Doug DeBoer, James Linde, Susan Lawson, Michelle Dunk, Adrion Smith, Bianca Soto and Terry Reichert</b>  s. 127  J. Feasby in attendance for Staff  Panel: MGC	February 11, February 13-15, February 19-25 and February 27 – March 6, 2013  10:00 a.m.	<b>David Charles Phillips and John Russell Wilson</b>  s. 127  Y. Chisholm in attendance for Staff  Panel: TBA
February 1, 2013 2:00 p.m.	<b>Oversea Chinese Fund Limited Partnership, Weizhen Tang and Associates Inc., Weizhen Tang Corp., and Weizhen Tang</b>  s. 127 and 127.1  H. Craig in attendance for Staff  Panel: MGC	February 13, 2013  10:00 a.m.	<b>Roger Carl Schoer</b>  s. 21.7  C. Johnson in attendance for Staff  Panel: JEAT
February 4-11 and February 13, 2013 10:00 a.m.	<b>Alexander Christ Doulis (aka Alexander Christos Doulis, aka Alexandros Christodoulidis) and Liberty Consulting Ltd.</b>  s. 127  J. Feasby in attendance for Staff  Panel: VK	February 14-15 and February 20, 2013  10:00 a.m.	<b>Northern Securities Inc., Victor Philip Alboini, Douglas Michael Chornoboy and Frederick Earl Vance</b>  s. 21.7 and 8  Y. Chisholm in attendance for Staff  Panel: JEAT/JNR
February 5, 2013 9:00 a.m.	<b>Fawad UI Haq Khan and Khan Trading Associates Inc. carrying on business as Money Plus</b>  s. 60 and 60.1 of the <i>Commodity Futures Act</i>  T. Center in attendance for Staff  Panel: MGC	February 21, 2013  2:00 p.m.	<b>Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Ciavarella and Michael Mitton</b>  s. 127  S. Horgan in attendance for Staff  Panel: EPK
February 6, 2013 11:00 a.m.	<b>Global RESP Corporation and Global Growth Assets Inc.</b>  s. 127  D. Ferris in attendance for Staff  Panel: JEAT	February 27, 2013  10:00 a.m.	<b>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</b>  s. 127  C. Watson in attendance for Staff  Panel: EPK

February 28, 2013	<b>Children's Education Funds Inc.</b>	March 13, 2013	<b>New Found Freedom Financial, Ron Deonarine Singh, Wayne Gerard Martinez, Pauline Levy, David Whidden, Paul Swaby and Zompas Consulting</b>
10:00 a.m.	s. 127 D. Ferris in attendance for Staff Panel: JEAT	10:00 a.m.	s. 127 A. Heydon/S. Horgan in attendance for Staff Panel: JDC
March 1, 2013	<b>Rezwealth Financial Services Inc., Pamela Ramoutar, Justin Ramoutar, Tiffin Financial Corporation, Daniel Tiffin, 2150129 Ontario Inc., Sylvan Blackett, 1778445 Ontario Inc. and Willoughby Smith</b>	March 18-25, March 27-28, April 1-5 and April 24-25, 2013	<b>Peter Sbaraglia</b>
10:00 a.m.	s. 127(1) and (5) A. Heydon/Y. Chisholm in attendance for Staff Panel : EPK	10:00 a.m.	s. 127 J. Lynch in attendance for Staff Panel: CP
March 5, 2013	<b>New Hudson Television LLC &amp; Dmitry James Salganov</b>	March 18-25 and March 27-28, 2013	<b>2196768 Ontario Ltd carrying on business as Rare Investments, Ramadhar Dookhie, Adil Sunderji and Evgueni Todorov</b>
10:00 a.m.	s. 127 C. Watson in attendance for Staff Panel: MGC	10:00 a.m.	s. 127 D. Campbell in attendance for Staff Panel: EPK
March 6, 2013	<b>Blackwood &amp; Rose Inc., Steven Zetchus and Justin Kreller (also known as Justin Kay)</b>	March 21, 2013	<b>Knowledge First Financial Inc.</b>
10:00 a.m.	s. 127 C. Rossi in attendance for Staff Panel: JEAT	9:00 a.m.	s. 127 D. Ferris in attendance for Staff Panel: JEAT
March 7, 2013	<b>Global Consulting and Financial Services, Crown Capital Management Corporation, Canadian Private Audit Service, Executive Asset Management, Michael Chomica, Peter Siklos (also known as Peter Kuti), Jan Chomica, and Lorne Banks</b>	March 21, 2013	<b>Heritage Education Funds Inc.</b>
11:00 a.m.	s. 127 H. Craig/C. Rossi in attendance for Staff Panel: MGC	9:00 a.m.	s. 127 D. Ferris in attendance for Staff Panel: JEAT

March 22, 2013 10:00 a.m.	<b>Global Energy Group, Ltd., New Gold Limited Partnerships, Christina Harper, Vadim Tsatskin, Michael Schaumer, Elliot Feder, Oded Pasternak, Alan Silverstein, Herbert Groberman, Allan Walker, Peter Robinson, Vyacheslav Brikman, Nikola Bajovski, Bruce Cohen and Andrew Shiff</b>	April 8, April 10-16, April 22, April 24, April 29-30, May 6 and May 8, 2013 10:00 a.m.	<b>Energy Syndications Inc. Green Syndications Inc. , Syndications Canada Inc., Daniel Strumos, Michael Baum and Douglas William Chaddock</b>  s. 127  C. Johnson in attendance for Staff  Panel: TBA
March 25, March 27-28, April 8, April 10-12, April 17, April 19, May 13-17, May 22 and June 24-28, 2013 10:00 a.m.	<b>Bernard Boily</b>  s. 127 and 127.1  M. Vaillancourt/U. Sheikh in attendance for Staff  Panel: TBA	April 11-22 and April 24, 2013 10:00 a.m.	<b>Morgan Dragon Development Corp., John Cheong (aka Kim Meng Cheong), Herman Tse, Devon Ricketts and Mark Griffiths</b>  s. 127  J. Feasby in attendance for Staff  Panel: EPK
April 2, 2013 10:00 a.m.	<b>Vincent Ciccone and Cabo Catoche Corp. (a.k.a. Medra Corp. and Medra Corporation)</b>  s. 127  M. Vaillancourt in attendance for Staff  Panel: VK	April 15-22, April 25 – May 6 and May 8-10, 2013 10:00 a.m.	<b>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.</b>  s. 127  B. Shulman in attendance for Staff  Panel: JDC
April 4, 2013 10:00 a.m.	<b>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 Corp., (aka Liquid Gold International Inc.) and Nanotech Industries Inc.</b>  s. 127  J. Feasby in attendance for Staff  Panel: JDC	April 25, 26 and May 13, 2013 10:00 a.m.	<b>Matthew Robert White and White Capital Corporation</b>  s. 8  S. Horgan/C. Weiler in attendance for Staff  Panel: JEAT



April 29 – May 6 and May 8-10, 2013	<b>North American Financial Group Inc., North American Capital Inc., Alexander Flavio Arconti, and Luigino Arconti</b>	October 15-21, October 23-29, 2013	<b>Normand Gauthier, Gentree Asset Management Inc., R.E.A.L. Group Fund III (Canada) LP, and CanPro Income Fund I, LP</b>
10:00 a.m.	s. 127	10:00 a.m.	s. 127
	M. Vaillancourt in attendance for Staff		B. Shulman in attendance for Staff
	Panel: TBA		Panel: TBA
May 9, 2013	<b>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</b>	May 5-16 and May 20 – June 20, 2014	<b>Paul Azeff, Korin Bobrow, Mitchell Finkelstein, Howard Jeffrey Miller and Man Kin Cheng (a.k.a. Francis Cheng)</b>
10:00 a.m.	s. 127	10:00 a.m.	s. 127
	Y. Chisholm in attendance for Staff		T. Center/D. Campbell in attendance for Staff
	Panel: TBA		Panel: TBA
June 6, 2013	<b>New Hudson Television Corporation, New Hudson Television L.L.C. &amp; James Dmitry Salganov</b>	TBA	<b>Yama Abdullah Yaqeen</b>
10:00 a.m.	s. 127		s. 8(2)
	C. Watson in attendance for Staff		J. Superina in attendance for Staff
	Panel: MGC		Panel: TBA
September 16-23, September 25 – October 7, October 9-21, October 23 – November 4, November 6-18, November 20 – December 2, December 4-16 and December 18-20, 2013	<b>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</b>	TBA	<b>Microsourceonline Inc., Michael Peter Anzelmo, Vito Curalli, Jaime S. Lobo, Sumit Majumdar and Jeffrey David Mandell</b>
10:00 a.m.	s. 127		s. 127
	J. Waechter/U. Sheikh in attendance for Staff		J. Waechter in attendance for Staff
	Panel: TBA		Panel: TBA
			<b>Frank Dunn, Douglas Beatty, Michael Gollogly</b>
			s. 127
			K. Daniels in attendance for Staff
			Panel: TBA

TBA	<p><b>MRS Sciences Inc. (formerly Morningside Capital Corp.), Americo DeRosa, Ronald Sherman, Edward Emmons and Ivan Cavric</b></p> <p>s. 127 and 127(1)</p> <p>D. Ferris in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p><b>FactorCorp Inc., FactorCorp Financial Inc. and Mark Twerdun</b></p> <p>s. 127</p> <p>C. Price in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p><b>Gold-Quest International, 1725587 Ontario Inc. carrying on business as Health and Harmony, Harmony Club Inc., Donald Iain Buchanan, Lisa Buchanan and Sandra Gale</b></p> <p>s. 127</p> <p>H. Craig in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p><b>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</b></p> <p>s. 127</p> <p>H. Craig/C. Watson in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p><b>Gold-Quest International, Health and Harmony, Iain Buchanan and Lisa Buchanan</b></p> <p>s. 127</p> <p>H. Craig in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p><b>Innovative Gifting Inc., Terence Lushington, Z2A Corp., and Christine Hewitt</b></p> <p>s. 127</p> <p>M. Vaillancourt in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p><b>Brilliante Brasilcan Resources Corp., York Rio Resources Inc., Brian W. Aidelman, Jason Georgiadis, Richard Taylor and Victor York</b></p> <p>s. 127</p> <p>H. Craig in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p><b>David M. O'Brien</b></p> <p>s. 37, 127 and 127.1</p> <p>B. Shulman in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p><b>Uranium308 Resources Inc., Michael Friedman, George Schwartz, Peter Robinson, and Shafi Khan</b></p> <p>s. 127</p> <p>H. Craig/C. Rossi in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p><b>Bunting &amp; Waddington Inc., Arvind Sanmugam, Julie Winget and Jenifer Brekelmans</b></p> <p>s. 127</p> <p>S. Schumacher in attendance for Staff</p> <p>Panel: TBA</p>

TBA	<p><b>Colby Cooper Capital Inc.</b>  <b>Colby Cooper Inc., Pac West Minerals Limited John Douglas Lee Mason</b></p> <p>s. 127</p> <p>B. Shulman in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p><b>Crown Hill Capital Corporation and Wayne Lawrence Pushka</b></p> <p>s. 127</p> <p>A. Perschy/A. Pelletier in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p><b>Beryl Henderson</b></p> <p>s. 127</p> <p>S. Schumacher in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p><b>Portus Alternative Asset Management Inc., Portus Asset Management Inc., Boaz Manor, Michael Mendelson, Michael Labanowich and John Ogg</b></p> <p>s. 127</p> <p>H Craig in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p><b>International Strategic Investments, International Strategic Investments Inc., Somin Holdings Inc., Nazim Gillani and Ryan J. Driscoll.</b></p> <p>s. 127</p> <p>C. Watson in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p><b>Irwin Boock, Stanton Defreitas, Jason Wong, Saudia Allie, Alena Dubinsky, Alex Khodjaiaants Select American Transfer Co., Leasesmart, Inc., Advanced Growing Systems, Inc., International Energy Ltd., Nutrione Corporation, Pocketop Corporation, Asia Telecom Ltd., Pharm Control Ltd., Cambridge Resources Corporation, Compushare Transfer Corporation, Federated Purchaser, Inc., TCC Industries, Inc., First National Entertainment Corporation, WGI Holdings, Inc. and Enerbrite Technologies Group</b></p> <p>s. 127 and 127.1</p> <p>D. Campbell in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p><b>Majestic Supply Co. Inc., Suncastle Developments Corporation, Herbert Adams, Steve Bishop, Mary Kricfalusi, Kevin Loman and CBK Enterprises Inc.</b></p> <p>s. 37, 127 and 127.1</p> <p>D. Ferris in attendance for Staff</p> <p>Panel: TBA</p>		
TBA	<p><b>Juniper Fund Management Corporation, Juniper Income Fund, Juniper Equity Growth Fund and Roy Brown (a.k.a. Roy Brown-Rodrigues)</b></p> <p>s. 127 and 127.1</p> <p>D. Ferris in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p><b>Systematech Solutions Inc., April Vuong and Hao Quach</b></p> <p>s. 127</p> <p>D. Ferris in attendance for Staff</p> <p>Panel: TBA</p>

TBA                    **Ernst & Young LLP**  
s. 127 and 127.1  
A. Clark in attendance for Staff  
Panel: TBA

TBA                    **Newer Technologies Limited,  
Ryan Pickering and Rodger Frey**  
s. 127 and 127.1  
B. Shulman 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, Simon Yeung and  
David Horsley**  
s. 127  
H. Craig 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

**ADJOURNED SINE DIE**

**Global Privacy Management Trust and Robert  
Cranston**

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

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

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

**1.1.2 OSC Staff Notice 81-718 – Summary Report for Investment Fund Issuers**

OSC Staff Notice 81-718 – *Summary Report for Investment Fund Issuers* is reproduced on the following internally numbered pages. Bulletin pagination resumes at the end of the Staff Notice.

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OSC Staff Notice 81-718

→ 2012

## Summary Report for Investment Fund Issuers

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# Introduction

## Introduction

This third annual Summary Report for Investment Fund Issuers provides an overview of the key activities and initiatives of the Ontario Securities Commission for 2012 that impact investment fund issuers and the fund industry, including:

- key policy initiatives,
- emerging issues and trends,
- disclosure and compliance reviews, and
- recent developments in staff practices.

This report provides information about the status of some of the initiatives the OSC is undertaking to promote clear and concise disclosure in order to assist investors to make more informed investment decisions. The report also provides information about our work to address the sufficiency of regulatory coverage across all investment fund products. It highlights recent product and market developments, as well as our regulatory response to these developments, in order to assist the investment fund industry in understanding and complying with current regulatory requirements.

The OSC is responsible for overseeing over 3000 publicly-offered investment funds. Ontario based publicly-offered investment funds hold approximately 80% of the near \$900 billion in publicly-offered investment fund assets in Canada.

We administer the regulatory framework for investment funds, including:

- reviewing and assessing product disclosure for all types of investment funds, including prospectuses and continuous disclosure filings,
- considering applications for discretionary relief from securities legislation and rules, and
- taking a leadership role in developing new rules and policies to adapt to the changing environment in the investment fund industry.

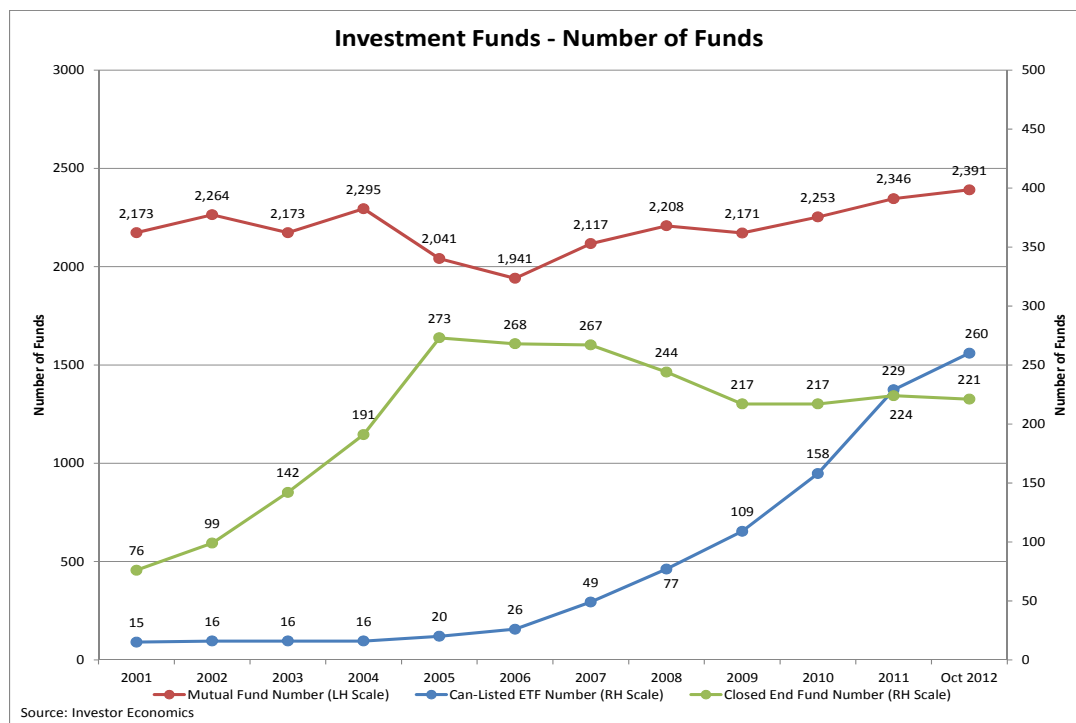
We also monitor and participate in investment fund regulatory developments globally, primarily through our work with the International Organization of Securities Commissions (IOSCO). OSC staff participation on the IOSCO C5 Investment Management committee informs our operational and policy work. We discuss our participation with IOSCO further on our website at [www.osc.gov.on.ca](http://www.osc.gov.on.ca) at [About the OSC – Co-operation](#). In this report, we highlight some of the recent work by IOSCO C5 we think will be of interest to investment fund issuers.

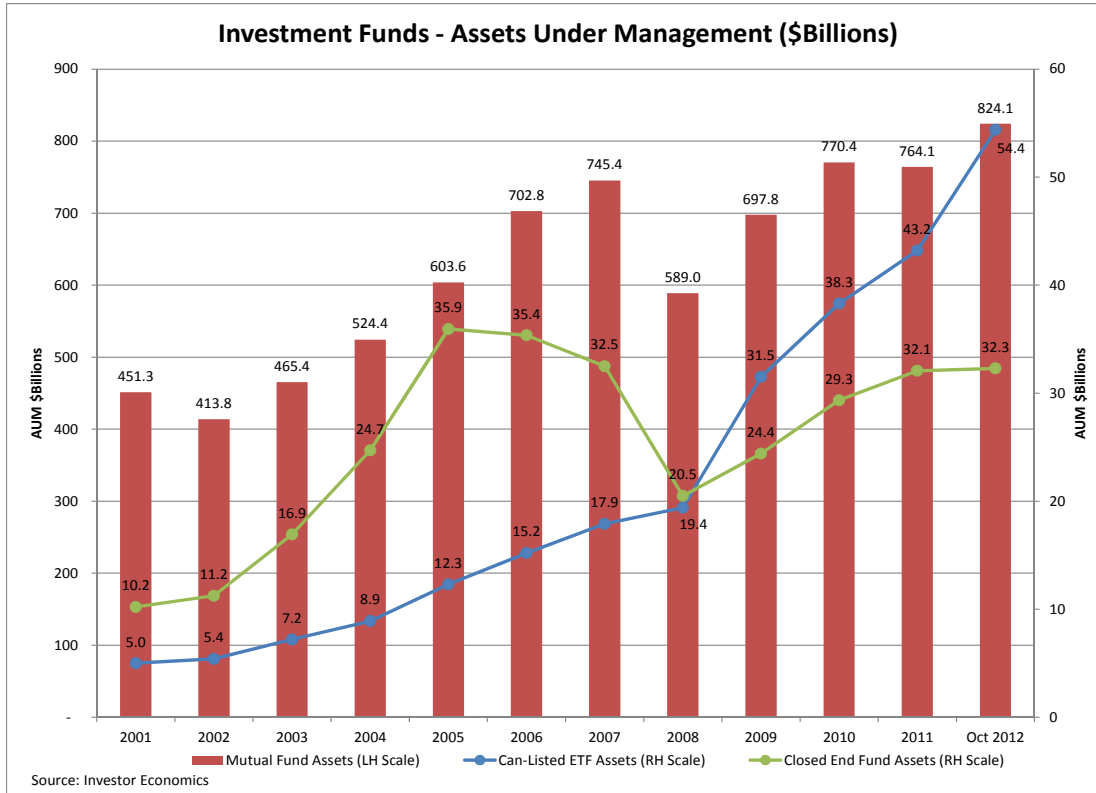


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The investment fund products we oversee include both conventional mutual funds and non-conventional investment funds. Non-conventional funds include non-redeemable investment funds such as closed-end funds, mutual funds listed and posted for trading on a stock exchange (ETFs), commodity pools, scholarship plans, labour-sponsored or venture capital funds and flow-through limited partnerships. We discuss the different types of funds further on our website at [www.osc.gov.on.ca](http://www.osc.gov.on.ca) Investment Funds - Fund Operations.

The ETF market continues to grow steadily, outpacing the growth of conventional mutual funds and closed-end funds. As at October 2012, there were 260 ETFs with assets of approximately \$54.4 billion. In comparison, as at the end of 2011, there were 229 ETFs with assets of approximately \$43.2 billion, representing an increase in assets of approximately 26%. In contrast, conventional fund assets increased by approximately 8%, and closed-end funds assets remained flat, over the same period.





As these and other investment products, such as linked note derivative offerings, increase in number, the OSC will continue to assess and respond to product developments and innovations with a view to promoting investor protection and assessing the sufficiency and consistency of regulatory treatment of different investment fund products.



# 1. Key Policy Initiatives

- 1.1 **Modernization of Investment Fund Product Regulation**
- 1.2 **Point of Sale**
- 1.3 **Scholarship Plans**
- 1.4 **Mutual Fund Fees**

## 1. Key Policy Initiatives

The OSC continues to play a leading role in several significant policy initiatives with other securities regulators in Canada through the Canadian Securities Administrators (the CSA). This section reports on the status of significant policy initiatives including:

- the CSA's project to modernize investment fund product regulation
- point of sale
- scholarship plans
- mutual fund fees

### 1.1 Modernization of Investment Fund Product Regulation

The mandate for this initiative is to review the regulation of publicly offered investment funds with a view to developing rules that recognize product developments and trends in the investment fund industry. The initiative is being carried out in two phases.

The CSA concluded phase 1 of this project in February 2012 by publishing amendments to National Instrument 81-102 *Mutual Funds* (NI 81-102) and National Instrument 81-106 *Investment Fund Continuous Disclosure* (NI 81-106). The amendments updated certain regulatory requirements for mutual funds in order to keep pace with market and product developments, particularly with respect to ETFs. The amendments also introduced new liquidity and term restrictions on money market fund holdings. The amendments came into force on April 30, 2012, other than amendments relating to money market funds which had a 6 month transition period and came into force on October 31, 2012.

Phase 2 of this initiative, now underway, focuses on developing core investment restrictions and operational requirements for publicly offered non-redeemable investment funds, as outlined in CSA Staff Notice 81-322. Concurrently with this work, which will consist of amendments to NI 81-102, the CSA are also considering amendments to National Instrument 81-104 *Commodity Pools* (NI 81-104) to create a more comprehensive alternative investment fund framework that will operate in conjunction with the proposed amendments to NI 81-102. We are considering having NI 81-104 apply to both mutual funds and non-redeemable investment funds that invest in assets or use investment strategies that would not be permitted under the proposed amendments to NI 81-102. The CSA's goal is to achieve a more consistent, fair and functional regulatory regime across the investment fund product spectrum. We are also considering ways to help investors better differentiate between investment funds that use alternative investment strategies from



those that do not. This may include a naming convention, new prospectus and continuous disclosure requirements and new marketing requirements.

We anticipate that the CSA will be able to finalize some aspects of the proposals for non-redeemable investment funds in advance of others. These include the proposed conflicts of interest provisions, securityholder and regulatory approval requirements, and custodianship requirements. Other aspects, particularly certain proposed investment restrictions that are interrelated with the proposals for NI 81-104, will likely require more time to consider and evaluate. We expect these components will be considered in conjunction with each other and to come into effect at the same time.

As part of this work, we will also be seeking input on proposals to enhance the disclosure requirements for all investment funds related to securities lending, repurchase and reverse repurchase transactions to keep pace with global regulatory developments.

The CSA plans to publish its Phase 2 proposals for comment early in 2013.

## **1.2 Point of Sale**

The Point of Sale (POS) Project is a continuation of the CSA's participation in the project by the Joint Forum of Financial Market Regulators to develop a more effective disclosure regime for conventional mutual funds and segregated funds.

The Fund Facts is central to the POS project and is designed to make it easier for investors to find and use key information. The Fund Facts is in plain language, no more than two pages double-sided and highlights key information that is important to investors, including past performance, risks and the costs of investing in a mutual fund.

On June 18, 2010, the CSA announced its approach to proceed with a staged implementation of the POS Project in [CSA Staff Notice 81-319](#).

Stage 1, which came into force January 1, 2011, requires mutual funds to produce and file the Fund Facts and for it to be available on the mutual fund's or mutual fund manager's website. The Fund Facts must also be delivered or sent to investors free of charge on request.

On August 12, 2011, the CSA published proposed amendments to [NI 81-101 Mutual Fund Prospectus Disclosure](#) that set out Stage 2 of the POS Project (2011 Proposal). Stage 2 proposes to allow delivery of the Fund Facts to satisfy the current prospectus delivery



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requirements to deliver a prospectus within two days of buying a mutual fund. Although delivery of the simplified prospectus will no longer be required, the simplified prospectus must still continue to be made available to investors upon request.

In response to stakeholder feedback, particularly from investor advocates, to the 2011 Proposal, on June 21, 2012, the CSA published for second comment changes to the Fund Facts. These changes focused primarily on the presentation of risk in the Fund Facts document. The comment period expired on September 6, 2012. We received 33 comment letters from stakeholders.

In the June, 2012 publication, we committed that before finalizing any changes to the Fund Facts content, the CSA would test the proposed changes with investors. The results of this testing would inform what changes the CSA would make to the Fund Facts before finalizing Stage 2. This testing was completed in October 2012. The CSA expects to publish final materials for Stage 2 proposals by Summer 2013.

Concurrent with this work, the CSA is working on a CSA risk rating methodology in response to feedback received that we should mandate a risk methodology for use in the Fund Facts. The CSA expects to consult on this methodology and to publish it for comment on a separate timeframe from the Stage 2 proposals.

In stage 3, the CSA will complete its review and consideration of the issues related to point of sale delivery for mutual funds, as well as publish for further comment any proposed rules that would implement point of sale delivery for mutual funds. As part of this work, we will also consider the applicability of a Fund Facts-type document and point of sale delivery for other types of publicly offered investment funds.

### **1.3 Scholarship Plans**

We have been continuing to work with the CSA to update and improve the disclosure rules that govern scholarship plans, which are a type of investment fund product used by Canadians to save for their children's education.

Amendments to National Instrument 41-101 *General Prospectus Requirements* (NI 41-101) and proposed new Form 41-101F3 *Information Required in a Scholarship Plan Prospectus* were first published for comment on March 24, 2010, and then for a second comment period on November 25, 2011. After reviewing the comments received and further considering the proposals, several



changes have been made and the CSA published the new prospectus form in final form on January 10, 2013.

The proposals aim to improve the prospectus disclosure provided by scholarship plans by introducing a prospectus form tailored to reflect the unique features of this product. This is an important investor-focused initiative. We know that many investors have trouble understanding the features and complexity of scholarship plans. The new Form 41-101F3 will require scholarship plans to provide investors with key information in a simple, accessible and comparable format to assist them in making a more informed investment decision.

Central to the new prospectus form is the Plan Summary document. Similar to the Fund Facts for mutual funds, it is written in plain language, will be no more than four pages, and highlights the potential risks and the costs of investing in a scholarship plan. It will form part of the prospectus, but will be bound separately.

The CSA expect that adoption of the new prospectus form will lead to more understandable and effective disclosure for investors, enabling them to better understand the possible outcomes and risks associated with investing in scholarship plans.

Following final publication in January 2013, we anticipate the new prospectus form to come into force in Spring 2013.

#### **1.4 Mutual Fund Fees**

On December 13, 2012, the CSA published for comment Consultation Paper 81-407 *Mutual Fund Fees* which examines the mutual fund fee structure in Canada and identifies potential investor protection and fairness issues arising from that structure. The Consultation Paper further sets out various topics for discussion in order to determine whether any regulatory responses are needed to address the issues identified.

The Consultation Paper is the first step in the CSA's public consultations on this topic. Some of the options discussed would impact mutual funds or mutual fund manufacturers directly, and others would impact those who sell the product.

While the focus of this paper is on mutual funds, the CSA recognize that there are other investment fund products whose fee structure may raise similar investor protection and fairness issues for investors. Accordingly, we anticipate that any regulatory initiative we might ultimately



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undertake would assess whether the same initiative should also apply to other investment funds and comparable securities products.

Before considering any of these options further, the CSA intend to consult extensively with investors and industry participants, and will continue to closely monitor and assess the effects of existing regulatory reforms in Canada, such as the POS initiative, and around the world.

The comments on the Consultation Paper will help inform a roundtable the CSA plans to hold with investors and industry participants in 2013. The comments and discussions will also help the CSA determine what, if any, regulatory responses might be appropriate.

The comment period on the Consultation Paper closes on April 12, 2013.



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## 2. Emerging Issues and Trends

- 2.1 Pre-paid Forward Structures in Prospectus Offerings
- 2.2 Fund Names
- 2.3 Foreign Index Participation Units
- 2.4 Exposure to Commodities
- 2.5 Increase in Linked Note Offerings

## 2. Emerging Issues and Trends

### 2.1 Pre-Paid Forward Structures in Prospectus Offerings

We continue to consider the use of forward purchase agreements (prepaid forwards) by both mutual funds and non-redeemable investment funds (closed-end funds). We discussed this topic in the December 2011 edition of the Investment Funds Practitioner. In the prepaid forward structure, the fund proposes to pay an amount at the outset of the agreement, which could be substantially all of the fund's assets, to a counterparty. The counterparty is obligated to deliver the performance of a reference fund to the fund at a later date.

Staff have expressed concern about the use of prepaid forwards by investment funds because of the fund's exposure to the counterparty and the credit risk of the counterparty. We also view a prepaid forward, which transfers substantially all of the fund's assets to a counterparty, to change the nature of the fund from a portfolio of diversified holdings to a concentrated investment in one asset that is essentially an unsecured obligation of the counterparty.

To date, OSC staff have generally not recommended discretionary relief for mutual funds to use prepaid forwards. For closed-end funds, which do not require relief to use prepaid forwards, we have, through our prospectus reviews, allowed prepaid forwards only if the risks identified above are mitigated. This has included requiring the counterparty to post collateral for the benefit of the fund (subject to the terms described in the December 2011 Investment Funds Practitioner), and requiring the fund's prospectus to describe the terms of the prepaid forward and include a textbox on the cover page disclosing the fund's counterparty exposure and related risks.

As part of our re-examination of the use by investment funds of prepaid forwards, we have been meeting with counterparties to these agreements to discuss the parameters which could mitigate the concerns we have identified. The requirements under consideration include providing prospectus disclosure of what happens if there is a default or bankruptcy of the counterparty, daily posting of the collateral on the fund manager's website, and prescribing custodianship requirements for the collateral.

We will continue to consider this issue with a view to providing further guidance on the use of prepaid forwards by both mutual funds and closed-end funds in the Investment Funds Practitioner or an OSC staff notice.

## 2.2 Fund Names

We have noted fund names in preliminary prospectus filings that are not consistent with the fund's investment objectives or investment strategies. We discussed this topic in the April 2012 edition of the Investment Funds Practitioner.

In naming new funds, staff expects that fund managers will consider selecting names which closely reflect the fund's investment objectives, and which distinguish the fund from other funds.

## 2.3 Foreign Index Participation Units

We noted a continued trend in discretionary relief applications by mutual funds for exemptions from the fund on fund provisions in NI 81-102 to permit top funds to invest in foreign ETFs that, but for the fact that they are not listed on a stock exchange in Canada or the United States, would meet the definition of an index participation unit (IPU) in NI 81-102. For the purposes of this discussion, we refer to these foreign ETFs as Foreign IPUs. The Foreign IPUs for which discretionary relief has been sought to date have included ETFs listed on stock exchanges in the U.K., Germany, Ireland, and China.

The concept of an IPU in NI 81-102 was initially created at a time when there was a limited number of ETFs that tracked broad based diversified indices in Canada and the United States. Since this initial concept, we have observed over the past few years a proliferation in the number of product offerings from index providers, particularly ETFs, that track an index that may not qualify as a "market index" as that term is used in the definition of an IPU in NI 81-102. Staff believes that a market index should be one that is constituted in a manner that is consistent with the investment restrictions set out in NI 81-102. We discussed ETFs and IPUs in last year's branch report. We also discussed market indices and IPUs in the May 2011 edition of the Investment Funds Practitioner.

In considering whether to recommend discretionary relief to allow investments in Foreign IPUs, we have been asking for submissions detailing:

- whether the Foreign IPUs hold the securities that are included in a "widely quoted market index";
- the use, if any, of complex swap-based synthetic index replication strategies in the Foreign IPUs;
- whether the regulatory framework under which the Foreign IPUs operate is substantially similar to the regulatory framework of Canada; and



- the reasons as to why the top fund needs access to the Foreign IPU, and why it cannot meet its investment objectives in a manner that complies with the fund on fund provisions set out in NI 81-102.

To date, staff has been reluctant to recommend discretionary relief in instances where the Foreign IPU uses a synthetic index replication strategy because of its complexity and opacity. Staff has otherwise been prepared to consider recommending discretionary relief to allow investments in Foreign IPU's up to a specified limit in instances where it is demonstrated that the investment in Foreign IPU's is consistent with, and fundamental to, the investment objectives of the fund, and that the regulatory regime of the Foreign IPU's is substantially similar to the regulatory regime in Canada.

## **2.4 Exposure to Commodities**

We reviewed an increasing number of discretionary relief applications from investment funds with objectives aimed at providing investors with exposure to physical commodities, particularly precious metals. These funds directly hold the underlying commodity, or invest indirectly in the underlying commodity by investing in futures contracts or by investing in an ETF that tracks the price of that underlying commodity or directly holds the underlying commodity.

This trend appears to be driven by a growing acceptance of commodities as a separate asset class that may provide the benefit of diversification for a "traditional" portfolio consisting of stocks, bonds and cash, as well as by the desire of product manufacturers to capitalize on the growing retail demand for commodity-linked investments.

To date, staff have generally been prepared to recommend discretionary relief for mutual funds, other than precious metal mutual funds, to permit investments of up to 10% of the net asset value of the fund in gold and/or silver, to achieve this asset diversification. Staff have also recommended relief to permit funds with objectives to provide exposure to a particular sector or industry to invest up to 10% of their net asset value in physical commodities related to the sector or industry.

However, staff have generally taken the view that investments in physical commodities by conventional mutual funds, other than precious metal funds, in excess of 10% of net asset value are not consistent with the nature of a mutual fund as a diversified portfolio of securities.

## 2.5 Increase in Linked Note Offerings

There was an increase in the number of linked note pricing supplements filed during the course of 2012. CSA Staff Notice 44-304 *Linked Notes Distributed Under the Shelf Prospectus System* sets out staff's concerns about disclosure provided in the shelf prospectus relating to the linked notes, as well as the process for requesting the pre-clearance of linked notes under the shelf prospectus system.

We continue to review the supplements filed for pre-clearance that are offering "novel" derivatives. As part of our reviews:

- staff have expressed concerns about some novel underlying interests that consist of actively managed portfolios. In those instances, we have raised comments regarding the transparency of the underlying interest, and whether the linked note or the underlying interest should be subject to some additional requirements similar to those that apply to investment funds.
- staff have expressed concern with structures where discretion could be exercised by the issuer of the linked notes in any material calculations affecting the linked notes. In such instances, staff have asked that an independent calculation agent be used.
- we reviewed some supplements that had not been filed for pre-clearance, and raised comments in instances where the supplement included disclosure such as past performance data that was potentially misleading.
- we asked filers to provide, among other things, continuous disclosure regarding the linked notes on a website and to refer investors to the site in the supplement; and disclosure of all fees payable by holders of the notes, including fees paid to dealers.

We will continue reviewing these supplements with a view to informing what regulatory changes or guidance may be appropriate in connection with novel offerings filed under National Instrument 44-102 *Shelf Distributions*.





## 3. Disclosure and Compliance Reviews

### 3.1 Continuous Disclosure Reviews

3.1.1 *Advertising and Marketing Materials*

3.1.2 *Yield/Income Funds*

3.1.3 *Risk Ratings in Fund Facts*

3.1.4 *Review of Portfolio Holdings*

### 3.2 Compliance and Registrant Regulation Branch and Investment Fund Manager Compliance Reviews

### 3. Disclosure and Compliance Reviews

On an ongoing basis, OSC staff review the prospectus and continuous disclosure filings of Ontario-based investment funds. Risk-based criteria are used to select investment funds for reviews of their disclosure documents. We may also choose to conduct targeted reviews of a particular industry segment or on a particular topic. In addition to our prospectus and continuous disclosure reviews, the Investment Funds (IF) Branch works closely with staff in the Compliance and Registrant Regulation (CRR) Branch on issues related to fund manager compliance and identifying possible emerging issues. This can sometimes lead to us conducting joint reviews.

#### 3.1 Continuous Disclosure Reviews

This section discusses some of our reviews and findings in connection with:

- advertising and marketing materials
- yield/income funds
- risk ratings in Fund Facts
- review of portfolio holdings

##### 3.1.1 Advertising and Marketing materials

We commenced a targeted review of advertising and marketing materials of investment funds. A key objective of this review is to raise awareness for preparers of advertising and marketing materials that staff are monitoring advertising activities and looking beyond technical compliance with the OSC's marketing rules to determine if overall the information presented is potentially misleading to retail investors.

As part of this initiative, in addition to continuing ad hoc reviews of advertising materials based on staff's monitoring, dedicated IF Branch staff have been selecting advertising and marketing materials of 4 to 6 investment fund managers to review on a quarterly basis. These reviews cover conventional mutual funds, closed-end funds, exchange-traded funds, commodity pools, and labor sponsored investment funds.

As part of the review, staff have been asking the selected investment fund manager for all advertisements and marketing materials appearing in newspapers, presentations, brochures, the internet, television and radio ads, social media, fund manager websites, email blasts, and green

sheets during the previous quarter. Staff also ask for a description of the policies and procedures relating to the investment fund manager's marketing activities.

A few common or recurring issues that we have noted during our reviews to date include:

- inappropriate use of hypothetical data
- use of unsupportable statements
- failure to provide a balanced message on risk/reward
- internet ads without the required appropriate warning language
- lack of adherence to the requirement to provide standard performance
- use of misleading headlines, or headlines that suggest a degree of safety, a lack of risk, or phenomenal skills or results.

Our reviews have resulted in investment fund managers :

- removing certain advertisements that we brought to their attention
- materially changing their sales communications
- reviewing and revising their policies and procedures
- re-training their staff involved in producing and approving their marketing materials.

We expect to publish our observations and guidance arising from this review in Spring 2013.

### *3.1.2 Yield/Income Funds*

We reviewed the prospectuses of a sample of investment funds that make regular distributions to investors. The scope of this review included the distribution policies and the investment fund manager's decision making process on the form and amount of the distributions.

We identified a number of issues, including:

- Funds paying distributions in excess of the fund's increase in net asset value from operations. In these instances, while such distributions are essentially a return to the investor of their own capital, the use of terminology such as "yield" or "income" in the fund's name implies underlying performance or earnings;
- Funds paying distributions in the form of reinvested units unless, for funds held in non-registered plans, the investor expressly chooses to receive cash distributions. In staff's



view, receiving reinvested units may conflict with the funds' stated focus of providing investors with a regular income stream.

You can find further details regarding this review in the [April 2012 Investment Funds Practitioner](#). In addition to identifying staff's concerns, the Practitioner communicated OSC staff's expectations regarding disclosure that should be provided in prospectuses and continuous disclosure documents to highlight the nature of the distributions, indicate why distributions were made despite the shortfall in earnings, and what investor action is needed if cash distributions are desired.

We will continue to monitor these offerings through our prospectus reviews with a view to informing what regulatory changes or guidance may be appropriate.

### *3.1.3 Risk Ratings In Fund Facts*

We continued to carry out a focused review of the risk ratings assigned to mutual funds in the Fund Facts document with a view to identifying outliers, and asking the mutual fund managers to provide submissions to support the determination of the risk rating of the mutual fund. We introduced the scope of this focused review in [last year's summary report](#).

We identified mutual funds with risk ratings of "low to medium" or "medium" compared with peer funds with risk ratings of "medium to high" and "high". Where we challenged the risk rating of the mutual fund relative to the risk classification methodology used by the manager, as identified in the simplified prospectus, we relied upon objective data and benchmarks to support our analysis.

As a result of the review, some mutual fund managers changed the fund risk rating, increasing the rating from "medium" to "medium to high". In these instances, staff asked that an amended and restated Fund Facts be filed to reflect the change. OSC staff generally take the view that an increase to a mutual fund's risk rating is a material change under securities legislation.

### *3.1.4 Review of Portfolio Holdings*

The scope of this review was introduced in last year's summary report. During the year, the IF Branch completed its targeted review of portfolio holdings by investment funds. We reported our findings in [OSC Staff Notice 81-717 Report on Staff's Continuous Disclosure Review of Portfolio Holdings by Investment Funds](#), which was published in August, 2012.

### 3.2 Compliance and Registrant Regulation Branch and Investment Fund Manager Compliance Reviews

In November 2012, staff of the CRR Branch published [OSC Staff Notice 33-738](#) *OSC Annual Summary Report for Dealers, Advisers and Investment Fund Managers*. The primary purpose of the Staff Notice is to assist registrants, including investment fund managers (IFMs), in complying with their regulatory obligations under Ontario securities law. The Staff Notice summarizes new and proposed rules and initiatives impacting registrants, current trends in deficiencies from compliance reviews of registrants (and suggested practices to address them), and current trends in registration issues.

Section 5.5 of the Staff Notice contains information specifically for IFMs, from the reviews carried out by the CRR Branch. Topics included:

- insufficient oversight of outsourced functions and service providers
- valuation of restricted securities
- inappropriate expenses charged to funds
- inadequate insurance coverage
- marketing practices

Also during the year, the CRR Branch published Multilateral Instrument 32-102 *Registration Exemptions for Non-Resident Investment Fund Managers* (MI 32-102) containing the registration requirements that apply in Ontario, Quebec, and Newfoundland and Labrador to non-resident IFMs, which include international and domestic IFMs who do not have a place of business in the province.

Under MI 32-102, the registration of all non-resident IFMs that have a significant connecting factor to Ontario is required unless they can rely on one of the available exemptions. Existing non-resident IFMs that are acting as an IFM in Ontario must have applied for registration by December 31, 2012.

For more information, see [MI 32-102](#).



## 4. Outreach, Consultation and Education

- 4.1 Investment Funds Product Advisory Committee (IFPAC)
- 4.2 The Investment Funds Practitioner
- 4.3 IFRS Transition Update
- 4.4 IOSCO C5 Investment Management

## 4. Outreach, Consultation and Education

We continue our efforts to be transparent regarding practices and procedures that impact investment fund issuers in as timely a manner as possible. Our intent in doing so is to better enable fund managers and their advisors to avoid potential regulatory issues when they are at the planning stage for a new fund or transaction.

### 4.1 Investment Funds Product Advisory Committee (IFPAC)

The OSC's IFPAC was established in August, 2011. The IFPAC, which is currently comprised of 13 members, advises OSC staff specifically on emerging product developments and innovations occurring in the investment fund industry, and discusses the impact of these developments and emerging issues. The IFPAC also acts as one source of feedback to OSC staff on the development of policy and rule-making initiatives to promote investor protection, fairness and market efficiency across all types of publicly offered investment fund products. The IFPAC meets quarterly and is chaired by Rhonda Goldberg, Director of the Investment Funds Branch. The IFPAC members serve a two year term. The initial two year term expires in 2013, and we expect to solicit applications for membership in Spring 2013. You can find a [list of current IFPAC members](#) on the OSC website.

Topics of discussion with the IFPAC have included the increasing use and complexity of derivatives; trends in structured products; and emerging asset classes (such as commodities) and foreign products/indices.

In addition to the IFPAC, OSC staff continue to meet frequently with stakeholders, including investment fund managers and their advisors, investor advocates and subject matter experts on various topics to inform our policy and operational work. In May, 2012, Som Seif, founder of Claymore Investments Inc., worked with OSC staff in a consultant capacity, to discuss investment fund product trends, and capital market developments generally.

OSC Staff also continue to hold regular meetings with staff of the U.S. Securities and Exchange Commission. These meetings help to ensure that our regulatory approaches to product development are consistent and that opportunities for regulatory arbitrage between our markets are minimized.

## 4.2 The Investment Funds Practitioner

The Investment Funds Practitioner is an overview of recent and topical issues arising from applications for discretionary relief, prospectuses and continuous disclosure documents that investment fund issuers file with the OSC and that are reviewed by the IF Branch. It is intended to assist investment fund managers and their advisors who regularly prepare public disclosure documents and applications for discretionary relief on behalf of investment funds.

The Practitioner is also intended to make fund managers more broadly aware of some of the issues we have raised in connection with our reviews and how we have resolved them. The Practitioner can be found on our website [www.osc.gov.on.ca](http://www.osc.gov.on.ca) at [Information for Investment Funds](#).

We have published 3 editions of the Investment Funds Practitioner since last year's summary report: [December 2011](#), [April 2012](#) and [November 2012](#). We welcome suggestions for future topics.

## 4.3 IFRS Transition Update

In March 2012, we published [CSA Staff Notice 81-320 \(Revised\) Update on International Financial Reporting Standards \(IFRS\) for Investment Funds](#) to update the investment fund industry on the deferral of the IFRS mandatory changeover date for investment funds in Canada to January 2014. The deferral was to continue to allow the International Accounting Standards Board (IASB) additional time to consider proposals for an "investment entity" to be exempt from the general IFRS requirement to consolidate entities that the investment entity may control. The Staff Notice reminded investment funds that want to use IFRS for financial statements for periods beginning before January 1, 2014 that they must apply for discretionary relief from the current requirement to prepare financial statements in accordance with Canadian generally accepted accounting principles, and that their discretionary relief application must identify any issues that early adoption may create with respect to their financial disclosure.

In October 2012, the IASB published *Investment Entities*, which introduced the exception, for investment entities, to the general IFRS principle that all subsidiaries must be consolidated.

The direction and clarity provided by this publication will now allow CSA staff to finalize the proposed amendments to NI 81-106 that were originally published in October 2009, in anticipation of the adoption of IFRS by investment funds in Canada. We expect to publish the proposed amendments to NI 81-106 in final form in the Fall of 2013, ahead of the mandatory changeover date of January 1, 2014.



#### 4.4 IOSCO C5 Investment Management

In 2010, the G20 requested that the Financial Stability Board (FSB), in collaboration with other international standard setting bodies, develop recommendations to strengthen the oversight and regulation of the shadow banking system, which includes money market funds (MMFs). In Fall 2011, the FSB asked IOSCO to undertake a review of potential regulatory reforms of MMFs that would mitigate their susceptibility to runs and other systemic risks, and to develop policy recommendations. OSC staff participated on the IOSCO C5 working group formed to respond to the FSB's request.

In April 2012, IOSCO published a consultation paper providing an analysis of the systemic risks posed by MMFs and outlining potential reform options for their regulation. IOSCO finalized its recommendations to the FSB and published them in October 2012. In November, the FSB endorsed the recommendations as an effective framework for strengthening the resilience of MMFs to risks.

The IOSCO recommendations are intended to provide a common framework for the global regulation of MMFs, while recognizing that the size, features and systemic relevance of MMFs differ across jurisdictions. The recommendations relate to improving the valuation of MMF portfolios, implementing measures for liquidity management in both normal and stressed market conditions, and requiring MMFs that maintain a constant NAV to convert to variable NAV where workable, and if not, to include safeguards to reinforce their resilience and ability to face significant redemptions.

As discussed earlier in this summary report under “Modernization of Investment Fund Product Regulation”, the CSA amended NI 81-102 earlier in 2012 to introduce new liquidity and term restrictions on MMF holdings.

Other current initiatives of the IOSCO Investment Management committee include articulating principles for the valuation of collective investment schemes, for liquidity risk management and for the regulation of ETFs. IF Branch staff participated in the smaller working group established for the ETF project. Final publications of these papers are expected shortly. The Committee will also be working on defining criteria to identify “non-bank” systemically important financial institutions (in the area of asset management).



## 5. Feedback and Contact Information

## 5. Feedback and Contact Information

If you have any questions regarding, or feedback on, our third annual summary report, please send them to [investmentfunds@osc.gov.on.ca](mailto:investmentfunds@osc.gov.on.ca).

You can find additional information regarding investment funds and the IF Branch on our [website](#).

We have also attached a list of IF Branch staff at the end of this report.



ONTARIO  
SECURITIES  
COMMISSION

## INVESTMENT FUNDS BRANCH

NAME	EMAIL
Goldberg, Rhonda – Director	rgoldberg@osc.gov.on.ca
Chan, Raymond – Manager	rchan@osc.gov.on.ca
McKall, Darren – Manager	dmckall@osc.gov.on.ca
Nunes, Vera – Manager	vnunes@osc.gov.on.ca
Alamsjah, Rosni – Administrative Assistant	ralamsjah@osc.gov.on.ca
Asadi, Mostafa – Legal Counsel	masadi@osc.gov.on.ca
Bahuguna, Shaill – Administrative Support Clerk	sbahuguna@osc.gov.on.ca
Barker, Stacey – Senior Accountant	sbarker@osc.gov.on.ca
Bent, Christopher – Legal Counsel	cbent@osc.gov.on.ca
Buenaflor, Eric – Financial Examiner	ebuenaflor@osc.gov.on.ca
De Leon, Joan – Review Officer	jdeleon@osc.gov.on.ca
Fraser, Amy – Review Officer	afraser@osc.gov.on.ca
Gerra, Frederick – Legal Counsel	fgerra@osc.gov.on.ca
Huang, Pei-Ching – Senior Legal Counsel	phuang@osc.gov.on.ca
Jaisaree, Parbatee – Administrative Assistant	pjaisaree@osc.gov.on.ca
Joshi, Meenu – Accountant	mjoshi@osc.gov.on.ca
Kearsey, Ian – Legal Counsel	ikearsey@osc.gov.on.ca
Kwan, Carina – Legal Counsel	ckwan@osc.gov.on.ca
Lee, Irene – Legal Counsel	ilee@osc.gov.on.ca
Leonardo, Tracey – Administrative Assistant	tleonardo@osc.gov.on.ca
Mainville, Chantal – Senior Legal Counsel	cmainville@osc.gov.on.ca
Nania, Viraf – Senior Accountant	vnania@osc.gov.on.ca
Oseni, Sarah – Senior Legal Counsel	soseni@osc.gov.on.ca
Paglia, Stephen – Senior Legal Counsel	spaglia@osc.gov.on.ca
Persaud, Violet – Review Officer	vpersaud@osc.gov.on.ca
Russo, Nicole – Review Officer	nrusso@osc.gov.on.ca
Schofield, Melissa – Senior Legal Counsel	mschofield@osc.gov.on.ca
Thomas, Susan – Senior Legal Counsel	sthenias@osc.gov.on.ca
Tjon, Stephanie – Legal Counsel	stjon@osc.gov.on.ca

Tong, Louisa – Administrative Assistant	ltong@osc.gov.on.ca
Welsh, Doug – Senior Legal Counsel	dwelsh@osc.gov.on.ca
Yu, Sovener – Accountant	syu@osc.gov.on.ca
Zaman, Abid – Accountant	azaman@osc.gov.on.ca



ONTARIO  
SECURITIES  
COMMISSION



ONTARIO  
SECURITIES  
COMMISSION

OSC Staff Notice 81-718



As the regulatory body responsible for overseeing the capital markets in Ontario, the Ontario Securities Commission administers and enforces the provincial Securities Act, the provincial Commodity Futures Act and administers certain provisions of the provincial Business Corporations Act. The OSC is a self-funded Crown corporation accountable to the Ontario Legislature through the Minister of Finance.

**1.1.3 OSC Staff Notice 45-711 – Extension of Consultation Period – OSC Staff Consultation Paper 45-710  
Considerations for New Capital Raising Prospectus Exemptions**

**OSC Staff Notice 45-711  
Extension of Consultation Period**

**OSC Staff Consultation Paper 45-710  
*Considerations for New Capital Raising Prospectus Exemptions***

**January 24, 2013**

On December 14, 2012 the Ontario Securities Commission (OSC) published a consultation paper which describes four concept ideas for possible new prospectus exemptions in Ontario (the Consultation Paper) and seeks public feedback on these ideas. The concept ideas in the Consultation Paper were developed as part of the OSC's broadened exempt market review, and are focused on fostering capital raising by start-ups and small and medium sized enterprises without compromising investor protection.

A copy of the Consultation Paper can be found on the OSC website at the following link:

[http://www.osc.gov.on.ca/documents/en/Securities-Category4/sn\\_20121214\\_45-710\\_exempt-market-review.pdf](http://www.osc.gov.on.ca/documents/en/Securities-Category4/sn_20121214_45-710_exempt-market-review.pdf)

The comment period is scheduled to close on February 12, 2013. We have received feedback from several stakeholders that due to the breadth and complexity of the concept ideas, it would be beneficial for stakeholders to have additional time to review the Consultation Paper and prepare comments. We therefore are extending the comment period from February 12, 2013 to **March 8, 2013**.

Please refer any questions to:

Jo-Anne Matear, Manager  
Corporate Finance Branch  
Ontario Securities Commission  
(416) 593-2323  
[jmatear@osc.gov.on.ca](mailto:jmatear@osc.gov.on.ca)

Elizabeth Topp, Senior Legal Counsel  
Corporate Finance Branch  
Ontario Securities Commission  
(416) 593-2377  
[etopp@osc.gov.on.ca](mailto:etopp@osc.gov.on.ca)

**1.2 Notices of Hearing**

**1.2.1 Matthew Robert White and White Capital Corporation – s. 8(4)**

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

**AND**

**IN THE MATTER OF  
MATTHEW ROBERT WHITE  
AND WHITE CAPITAL CORPORATION**

**NOTICE OF HEARING  
(Section 8(4))**

**TAKE NOTICE** that the Ontario Securities Commission (the "Commission") will hold a hearing (the "Hearing") at the temporary offices of the Commission at ASAP Reporting Services Inc., Bay Adelaide Centre, 333 Bay Street, Suite 900, Toronto, Ontario commencing on Friday, January 18, 2013 at 1:00 p.m. or as soon thereafter as the Hearing can be held;

**TO CONSIDER** a request for stay of the Director's Decision dated January 11, 2013 pending the hearing and review of the Director's Decision.

Dated at Toronto this 16th day of January, 2013.

"John Stevenson"  
Secretary to the Commission

**1.2.2 Sage Investment Group et al.**

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

**AND**

**IN THE MATTER OF  
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**

**AND**

**IN THE MATTER OF A  
SETTLEMENT AGREEMENT  
BETWEEN STAFF OF THE  
ONTARIO SECURITIES COMMISSION AND  
ANTONIO CARLOS NETO DAVID OLIVEIRA  
AND ANNE MARIE RIDLEY**

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

**TAKE NOTICE** THAT the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to sections 127, and 127.1 of the Ontario *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") at the temporary offices of the Commission, located at ASAP Reporting Services Inc. Bay Adelaide Centre, 333 Bay Street, Suite 900, Toronto, ON. M5H 2T4 on Monday, January 21, 2013 at 12:00 p.m., or as soon thereafter as the hearing can be held;

**AND TAKE NOTICE** that the purpose of the hearing is for the Commission to consider whether it is in the public interest to approve settlement agreements entered into between Staff of the Commission and Anne Marie Ridley, and Staff of the Commission and Antonio Carlos Neto David Oliveira;

**BY REASON OF** the allegations set out in the Statement of Allegations of Staff of the Commission dated January 27th, 2012 and such additional allegations as counsel may advise and the Commission may permit;

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

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

**DATED** at Toronto, this 17th day of January, 2013.

"John Stevenson"  
Secretary to the Commission



**1.3 News Releases**

**1.3.1 Superior Court of Justice Allows the Ontario Securities Commission's Sentence Appeal in the Matter of Abel Da Silva**

**FOR IMMEDIATE RELEASE  
January 15, 2013**

**SUPERIOR COURT OF JUSTICE ALLOWS  
THE ONTARIO SECURITIES COMMISSION'S  
SENTENCE APPEAL IN THE MATTER OF  
ABEL DA SILVA**

**TORONTO** – In its reasons dated January 15, 2013, the Superior Court of Justice allowed a sentence appeal by the Ontario Securities Commission and imposed an order that Abel Da Silva serve an 18 month jail sentence consecutively to a previous 27 month sentence.

On March 30, 2012, Da Silva was sentenced in the Ontario Court of Justice to 18 months in jail for trading in securities without registration and for breaching three separate Commission orders. At that time, the sentence was ordered to be served concurrently to the sentence of 27 months in jail imposed on Da Silva in November 2011 by the Ontario Court of Justice in the Shallow Oil matter.

The Commission appealed the 18 months concurrent sentence and sought an 18 month consecutive sentence. The Superior Court found the concurrent sentence imposed on Da Silva was unfit and found that a total sentence of 45 months was not disproportionate to the gravity of the offences.

A copy of the Reasons for Judgment can be obtained from the Superior Court.

**For Media Inquiries:**

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

Alison Ford  
Media Relations Specialist  
416-593-8307

**For Investor Inquiries:**

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

**1.3.2 Court Dismisses Application by Andrew Rankin**

**FOR IMMEDIATE RELEASE  
January 15, 2013**

**COURT DISMISSES APPLICATION BY  
ANDREW RANKIN**

**TORONTO** – On January 11, 2013 the Superior Court of Justice (Divisional Court) released its Oral Reasons in respect of Andrew Rankin's appeal of the decision of the Ontario Securities Commission, dated November 21, 2011, dismissing Rankin's application to set aside an earlier order of the Commission approving a settlement he made with the Staff of the Commission.

The majority of the Court dismissed Rankin's appeal on the grounds that the November 21, 2011 decision of the Commission was a reasonable one.

Copies of the Oral Reasons are available through the Court.

**For Media Inquiries:**

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

Alison Ford  
Media Relations Specialist  
416-593-8307

**For Investor Inquiries:**

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

**1.4 Notices from the Office of the Secretary**

**1.4.1 Matthew Robert White and White Capital Corporation**

**FOR IMMEDIATE RELEASE  
January 16, 2013**

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

**AND**

**IN THE MATTER OF  
MATTHEW ROBERT WHITE AND  
WHITE CAPITAL CORPORATION**

**TORONTO** – On January 16, 2013, the Commission issued a Notice of Hearing pursuant to section 8(4) of the *Securities Act* to consider a request for a stay of the Director's Decision dated January 11, 2013 pending the hearing and review of the Director's Decision. The hearing will be held at the temporary offices of the Commission at ASAP Reporting Services Inc., Bay Adelaide Centre, 333 Bay Street, Suite 900, Toronto, Ontario commencing on Friday, January 18, 2013 at 1:00 p.m. or as soon thereafter as the Hearing can be held.

A copy of the Notice of Hearing dated January 16, 2013 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

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

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

Alison Ford  
Media Relations Specialist  
416-593-8307

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

**1.4.2 International Strategic Investments et al.**

**FOR IMMEDIATE RELEASE  
January 17, 2013**

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

**AND**

**IN THE MATTER OF  
INTERNATIONAL STRATEGIC INVESTMENTS,  
INTERNATIONAL STRATEGIC INVESTMENTS INC.,  
SOMIN HOLDINGS INC., NAZIM GILLANI  
AND RYAN J. DRISCOLL**

**TORONTO** – The Commission issued an Order in the above named matter which provides that the confidential pre-hearing conference will continue on March 5, 2013 at 11:00 a.m. at which time the panel anticipates scheduling dates for a hearing on the merits in this matter.

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

A copy of the Order dated January 16, 2013 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

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

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

Alison Ford  
Media Relations Specialist  
416-593-8307

For investor inquiries:

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

**1.4.3 Sage Investment Group et al.**

**FOR IMMEDIATE RELEASE  
January 17, 2013**

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

**AND**

**IN THE MATTER OF  
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**

**AND**

**IN THE MATTER OF  
A SETTLEMENT AGREEMENT  
BETWEEN STAFF OF THE  
ONTARIO SECURITIES COMMISSION AND  
ANTONIO CARLOS NETO DAVID OLIVEIRA  
AND ANNE MARIE RIDLEY**

**TORONTO** – The Office of the Secretary issued a Notice of Hearing for a hearing to consider whether it is in the public interest to approve the settlement agreements entered into between Staff of the Commission and Anne Marie Ridley and Antonio Carlos Neto David Oliveira. The hearing will be held at the temporary offices of the Commission, located at ASAP Reporting Services Inc. Bay Adelaide Centre, 333 Bay Street, Suite 900, Toronto, ON. M5H 2T4 on Monday, January 21, 2013 at 12:00 p.m., or as soon thereafter as the hearing can be held.

A copy of the Notice of Hearing dated January 17, 2013 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

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JOHN P. STEVENSON  
SECRETARY**

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

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

Alison Ford  
Media Relations Specialist  
416-593-8307

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

**1.4.4 Jowdat Waheed and Bruce Walter**

**FOR IMMEDIATE RELEASE  
January 16, 2013**

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

**AND**

**IN THE MATTER OF  
JOWDAT WAHEED AND BRUCE WALTER**

**TORONTO** – The Commission issued an Order dated January 16, 2013 in the above named matter.

The Commission has also made public Confidential Reasons and Decision on a Motion to Quash Summons and a Confidential Order dated December 20, 2012 in the above named matter that were previously released to the parties on a Confidential basis.

A copy of the Order dated January 16, 2013, the Confidential Reasons and Decision on a Motion to Quash Summons dated December 20, 2012 and the Confidential Order dated December 20, 2012 are available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

**OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY**

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

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

Alison Ford  
Media Relations Specialist  
416-593-8307

For investor inquiries:

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

**1.4.5 Firestar Capital Management Corp. et al.**

For investor inquiries:

**FOR IMMEDIATE RELEASE  
January 21, 2013**

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

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

**AND**

**IN THE MATTER OF  
FIRESTAR CAPITAL MANAGEMENT CORP.,  
KAMPOSSE FINANCIAL CORP.,  
FIRESTAR INVESTMENT MANAGEMENT  
GROUP, MICHAEL CIAVARELLA AND  
MICHAEL MITTON**

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

1. the confidential pre-hearing conference be adjourned to February 21, 2013 at 2:00 p.m., or such other date and time as agreed to by the parties and confirmed by the Office of the Secretary;
2. the Temporary Orders currently in place as against Firestar Capital, Kamposse, and Firestar Investment be further continued until February 22, 2013, or until further order of the Commission; and
3. following the continuation of the confidential pre-hearing conference on February 21, 2013 at 2:00 p.m., a public hearing will be held to consider whether to continue the Temporary Orders currently in place as against Firestar Capital, Kamposse, and Firestar Investment.

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

A copy of the Order dated January 17, 2013 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

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

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

Alison Ford  
Media Relations Specialist  
416-593-8307

**1.4.6 Global Consulting and Financial Services et al.**

**FOR IMMEDIATE RELEASE  
January 21, 2013**

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

**AND**

**IN THE MATTER OF  
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**

**TORONTO** – The Commission issued a Temporary Order in the above named matter which provides that the Amended Temporary Order is extended to March 8, 2013 and the hearing is adjourned to March 7, 2013 at 11:00 a.m., or such other date and time as set by the Office of the Secretary and agreed to by the parties.

A copy of the Temporary Order dated January 17, 2013 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

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

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

Alison Ford  
Media Relations Specialist  
416-593-8307

For investor inquiries:

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

**1.4.7 Paul Azeff et al.**

**FOR IMMEDIATE RELEASE  
January 21, 2013**

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

**AND**

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

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

1. The Third Party Records Motion to review the issuance of a summons shall be heard on April 8, 2013 at 10:00 a.m.;
2. The Disclosure Motion shall be heard on July 17, 2013 at 10:00 a.m.; and
3. The hearing on the merits shall commence on May 5, 2014, and continue up to and including June 20, 2014, save and except for Monday, May 19 (Victoria Day), and the alternate Tuesdays each month when meetings of the Commission are scheduled, the dates of which are unknown at this time.

A copy of the Order dated January 16, 2013 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

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JOHN P. STEVENSON  
SECRETARY

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

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

Alison Ford  
Media Relations Specialist  
416-593-8307

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

**1.4.8 Bunting & Waddington Inc. et al.**

**FOR IMMEDIATE RELEASE  
January 21, 2013**

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

**AND**

**IN THE MATTER OF  
BUNTING & WADDINGTON INC., ARVIND SANMUGAM,  
JULIE WINGET AND JENIFER BREKELMANS**

**TORONTO** – The Commission issued an Order in the above named matter which provides that the confidential pre-hearing conference be adjourned to April 26, 2013 at 10:00 a.m. to provide the panel with a status update.

A copy of the Order dated January 18, 2013 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

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JOHN P. STEVENSON  
SECRETARY

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

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

Alison Ford  
Media Relations Specialist  
416-593-8307

For investor inquiries:

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

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

**FOR IMMEDIATE RELEASE  
January 21, 2013**

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

**AND**

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

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

1. On or before March 8, 2013, Staff shall serve and file with the Commission written submissions with respect to sanctions and costs;
2. On or before March 16, 2013, the remaining respondents shall serve and file with the Commission written submissions with respect to sanctions and costs, if any; and
3. The sanctions and costs hearing is scheduled for March 22, 2013 at 10:00 a.m.

A copy of the Order dated January 15, 2013 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

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JOHN P. STEVENSON  
SECRETARY

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

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

Alison Ford  
Media Relations Specialist  
416-593-8307

For investor inquiries:

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

**1.4.10 Matthew Robert White and White Capital Corporation**

**FOR IMMEDIATE RELEASE  
January 21, 2013**

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

**AND**

**IN THE MATTER OF  
MATTHEW ROBERT WHITE AND  
WHITE CAPITAL CORPORATION**

**TORONTO** – The Commission issued an Order in the above noted matter with certain provisions. The hearing and review of the Decision is scheduled for April 25 and 26 and May 13, 2013.

A copy of the Order dated January 18, 2013 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

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

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

Alison Ford  
Media Relations Specialist  
416-593-8307

For investor inquiries:

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

**1.4.11 Sandy Winick et al.**

**FOR IMMEDIATE RELEASE  
January 21, 2013**

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

**AND**

**IN THE MATTER OF  
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 CORP.  
(aka LIQUID GOLD INTERNATIONAL INC.),  
and NANOTECH INDUSTRIES INC.**

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

1. The application to sever is granted and the matter, as against McCarthy, BFM and Liquid Gold, is adjourned to a date to be fixed by the office of the Secretary of the Commission in consultation with counsel;
2. A hearing shall take place on April 4, 2013 at 10:00 a.m., to provide counsel for Kolt Curry, Mateyak and AHST Ontario and the remaining parties an opportunity to make submissions as to how the matter should proceed.

A copy of the Order dated January 21, 2013 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

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SECRETARY

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

Alison Ford  
Media Relations Specialist  
416-593-8307

For investor inquiries:

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

**1.4.12 Sage Investment Group et al.**

**FOR IMMEDIATE RELEASE**  
**January 21, 2013**

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

**AND**

**IN THE MATTER OF  
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**

**AND**

**IN THE MATTER OF  
A SETTLEMENT AGREEMENT BETWEEN STAFF OF  
THE ONTARIO SECURITIES COMMISSION AND  
ANTONIO CARLOS NETO DAVID OLIVEIRA AND  
ANNE MARIE RIDLEY**

**TORONTO** – Take notice that a hearing will be held on January 22, 2013 at 9:30 a.m. to consider whether it is in the public interest to approve the settlement agreement entered into between Staff of the Commission and Antonio Carlos Neto David Oliveira.

The hearing will be held at the temporary offices of the Commission, located at ASAP Reporting Services Inc. Bay Adelaide Centre, 333 Bay Street, Suite 900, Toronto, ON. M5H 2T4.

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

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

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

Alison Ford  
Media Relations Specialist  
416-593-8307

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

**1.4.13 Sino-Forest Corporation et al.**

**FOR IMMEDIATE RELEASE**  
**January 22, 2013**

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

**AND**

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

**TORONTO** – The Commission issued an Order in the above named matter which provides that (i) if required, a motion be heard February 28, 2013, at 11:00 a.m. or such other date and time as agreed to by the parties and set by the Office of the Secretary; and (ii) a pre-hearing conference be held on May 13, 2013, at 10:00 a.m. or such other date and time as agreed to by the parties and set by the Office of the Secretary.

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

A copy of the Order dated January 17, 2013 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

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

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

Alison Ford  
Media Relations Specialist  
416-593-8307

For investor inquiries:

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



**1.4.14 Oversea Chinese Fund Limited Partnership et al.**

**FOR IMMEDIATE RELEASE  
January 22, 2013**

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

**AND**

**IN THE MATTER OF  
OVERSEA CHINESE FUND LIMITED PARTNERSHIP,  
WEIZHEN TANG AND ASSOCIATES INC.,  
WEIZHEN TANG CORP. AND WEIZHEN TANG**

**TORONTO** – The Commission issued a Temporary Order in the above named which provides that the Temporary Order is extended until February 4, 2013 and the hearing of this matter is adjourned to February 1, 2013 at 2:00 p.m.

A copy of the Temporary Order dated January 18, 2013 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

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

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

Alison Ford  
Media Relations Specialist  
416-593-8307

For investor inquiries:

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

**1.4.15 Sino-Forest Corporation et al.**

**FOR IMMEDIATE RELEASE  
January 22, 2013**

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

**AND**

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

**TORONTO** – The Commission issued an Order in the above named matter which provides pursuant to subsections 127(7) and (8) of the Act, the General Cease Trade Order as varied by the Section 144 Order is extended until the final disposition of the matter related to the Statement of Allegations, including, if appropriate, any final determination with respect to sanctions and costs.

A copy of the Order dated January 17, 2013 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

For media inquiries:  
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416-593-2361

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

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## Chapter 2

# Decisions, Orders and Rulings

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### 2.1 Decisions

#### 2.1.1 Abbott Laboratories

##### Headnote

NP 11-203 – relief from prospectus and dealer registration requirements to allow U.S. parent company to spin off shares of its U.S. subsidiary to investors and employees by way of share distribution and related distributions of options and restricted stock units – distributions not covered by legislative exemptions – U.S. parent company is a public company in the U.S. but is not a reporting issuer in Canada – U.S. parent company has a de minimis presence in Canada – following the spin off, U.S. subsidiary will become independent public company in the U.S. and will not be a reporting issuer in Canada – no investment decision required from Canadian shareholders in order to receive distributions.

##### Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5., as am., ss. 25, 53, 74(1).

December 21, 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  
ABBOTT LABORATORIES  
 (“ABBOTT”)  
  
DECISION

##### Background

1. The principal regulator in the Jurisdiction has received an application from Abbott for a decision under the securities legislation of the Jurisdiction of the principal regulator (the “**Legislation**”) for:
  - (a) an exemption from the prospectus requirements of section 53 of the *Securities Act* (Ontario) (the “Act”) in connection with the proposed distribution of the shares of common stock of AbbVie (“**AbbVie Shares**”) by Abbott by way of dividend to holders (“Abbott Shareholders”) of common shares of Abbott (“**Abbott Shares**”) resident in Canada (“**Abbott Canadian Shareholders**”);
  - (b) an exemption from the prospectus requirements of section 53 of the Act and the dealer registration requirements of section 25 of the Act in connection with the proposed distribution by AbbVie of:
    - (i) options to acquire AbbVie Shares (“**AbbVie Options**”), to current holders of Abbott Options resident in Canada (“Abbott Canadian Optionholders”) that are former employees of Abbott or that will remain employees of Abbott (“**Abbott Canadian Employees**”); and

- (ii) restricted stock and restricted stock units of AbbVie (collectively, “**AbbVie Restricted Stock Securities**”) to current holders of Abbott Restricted Stock Securities, resident in Canada (“**Abbott Canadian Restricted Stockholders**”) that are former employees of Abbott or that will remain Abbott Canadian Employees; and
- (c) an exemption from the prospectus requirements of section 53 of the Act and the dealer registration requirements of section 25 of the Act in connection with the proposed distribution by Abbott of:
  - (i) options to acquire Abbott Shares (“**Abbott Options**”) to Abbott Canadian Optionholders that are former employees of Abbott or that will become employees of AbbVie (“**AbbVie Canadian Employees**”); and
  - (ii) restricted stock and restricted stock units of Abbott (collectively “**Abbott Restricted Stock Securities**”) to Abbott Canadian Restricted Stockholders that are former employees of Abbott or that will become AbbVie Canadian Employees,

(collectively, the “**Requested Relief**”).

- 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) Abbott has provided notice that Section 4.7(1) of Multilateral Instrument 11-102 - *Passport System* (“**MI 11-102**”) is intended to be relied upon in each of the other provinces and territories of Canada.

### 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 Abbott.

- 1. Abbott is an Illinois corporation which operates a broad based health-care business. Abbott’s corporate headquarters are located in Abbott Park near Chicago, Illinois, USA.
- 2. Abbott is not a reporting issuer under the securities laws of any province or territory of Canada. Abbott has no intention of becoming a reporting issuer under the securities laws of any province or territory of Canada.
- 3. Abbott Shares are widely held and trade on the New York Stock Exchange, the Chicago Stock Exchange, the London Stock Exchange and the SIX Swiss Exchange (the “**Exchanges**”). Abbott Shares are not listed on any Canadian stock exchange.
- 4. As of August 31, 2012, there were 2,030 registered holders of Abbott Shares resident in Canada (the “**Abbott Canadian Shareholders**”) holding approximately 1,334,144 Abbott Shares, representing approximately 3.3% of the registered shareholders of Abbott worldwide and holdings of less than 0.1% of the outstanding Abbott Shares as of such date. As such, the number of registered holders of Abbott Shares resident in Canada and the number of Abbott Shares held by residents in Canada is *de minimis*.
- 5. Based on information obtained as of September 26, 2012, there were 17,166 beneficial holders of Abbott Shares resident in Canada, representing approximately 2.4% of all beneficial holders of Abbott Shares and holdings of less than 1.5% of the outstanding Abbott Shares. Abbott does not expect the percentage of beneficial shareholders resident in Canada to have materially changed since that date. As such, the number of beneficial holders of Abbott Shares resident in Canada and the number of Abbott Shares beneficially held by residents of Canada is *de minimis*. There are beneficial holders of Abbott Shares resident in every province and territory of Canada.
- 6. Abbott is proposing to spin off (the “**Spin-off Transaction**”) its research-based pharmaceutical business into an independent public company (AbbVie) through a series of transactions. These transactions are expected, in addition to certain related transactions, to result in the distribution (the “**Stock Dividend**”) by Abbott, pro rata to its shareholders of all of the AbbVie Shares, which will be 100% of the AbbVie Shares outstanding immediately prior to such distribution.
- 7. AbbVie is a Delaware corporation and a wholly owned subsidiary of Abbott that at the time of the Stock Dividend will hold, through its subsidiaries, the assets and liabilities associated with Abbott’s research-based pharmaceutical business.

8. In connection with the Spin-off Transaction, AbbVie filed with the SEC on October 23, 2012 amendment number 4 to a registration statement on Form 10 under the U.S. *Securities Act of 1933* (as subsequently amended, restated and supplemented, the “**Registration Statement**”). The final prospectus filed as part of the Registration Statement will contain audited consolidated financial statements of AbbVie, and it will be made available to Abbott Shareholders for information purposes.
9. Fractional shares of AbbVie Shares will not be distributed under the Stock Dividend. A distribution agent will aggregate the amount of fractional shares that would otherwise have been distributed into whole shares of AbbVie and will sell such shares into the public market as soon after the Stock Dividend as practicable and as determined by the distribution agent at the then-prevailing share prices and distribute the cash proceeds in U.S. Dollars, after deducting any applicable transfer taxes and the costs and expenses of such sale and distribution. The distribution agent will distribute such net proceeds pro rata to each Abbott Shareholder who would otherwise have been entitled to receive a fractional share of AbbVie.
10. Abbott Shareholders will not be required to pay for the AbbVie Shares, or to surrender or exchange Abbott Shares or take any other action to be entitled to receive their AbbVie Shares. The Stock Dividend will occur automatically and without any investment decision on the part of Abbott Shareholders.
11. After the completion of the Spin-off Transaction, Abbott will continue to be listed and traded on the Exchanges.
12. AbbVie will apply to have the AbbVie Shares listed on the Exchanges before or following the Spin-off Transaction.
13. Abbott’s research-based pharmaceuticals business is being spun off into a separate corporation for a variety of reasons including:
  - (a) the investment identities of Abbott and AbbVie have evolved independently over time. The Spin-off Transaction will allow investors to separately value Abbott and AbbVie based on their unique investment identities, including the merits, performance and future prospects of their respective businesses. The Spin-off Transaction will also provide investors with two distinct and targeted investment opportunities;
  - (b) the Spin-off Transaction will allow each business to more effectively pursue its own distinct operating priorities and strategies, which have diverged over time, and will enable the management of both companies to pursue unique opportunities for long-term growth and profitability;
  - (c) the Spin-off Transaction will permit each company to concentrate its financial resources solely on its own operations, providing greater flexibility to invest capital in its business in a time and manner appropriate for its distinct strategy and business needs. This will facilitate a more efficient allocation of capital; and
  - (d) the Spin-off Transaction will create an independent equity structure that will afford AbbVie direct access to capital markets and facilitate the ability to capitalize on its unique growth opportunities and effect future acquisitions utilizing AbbVie Shares.
14. Prior to the completion of the Spin-off Transaction, AbbVie is not and does not intend to become a reporting issuer in any province or territory in Canada or list its securities on any stock exchange in Canada. To the knowledge of Abbott, AbbVie has no intention of becoming a reporting issuer in any province or territory in Canada or listing its securities on any stock exchange in Canada after the completion of the Spin-off Transaction.
15. The Spin-off Transaction and the Stock Dividend will be effected under the laws of the State of Delaware and the State of Illinois, respectively.
16. Because the Stock Dividend will be by way of a dividend of AbbVie Shares to Abbott Shareholders, no shareholder approval of the proposed transaction is required (or being sought) under Illinois law.
17. All materials relating to the Spin-off Transaction sent by or on behalf of Abbott and AbbVie to registered Abbott Shareholders in the United States will be sent concurrently to the registered Abbott Canadian Shareholders. The prospectus that forms part of the Registration Statement will be sent to registered Abbott Canadian Shareholders after the SEC declares the Registration Statement effective.
18. Following the completion of the Spin-off Transaction and Stock Dividend, Abbott and AbbVie, respectively, will send concurrently to registered Abbott Canadian Shareholders the same disclosure materials required to be sent under applicable U.S. laws to Abbott Shareholders resident in the United States.

19. The Abbott Canadian Shareholders who receive AbbVie Shares as a dividend pursuant to the Spin-off Transaction will have the benefit of the same rights and remedies in respect of the disclosure documentation received in connection with the Spin-off Transaction and the Stock Dividend that are available to Abbott Shareholders in the United States.
20. The Stock Dividend to Abbott Canadian Shareholders would be exempt from the Prospectus Requirements pursuant to subsection 2.31(2) of National Instrument 45-106 - *Prospectus and Registration Exemptions* ("NI 45-106") but for the fact that AbbVie is not a reporting issuer under the Act.
21. As a result of the Spin-off Transaction, the value of Abbott Shares will change and, accordingly, Abbott will adjust the existing employee awards. Each outstanding Abbott Option will be converted into an adjusted Abbott Option and an AbbVie Option. The exercise prices and the number of shares subject to each such option will be adjusted pursuant to a formula that is intended to preserve the intrinsic value of the original Abbott Option. Similarly, each outstanding Abbott Restricted Stock Security will be converted into an adjusted Abbott Restricted Stock Security and an AbbVie Restricted Stock Security. The number of shares subject to each such restricted stock security will be adjusted pursuant to a formula that is intended to preserve the intrinsic value of the original Abbott Restricted Stock Security.
22. As of October 18, 2012 there were 119 Abbott Canadian Optionholders that held approximately 0.7% of the outstanding Abbott Options.
23. As of October 18, 2012 there were 286 Abbott Canadian Restricted Stockholders that held approximately 0.8% of the outstanding Abbott Restricted Stock Securities.
24. As part of the Spin-off Transaction certain employees of Abbott in Canada will remain Abbott Canadian Employees and other employees will become AbbVie Canadian Employees.
25. Abbott and AbbVie propose to make the following distributions to employees of Abbott and employees of AbbVie (together the "Security Compensation Awards Canada Distributions"):
  - (a) distribute adjusted Abbott Options and AbbVie Options to current Abbott Canadian Optionholders that are former employees of Abbott or will remain Abbott Canadian Employees;
  - (b) distribute adjusted Abbott Options and AbbVie Options to current Abbott Canadian Optionholders that will become AbbVie Canadian Employees;
  - (c) distribute adjusted Abbott Restricted Stock Securities and AbbVie Restricted Stock Securities to current Abbott Canadian Restricted Stockholders that are former employees of Abbott or will remain Abbott Canadian Employees; and
  - (d) distribute adjusted Abbott Restricted Stock Securities and AbbVie Restricted Stock Securities to current Abbott Canadian Restricted Stockholders that will become AbbVie Canadian Employees.
26. The current plan administrator for purposes of Abbott's existing employee awards plans (the "**Existing Plans**") will administer the Security Compensation Awards Canada Distributions.
27. As part of the Security Compensation Awards Canada Distributions, each Abbott Canadian Employee and AbbVie Canadian Employee will receive the same disclosure material that each United States employee of Abbott or AbbVie would receive who holds Abbott Options or Abbott Restricted Stock Securities.
28. It is the intention of Abbott that only the Abbott Canadian Optionholders and the Abbott Canadian Restricted Stockholders under the Existing Plans will receive the one time benefit of the exemptions granted under this Application with respect to the Security Compensation Awards Canada Distribution. Thereafter, Abbott Canadian Employees will potentially receive awards under the applicable Existing Plans, while AbbVie Canadian Employees will potentially receive AbbVie awards under any comparable employee awards plans of AbbVie, as applicable.
29. The Security Compensation Awards Canada Distributions to Abbott Canadian Employees and AbbVie Canadian Employees would be exempt from the Prospectus Requirements and the Dealer Registration Requirements pursuant to section 2.24 of NI 45-106, and section 8.16 of National Instrument 31-103 - *Registration Requirements, Exemptions and Ongoing Registrant Obligations* but for the fact that the Security Compensation Awards Canada Distributions will occur after the Spin-off Transaction and at that time Abbott and AbbVie will not be related entities for purposes of the exemption.
30. To the knowledge of Abbott, Abbott and AbbVie are not in default of any securities legislation in any of the provinces or territories of Canada.

## Decision

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

The decision of the principal regulator under the Legislation is that:

- (a) the Requested Relief is granted;
- (b) the resale of AbbVie Shares acquired by Abbott Canadian Shareholders will be deemed to be a distribution unless the conditions in section 2.6 or section 2.14 of National Instrument 45-102 - *Resale of Securities* ("NI 45-102") are satisfied; and
- (c) the resale of:
  - (i) AbbVie Options, or the AbbVie Shares underlying the AbbVie Options, that are acquired by Abbott Canadian Optionholders that are former employees of Abbott or that will remain Abbott Canadian Employees;
  - (ii) Abbott Options, or the Abbott Shares underlying the Abbott Options, that are acquired by Abbott Canadian Optionholders that become AbbVie Canadian Employees;
  - (iii) AbbVie Restricted Stock Securities, or the AbbVie Shares underlying the AbbVie Restricted Stock Securities, that are acquired by AbbVie Canadian Restricted Stockholders that are former employees of Abbott or that will remain Abbott Canadian Employees; and
  - (iv) Abbott Restricted Stock Securities, or the Abbott Shares underlying the Abbott Restricted Stock Securities, that are acquired by Abbott Canadian Restricted Stockholders that become AbbVie Canadian Employees,

will be deemed to be a distribution unless the conditions in section 2.6 or section 2.14 of NI 45-102 are satisfied.

"Christopher Portner"  
Commissioner  
Ontario Securities Commission

"Judith Robertson"  
Commissioner  
Ontario Securities Commission

**2.1.2 Progress Energy Canada Ltd.**

**Headnote**

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

**Ontario Statutes**

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

January 11, 2013

Norton Rose Canada LLP  
400 - 3rd Avenue SW, Suite 3700  
Calgary, AB T2P 4H2

Attention: M. Jason Metcalf

Dear Sir:

**Re: Progress Energy Canada Ltd.(the Applicant) – Application for a decision under the securities legislation of Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland and Labrador (the Jurisdictions) that the Applicant is not a reporting issuer**

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

In this decision, “securityholder” means, for a security, the beneficial owner of the security.

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 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide;
- (b) no securities of the Applicant, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;
- (c) the Applicant is applying for a decision that it is not a reporting issuer in all of the jurisdictions of 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  
Alberta Securities Commission



**2.1.3 Prodigy Gold Inc. – 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).

January 16, 2013

Fraser Milner Casgrain LLP  
77 King Street West  
Suite 400  
Toronto, Ontario M5K 0A1

Attention: Karen Slater

Dear Sirs/Mesdames:

**Re: Prodigy Gold Inc. (the Applicant) – application for a decision under the securities legislation of Ontario, Alberta and Quebec (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.

In this decision, “securityholder” means, for a security, the beneficial owner of the security.

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 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide;
- (b) no securities of the Applicant, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 Marketplace Operation or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;
- (c) the Applicant is applying for a decision that it is not a reporting issuer in all of the jurisdictions of 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

## 2.1.4 World Heart Corporation

### Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – application for an order that the issuer is not a reporting issuer under applicable securities laws – requested relief granted – section 1(10)(a)(ii) of the Securities Act (Ontario).

### Applicable Legislative Provisions

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

January 18, 2013

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

AND

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

AND

IN THE MATTER OF  
WORLD HEART CORPORATION  
(the Filer)

DECISION

### Background

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

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

- (a) the Ontario Securities Commission is the principal regulator for this application; and
- (b) the decision is the decision of the principal regulator and evidences the decision of each other Decision Maker.

### Interpretation

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

### Representations

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

- (a) the Filer is a corporation governed by the laws of the State of Delaware and prior to the Merger (as defined below) had an address in the Province of Ontario located at 55 Metcalfe Street, Suite 1300, Ottawa, Ontario K1P 6L5;
- (b) the Filer is a reporting issuer in each of the Jurisdictions;

- (c) no securities of the Filer, including debt securities, are listed, traded or quoted in Canada or another country on a "marketplace" as defined in National Instrument 21-101 – *Marketplace Operation* and the Filer does not intend to have any of its securities listed, traded or quoted on such a market-place in Canada or any other jurisdiction;
- (d) prior to the Merger, the Filer was authorized to issue 50,000,000 shares of common stock, par value \$0.001 per share, and 1,000,000 shares of preferred stock, par value \$0.01 per share. The Filer's issued and outstanding share capital immediately prior to the Merger was 27,517,762 shares of common stock (the **Shares**);
- (e) on August 2, 2012, the Filer merged with Ocean Acquisition Holding Inc., an indirectly wholly owned subsidiary of HeartWare International, Inc. (**HeartWare**), and the Filer continued as the surviving corporation and as an indirect wholly owned subsidiary of HeartWare (the **Merger**);
- (f) as a result of the Merger, stockholders of the Filer received 0.003 shares of common stock of HeartWare for each Share and all of the Shares have been cancelled, all options to purchase shares of the Filer's common stock were terminated for no consideration and all warrants to purchase shares of the Filer's common stock either received a cash payment and ceased to be outstanding or pursuant to the terms thereof became exercisable for common stock of HeartWare;
- (g) as a result of the Merger all of the securities of the Filer are held by HeartWare. The outstanding securities of the Filer, including debt securities, are now 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 worldwide;
- (h) the Filer is applying for a decision that it is not a reporting issuer in all of the Jurisdictions;
- (i) The British Columbia Securities Commission granted the Filer non-reporting status in British Columbia effective November 30, 2012 pursuant to British Columbia Instrument 11-502 – *Voluntary Surrender of Reporting Issuer Status*;
- (j) the Filer is not in default of any requirement of the securities legislation in any of the Jurisdictions except for the obligation (arising after the Merger) to file interim financial statements and related management's discussion and analysis for each of the six-month period ended June 30, 2012 and nine months ended September 30, 2012, as required under National Instrument 51-102 – *Continuous Disclosure Obligations* and the related certifications of such financial statements as required under National Instrument 52-109 – *Certification of Disclosure in Filers' Annual and Interim Filings* (collectively, the **Filings**);
- (k) the Filer was not eligible to use the simplified procedure under CSA Staff Notice 12-307 *Applications for a Decision that an Issuer is not a Reporting Issuer* as it is in default for failure to file the Filings;
- (l) the Filer has no intention to seek public financing by way of an offering of securities; and
- (m) the Filer, upon the granting of the Exemptive Relief Sought, will no longer be a reporting issuer or the equivalent in any jurisdiction in Canada.

## Decision

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

The decision of the Decision Makers under the Legislation is that the Exemptive Relief Sought is granted.

"Judith Robertson"  
Ontario Securities Commission

"Sarah B. Kavanagh"  
Ontario Securities Commission

**2.2 Orders**

**2.2.1 Jowdat Waheed and Bruce Walter**

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

**AND**

**IN THE MATTER OF  
JOWDAT WAHEED AND BRUCE WALTER**

**CONFIDENTIAL ORDER**

**[Editor's Note: Made public on January 16, 2013]**

**WHEREAS** on January 9, 2012, 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") in connection with a Statement of Allegations filed by Staff of the Commission ("Staff") on January 9, 2012 with respect to Jowdat Waheed ("Waheed") and Bruce Walter ("Walter");

**AND WHEREAS** the hearing on the merits in this matter will begin on January 14, 2013;

**AND WHEREAS** on November 29, 2012, Staff issued a summons pursuant to section 13 of the Act to William Gula ("Gula"), a former partner at the Davies Ward Phillips & Vineberg LLP law firm ("Davies"), directing him to attend at the Commission for a compelled examination on December 7, 2012 (the "Gula Summons");

**AND WHEREAS** on November 30, 2012, Staff issued a summons pursuant to section 13 of the Act to Steven Harris ("Harris"), a partner at Davies, directing him to attend at the Commission for a compelled examination on December 14, 2012 (the "Harris Summons");

**AND WHEREAS** by three Notices of Motion dated, respectively, December 4, 5 and 10, 2012, Waheed, Walter and both of Gula and Harris brought motions requesting:

- (a) An order that the Gula Summons and the Harris Summons be quashed; and
- (b) An order prohibiting Staff from obtaining or issuing further summonses to current or former lawyers or law students of Davies; or
- (c) In the alternative, an order permitting counsel for the Respondents to attend any examinations of Gula, Harris or any current or former lawyer or law student of Davies by Staff, and to participate in such interview for the purpose of asserting and protecting the privilege of the Respondents and Nunavut Iron Ore Acquisition Inc.;

**AND WHEREAS** the proposed examinations were adjourned pending the resolution of the motions;

**AND WHEREAS** a hearing to consider the motions was held on December 12, 2012, at which counsel for Waheed, counsel for Walter, counsel for Gula and Harris, and counsel for Staff appeared and made submissions;

**AND WHEREAS** the Commission issued its Confidential Reasons and Decision on a Motion to Quash Summonses on December 20, 2012;

**IT IS ORDERED** that the Gula Summons and the Harris Summons are quashed.

**DATED** at Toronto this 20th day of December, 2012.

"Christopher Portner"

2.2.2 Jowdat Waheed and Bruce Walter

"Christopher Portner"

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

"Paulette L. Kennedy"

"Sarah B. Kavanagh"

AND

IN THE MATTER OF  
JOWDAT WAHEED AND BRUCE WALTER

ORDER

**WHEREAS** on January 9, 2012, 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 January 9, 2012 with respect to Jowdat Waheed ("Waheed") and Bruce Walter ("Walter");

**AND WHEREAS**, in connection with this matter, Staff issued summonses pursuant to section 13 of the Act to William Gula ("Gula") and Steven Harris ("Harris"), directing them to attend at the Commission for compelled examinations (the "Summonses");

**AND WHEREAS** Waheed, Walter and both of Gula and Harris (the "Moving Parties") brought motions requesting, among other things, that the Summonses be quashed (the "Motions");

**AND WHEREAS** a confidential hearing to consider the Motions was held on December 12, 2012 (the "Motion Hearing");

**AND WHEREAS** the Commission provided its Confidential Reasons and Decision on a Motion to Quash Summonses (the "Confidential Reasons") and its Confidential Order to Staff and the Moving Parties on December 20, 2012;

**AND WHEREAS** the Moving Parties have requested that the Confidential Reasons be made public and Staff do not object provided that the transcript of the Motion Hearing also be made public;

**AND WHEREAS** the Moving Parties do not object to the transcript of the Motion Hearing being made public;

**AND WHEREAS** the Confidential Reasons and Confidential Order will be issued publicly today;

**AND WHEREAS** it is in the public interest that the transcript of the Motion Hearing be made public;

**IT IS ORDERED** that the transcript of the Motion Hearing, originally marked as confidential, be made available for access by the public.

**DATED** at Toronto this 16th day of January, 2013.

**2.2.3 International Strategic Investments et al.**

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

**AND**

**IN THE MATTER OF  
INTERNATIONAL STRATEGIC INVESTMENTS,  
INTERNATIONAL STRATEGIC INVESTMENTS INC.,  
SOMIN HOLDINGS INC., NAZIM GILLANI AND  
RYAN J. DRISCOLL**

**ORDER**

**WHEREAS** on March 6, 2012, 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") (the "Notice of Hearing") in connection with a Statement of Allegations filed by Staff of the Commission ("Staff") on March 5, 2012, to consider whether it is in the public interest to make certain orders as against International Strategic Investments, International Strategic Investments Inc., (collectively, "ISI"), Nazim Gillani ("Gillani"), Ryan J. Driscoll ("Driscoll") and Somin Holdings Inc. ("Somin");

**AND WHEREAS** on April 3, 2012, a hearing was held before the Commission and Staff appeared and filed the Affidavit of Peaches A. Barnaby, sworn on March 29, 2012, evidencing service of the Notice of Hearing and the Statement of Allegations on ISI, Gillani and Driscoll;

**AND WHEREAS** on April 3, 2012, counsel for ISI and Gillani and counsel for Driscoll appeared and made submissions;

**AND WHEREAS** on April 3, 2012, the Commission ordered that a status hearing take place on April 13, 2012, for Staff to update the Commission on the status of service on Somin (the "Status Hearing") and that a pre-hearing conference is scheduled for Wednesday, June 6, 2012;

**AND WHEREAS** on April 13, 2012, the Status Hearing was held and Staff provided the Commission with the Affidavit of Peaches A. Barnaby, sworn April 10, 2012, outlining efforts of service on Somin;

**AND WHEREAS** on April 13, 2012, Staff and counsel for Gillani appeared and made submissions;

**AND WHEREAS** on April 13, 2012, the Status Hearing was adjourned to April 30, 2012 at 10:00 a.m. to determine whether service had been effected on Somin pursuant to Rule 1.5.1 of the Commission's *Rules of Procedure* (2010), 33 O.S.C.B. 8017;

**AND WHEREAS** on April 30, 2012, Staff and counsel for Gillani appeared and made submissions and no one appeared on behalf of Somin or ISI;

**AND WHEREAS** on April 30, 2012, Staff provided the Commission with the Affidavit of Peaches A. Barnaby, sworn April 27, 2012;

**AND WHEREAS** on April 30, 2012, Staff undertook to continue to serve Somin through David F. Munro and Nazim Gillani;

**AND WHEREAS** on April 30, 2012, the Commission was satisfied that Somin had been served and accepted Staff's undertaking for future service;

**AND WHEREAS** on June 6, 2012, a confidential pre-hearing conference was held and Staff, counsel for Gillani and counsel for Driscoll appeared and made submissions and no one appeared on behalf of Somin or ISI;

**AND WHEREAS** on June 6, 2012, Staff agreed to continue to serve Somin through David F. Munro and Nazim Gillani personally;

**AND WHEREAS** on June 6, 2012, the Commission ordered that the confidential pre-hearing conference be adjourned to August 20, 2012;

**AND WHEREAS** on August 20, 2012, a confidential pre-hearing conference was held and Staff, counsel for Gillani and counsel for Driscoll appeared and made submissions and no one appeared on behalf of Somin or ISI;

**AND WHEREAS** on August 20, 2012, the Commission ordered that the confidential pre-hearing conference be adjourned to October 9, 2012;

**AND WHEREAS** on October 9, 2012, a confidential pre-hearing conference was held and Staff, counsel for Gillani and counsel for Driscoll appeared and made submissions and no one appeared on behalf of Somin or ISI;

**AND WHEREAS** on October 9, 2012, the Commission ordered that the confidential pre-hearing conference be adjourned to November 20, 2012;

**AND WHEREAS** on November 20, 2012, the Commission was not available to hold the confidential pre-hearing conference, Staff, counsel for Gillani and counsel for Driscoll consented via email to adjourning the confidential pre-hearing conference to December 3, 2012 and no one responded on behalf of Somin or ISI although duly notified via email;

**AND WHEREAS** on November 20, 2012, the Commission ordered that the confidential pre-hearing conference be adjourned to December 3, 2012;

**AND WHEREAS** on December 3, 2012, a confidential pre-hearing conference was held and Staff, counsel for Gillani and International Strategic Investments Inc. and counsel for Driscoll appeared and made

submissions and no one appeared on behalf of Somin or International Strategic Investments;

**AND WHEREAS** on December 3, 2012, the Commission ordered that the confidential pre-hearing conference be adjourned to January 16, 2013;

**AND WHEREAS** on January 16, 2013, a confidential pre-hearing conference was held and Staff, Mr. Gillani appearing on his own behalf and on behalf of ISI, and counsel for Driscoll appeared and made submissions and no one appeared on behalf of Somin;

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

**IT IS ORDERED** that the confidential pre-hearing conference will continue on March 5, 2013 at 11:00 a.m. at which time the panel anticipates scheduling dates for a hearing on the merits in this matter.

**DATED** at Toronto this 16th day of January, 2013.

"Edward P. Kerwin"

**2.2.4 Firestar Capital Management Corp. et al. – ss. 127(1), 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  
FIRESTAR CAPITAL MANAGEMENT CORP.,  
KAMPOSSE FINANCIAL CORP.,  
FIRESTAR INVESTMENT MANAGEMENT  
GROUP, MICHAEL CIAVARELLA AND  
MICHAEL MITTON**

**TEMPORARY ORDER  
(Subsections 127(1), (7) and (8) of the Securities Act)**

**WHEREAS** on December 10, 2004, 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 to consider whether it is in the public interest to extend the Temporary Orders made on December 10, 2004 ordering that trading in shares of Pender International Inc. by Firestar Capital Management Corp. ("Firestar Capital"), Kamposse Financial Corp. ("Kamposse"), Firestar Investment Management Group ("Firestar Investment"), Michael Mitton ("Mitton"), and Michael Ciavarella ("Ciavarella") (collectively, the "Respondents") cease until further order by the Commission (the "Temporary Orders");

**AND WHEREAS** on December 17, 2004, the Commission ordered that the hearing to consider whether to extend the Temporary Orders should be adjourned until February 4, 2005 and the Temporary Orders continued until that date;

**AND WHEREAS** on December 17, 2004, the Commission ordered that the Temporary Order against Michael Mitton should also be expanded such that Michael Mitton shall not trade in any securities in Ontario until the hearing on February 4, 2005;

**AND WHEREAS** a Notice of Hearing pursuant to sections 127 and 127.1 of the Act was issued on December 21, 2004 and a Statement of Allegations in this matter was filed by Staff of the Commission ("Staff") on December 21, 2004;

**AND WHEREAS** on February 2, 2005, the hearing to consider whether to continue the Temporary Orders was adjourned until May 26, 2005 and the Temporary Orders were continued until May 26, 2005;

**AND WHEREAS** on March 9, 2005, the hearing to consider whether to continue the Temporary Orders was adjourned until June 29 and 30, 2005 and the Temporary Orders were continued until June 30, 2005;

**AND WHEREAS** on June 29, 2005, the hearing to consider whether to continue the Temporary Orders was

adjourned until November 23 and 24, 2005 and the Temporary Orders were continued until November 24, 2005;

**AND WHEREAS** on November 21, 2005, the hearing to consider whether to continue the Temporary Orders was adjourned until January 30 and 31, 2006 and the Temporary Orders were continued until January 31, 2006;

**AND WHEREAS** on January 30, 2006, the hearing to consider whether to continue the Temporary Orders was adjourned until July 31, 2006 and the Temporary Orders were continued until July 31, 2006;

**AND WHEREAS** on July 31, 2006, the hearing to consider whether to continue the Temporary Orders was adjourned until October 12, 2006 and the Temporary Orders were continued until October 12, 2006;

**AND WHEREAS** Ciavarella and Mitton were charged on September 26, 2006 under the Criminal Code with offences of fraud, conspiracy to commit fraud, laundering the proceeds of crime, possession of proceeds of crime and extortion for acts related to this matter;

**AND WHEREAS** on October 12, 2006, the hearing to consider whether to continue the Temporary Orders was adjourned until October 12, 2007 and the Temporary Orders were continued until October 12, 2007;

**AND WHEREAS** Staff advised that on March 22, 2007, Mitton was convicted of numerous charges under the Criminal Code and sentenced to a term of imprisonment of seven years;

**AND WHEREAS** on October 12, 2007, the hearing to consider whether to continue the Temporary Orders was adjourned until March 31, 2008 and the Temporary Orders were continued until March 31, 2008;

**AND WHEREAS** on March 31, 2008, the hearing to consider whether to continue the Temporary Orders was adjourned until June 2, 2008 and the Temporary Orders were continued until June 2, 2008;

**AND WHEREAS** on June 2, 2008, the hearing to consider whether to continue the Temporary Orders was adjourned until December 1, 2008 and the Temporary Orders were continued until December 1, 2008;

**AND WHEREAS** on December 1, 2008, the hearing to consider whether to continue the Temporary Orders was adjourned until January 11, 2010 and the Temporary Orders were continued until January 11, 2010;

**AND WHEREAS** on January 11, 2010, the hearing to consider whether to continue the Temporary Orders was adjourned until March 7, 2011 and the Temporary Orders were continued until March 8, 2011;

**AND WHEREAS** on March 7, 2011, the hearing to consider whether to continue the Temporary Orders was

adjourned until April 26, 2011 and the Temporary Orders were continued until April 27, 2011;

**AND WHEREAS** on April 26, 2011, the hearing to consider whether to continue the Temporary Orders was adjourned until May 31, 2011 and the Temporary Orders were continued until June 1, 2011;

**AND WHEREAS** on May 17, 2011, a settlement agreement in this matter between Staff and Ciavarella was approved by the Commission;

**AND WHEREAS** Staff advised that on May 18, 2011, the Criminal Code charges against Ciavarella before the Superior Court of Justice (Ontario) were stayed;

**AND WHEREAS** on May 31, 2011, Staff appeared before the Commission and no one appeared for any of the remaining Respondents;

**AND WHEREAS** on May 31, 2011, the Temporary Orders were continued against the remaining Respondents until July 28, 2011 and the hearing to consider whether to continue the Temporary Orders was adjourned until July 27, 2011;

**AND WHEREAS** on July 27, 2011, Staff appeared before the Commission and no one appeared for any of the remaining Respondents;

**AND WHEREAS** on July 27, 2011 Staff requested that the hearing be adjourned for one month for the purpose of exploring settlement with certain Respondents;

**AND WHEREAS** on July 27, 2011, the Commission ordered that the Temporary Orders in place as against Firestar Capital, Kamposse, Firestar Investment, and Mitton be further continued until August 30, 2011 and the hearing to consider whether to continue the Temporary Orders be adjourned to August 29, 2011;

**AND WHEREAS** on August 29, 2011, Staff and counsel for Firestar Capital and Firestar Investment appeared before the Commission and no one appeared on behalf of the other remaining Respondents;

**AND WHEREAS** the Commission was satisfied that Staff took reasonable efforts to serve the remaining Respondents with notice of the August 29, 2011 hearing;

**AND WHEREAS** on August 29, 2011, counsel for Firestar Capital and Firestar Investment advised the Panel that he had only recently been retained and requested additional time to consider his client's position and Staff did not oppose a short adjournment;

**AND WHEREAS** on August 29, 2011, the Commission ordered that the Temporary Orders in place as against Firestar Capital, Kamposse, Firestar Investment and Mitton be further continued until October 4, 2011 and the hearing to consider whether to continue the Temporary Orders be adjourned to October 3, 2011;



**AND WHEREAS** on October 3, 2011, Staff and counsel for Firestar Capital and Firestar Investment appeared before the Commission and no one appeared on behalf of the other remaining Respondents;

**AND WHEREAS** the Commission was satisfied that Staff took reasonable efforts to serve the remaining Respondents with notice of the October 3, 2011 hearing;

**AND WHEREAS** on October 3, 2011, Staff requested that the hearing be adjourned to November 23, 2011, for the purpose of continuing to explore settlement with certain Respondents;

**AND WHEREAS** on October 3, 2011, the Commission ordered that the Temporary Orders in place as against Firestar Capital, Kamposse, Firestar Investment and Mitton be further continued until November 24, 2011, and the hearing to consider whether to continue the Temporary Orders be adjourned to November 23, 2011;

**AND WHEREAS** on November 23, 2011, Staff and counsel for Firestar Capital and Firestar Investment appeared before the Commission and no one appeared on behalf of the remaining Respondents;

**AND WHEREAS** the Commission was satisfied that Staff took reasonable efforts to serve the remaining Respondents with notice of the November 23, 2011 hearing;

**AND WHEREAS** on November 23, 2011, the Commission ordered that the Temporary Orders in place as against Firestar Capital, Kamposse, Firestar Investment and Mitton be further continued until January 31, 2012, and the hearing to consider whether to continue the Temporary Orders be adjourned to January 30, 2012;

**AND WHEREAS** on December 9, 2011, a settlement agreement between Staff and Mitton was approved by the Commission;

**AND WHEREAS** on January 30, 2012, Staff appeared before the Commission and no one appeared on behalf of the remaining Respondents;

**AND WHEREAS** the Commission was satisfied that Staff took reasonable efforts to serve the remaining Respondents with notice of the January 30, 2012 hearing;

**AND WHEREAS** on January 30, 2012, the Commission ordered that that the hearing be adjourned to March 29, 2012 at 10:00 a.m. for the purposes of a pre-hearing conference and that the Temporary Orders in place as against Firestar Capital, Kamposse, and Firestar Investment be further continued until March 30, 2012;

**AND WHEREAS** on March 29, 2012, Staff and counsel to Firestar Capital and Firestar Investment appeared and commenced the pre-hearing conference and no one appeared on behalf of Kamposse;

**AND WHEREAS** on March 29, 2012, the Commission ordered that that the hearing be adjourned to June 20, 2012 at 9:00 a.m. for the purposes of continuing the confidential pre-hearing conference and that the Temporary Orders currently in place as against Firestar Capital, Kamposse, and Firestar Investment be further continued until June 21, 2012;

**AND WHEREAS** on June 20, 2012, Staff and counsel to Firestar Capital and Firestar Investment appeared and continued the pre-hearing conference, but no one appeared on behalf of Kamposse;

**AND WHEREAS** on June 20, 2012, Staff requested that the Temporary Orders as against Firestar Capital, Kamposse, and Firestar Investment be extended, which was opposed by counsel to Firestar Capital and Firestar Investment;

**AND WHEREAS** on June 20, 2012, the Commission ordered that that the hearing be adjourned to August 15, 2012 for the purpose of continuing the confidential pre-hearing conference and that the Temporary Orders currently in place as against Firestar Capital, Kamposse, and Firestar Investment be further continued until August 16, 2012;

**AND WHEREAS** on August 15, 2012, Staff and counsel to Firestar Capital and Firestar Investment appeared and continued the pre-hearing conference, but no one appeared on behalf of Kamposse;

**AND WHEREAS** on August 15, 2012, Staff requested that the Temporary Orders as against Firestar Capital, Kamposse, and Firestar Investment be extended, which was opposed by counsel to Firestar Capital and Firestar Investment;

**AND WHEREAS** on August 15, 2012, the Commission ordered that that the hearing be adjourned to October 18, 2012 for the purpose of continuing the confidential pre-hearing conference and that the Temporary Orders currently in place as against Firestar Capital, Kamposse, and Firestar Investment be further continued until October 22, 2012;

**AND WHEREAS** on October 18, 2012, Staff and counsel to Firestar Capital and Firestar Investment appeared and continued the pre-hearing conference, but no one appeared on behalf of Kamposse;

**AND WHEREAS** on October 18, 2012, Staff requested that the Temporary Orders as against Firestar Capital, Kamposse, and Firestar Investment be extended, which was opposed by counsel to Firestar Capital and Firestar Investment;

**AND WHEREAS** on October 18, 2012, the Commission ordered that the hearing be adjourned to January 17, 2013 for the purpose of continuing the confidential pre-hearing conference, that the Temporary Orders currently in place as against Firestar Capital, Kamposse, and Firestar Investment be further continued

until January 18, 2013 or until further order of the Commission and that a public hearing will be held following the continuation of the confidential pre-hearing conference on January 17, 2013 to consider whether to continue the Temporary Orders currently in place as against Firestar Capital, Kamposse, and Firestar Investment;

**AND WHEREAS** on January 17, 2013, Staff and counsel to Firestar Capital and Firestar Investment appeared and continued the pre-hearing conference, but no one appeared on behalf of Kamposse;

**AND WHEREAS** on January 17, 2013, Staff requested that the Temporary Orders as against Firestar Capital, Kamposse, and Firestar Investment be extended, which was opposed by counsel to Firestar Capital and Firestar Investment;

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

**IT IS ORDERED** that the confidential pre-hearing conference be adjourned to February 21, 2013 at 2:00 p.m., or such other date and time as agreed to by the parties and confirmed by the Office of the Secretary;

**IT IS FURTHER ORDERED** that the Temporary Orders currently in place as against Firestar Capital, Kamposse, and Firestar Investment be further continued until February 22, 2013, or until further order of the Commission;

**IT IS FURTHER ORDERED** that following the continuation of the confidential pre-hearing conference on February 21, 2013 at 2:00 p.m., a public hearing will be held to consider whether to continue the Temporary Orders currently in place as against Firestar Capital, Kamposse, and Firestar Investment.

**DATED** at Toronto this 17th day of January, 2013.

“Edward P. Kerwin”

**2.2.5 Global Consulting and Financial Services et al.  
– ss. 127(1), 127(8)**

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

**AND**

**IN THE MATTER OF  
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**

**TEMPORARY ORDER  
(Subsections 127(1) and (8))**

**WHEREAS** on November 4, 2010, the Ontario Securities Commission (the “Commission”) issued a temporary cease trade order pursuant to subsections 127(1) and 127(5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”) ordering that Global Consulting and Financial Services (“Global”), Crown Capital Management Corporation (“Crown”), Canadian Private Audit Service (“CPAS”), Executive Asset Management (“EAM”), Jan Chomica, Michael Chomica, Peter Kuti (“Kuti”), and Lorne Banks (“Banks”) (collectively, the “Respondents”), cease trading in all securities (the “Temporary Order”);

**AND WHEREAS** on November 4, 2010, the Commission ordered pursuant to clause 3 of subsection 127(1) of the Act, that any exemptions contained in Ontario securities law do not apply to the Respondents;

**AND WHEREAS** on November 4, 2010, the Commission ordered that the Temporary Order shall expire on the fifteenth day after its making unless extended by order of the Commission;

**AND WHEREAS** on November 9, 2010, the Commission issued a direction under subsection 126(1) of the Act freezing assets in a bank account in the name of Crown (the “Freeze Direction”);

**AND WHEREAS** on November 4, 2010, the Commission issued a Notice of Hearing to consider, among other things, the extension of the Temporary Order, to be held on November 17, 2010 at 3:00 p.m. (the “Notice of Hearing”);

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

**AND WHEREAS** Staff of the Commission ("Staff") served the Respondents with copies of the Temporary Order and the Notice of Hearing, and served Crown with the Freeze Direction as evidenced by the Affidavit of Charlene Rochman, sworn on November 17, 2010, and filed with the Commission;

**AND WHEREAS** on November 17, 2010, Staff and counsel for Banks appeared before the Commission, and whereas Global, Crown, CPAS, EAM, and Kuti did not appear before the Commission to oppose Staff's request for the extension of the Temporary Order;

**AND WHEREAS** Staff had received a Direction from Jan Chomica dated November 11, 2010, in which she consented to extending the Temporary Order for at least two months;

**AND WHEREAS** counsel for Michael Chomica did not attend the hearing, but had advised Staff that Michael Chomica consented to (or did not oppose) an extension of the Temporary Order for at least two months;

**AND WHEREAS** on November 17, 2010, counsel for Banks advised the Commission that Banks consented to an extension of the Temporary Order;

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

**AND WHEREAS** pursuant to subsection 127(8) of the Act, the Commission ordered that the Temporary Order be extended to January 27, 2011;

**AND WHEREAS** the Commission further ordered that the hearing in this matter be adjourned to January 26, 2011 at 11:00 a.m., and that the parties make efforts to advise the Commission by January 3, 2011 whether they were in agreement that the hearing set for January 26, 2011 be held in writing;

**AND WHEREAS** by Notice of Motion dated December 16, 2010 (the "Notice of Motion"), Staff sought to amend the Temporary Order to include Peter Siklos ("Siklos") as the person using the alias "Peter Kuti", thereby making Siklos subject to the Temporary Order, and to abridge, under Rule 1.6(2) of the Commission's Rules of Procedure (2010), 33 O.S.C.B. 8017 (the "Rules"), the notice requirements for the filing and service of motion materials under to Rule 3.2 of the Rules and the requirement for a Memorandum of Fact and Law under Rule 3.6 of the Rules (the "Motion");

**AND WHEREAS** in support of the Motion, Staff filed the Affidavit of Wayne Vanderlaan ("Vanderlaan"), sworn December 15, 2010 (the "Vanderlaan Affidavit"), in which Vanderlaan stated that there is a real Peter Kuti who, based on the information currently available to Staff, is not the "Peter Kuti" who is an alias for Siklos;

**AND WHEREAS** the Motion was heard on Monday, December 20, 2010, at 10:00 a.m., before a panel of the Commission (the "Motion Hearing");

**AND WHEREAS** the Commission, after considering the Affidavit of Service of Charlene Rochman, sworn December 17, 2010, was satisfied that Staff had served the Notice of Motion, the December 16, 2010 covering letter from Carlo Rossi, Litigation Counsel with Staff, and the Vanderlaan Affidavit on the Respondents;

**AND WHEREAS** counsel for Banks advised Staff that he would not be attending on the Motion and that Banks took no position with respect to it;

**AND WHEREAS** on December 20, 2010, Staff and counsel for Siklos attended before the Commission, and counsel for Siklos advised that Siklos consented to the Motion;

**AND WHEREAS** the Commission considered the Notice of Motion and the Vanderlaan Affidavit and the submissions made by Staff and counsel for Siklos at the Motion Hearing;

**AND WHEREAS** the Commission ordered that:

- (i) pursuant to clause 2 of subsection 127(1) of the Act, Peter Siklos (also known as Peter Kuti) shall cease trading in all securities;
- (ii) pursuant to clause 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Peter Siklos (also known as Peter Kuti);
- (iii) the title of the proceeding shall be amended accordingly;
- (iv) for clarity, the Temporary Order as Amended (the "Amended Temporary Order") be extended to January 27, 2011; and
- (v) for clarity, the hearing to consider the extension of the Amended Temporary Order be held on January 26, 2011, at 11:00 a.m., and the parties shall make efforts to advise the Commission by January 3, 2011 whether they are in agreement that the hearing set for January 26, 2011 be held in writing;

**AND WHEREAS** by way of letter dated January 25, 2011, Staff advised the Commission that it had obtained the consent of Michael Chomica, Jan Chomica, Siklos and Banks (collectively, the "Individual Respondents"), Crown and Global to extend the Amended Temporary Order;

**AND WHEREAS** Staff provided the Commission with the Affidavit of Charlene Rochman sworn January 24, 2011, outlining service of the Amended Temporary Order on the Respondents and the consent of the Individual Respondents, Crown and Global to the extension of the Amended Temporary Order;

**AND WHEREAS** the Commission ordered that the Amended Temporary Order be extended to March 9, 2011 and that the hearing be adjourned to March 8, 2011 at 10:00 a.m.;

**AND WHEREAS** on March 8, 2011, Staff attended before the Commission and no one attended on behalf of the Respondents;

**AND WHEREAS** the Commission was satisfied that Staff had undertaken reasonable efforts to serve the Respondents with notice of the hearing;

**AND WHEREAS** on March 8, 2011, Staff advised the Panel that Staff had been in contact with Jan Chomica and counsel representing Michael Chomica, Banks and Siklos and that Jan Chomica, Michael Chomica, Banks and Siklos were not opposing the extension of the Amended Temporary Order;

**AND WHEREAS** the Commission ordered that the Amended Temporary Order be extended to May 17, 2011 and that the hearing be adjourned to May 16, 2011 at 10:00 a.m.;

**AND WHEREAS** on May 16, 2011, Staff appeared before the Commission and no one appeared on behalf of any of the Respondents;

**AND WHEREAS** on May 16, 2011, Staff advised the Panel that Staff had been in contact with counsel representing Michael Chomica, Banks and Siklos and that Michael Chomica, Banks and Siklos were not opposing the extension of the Amended Temporary Order;

**AND WHEREAS** Staff further advised that Jan Chomica had provided her consent to the extension of the Amended Temporary Order by way of writing;

**AND WHEREAS** Staff provided the Commission with the Affidavit of Charlene Rochman sworn May 13, 2011 outlining Staff's efforts to serve the Respondents and the consent of the Individual Respondents, Crown and Global to the extension of the Amended Temporary Order;

**AND WHEREAS** the Commission ordered that the Amended Temporary Order be extended to July 18, 2011 and the hearing be adjourned to July 15, 2011 at 11:00 a.m.;

**AND WHEREAS** on July 15, 2011, Staff appeared before the Commission and no one appeared on behalf of any of the Respondents;

**AND WHEREAS** on July 15, 2011, Staff advised the Panel that Staff had been in contact with counsel representing Michael Chomica and Banks and that Michael Chomica consented to an extension of the Amended Temporary Order for 90 days and Banks was not opposing the extension;

**AND WHEREAS** Staff further advised that Jan Chomica had provided her consent to the extension of the Amended Temporary Order by way of writing;

**AND WHEREAS** Staff provided the Commission with the Affidavit of Charlene Rochman sworn July 13, 2011, outlining service on the Respondents;

**AND WHEREAS** the Commission ordered that the Amended Temporary Order be extended to October 12, 2011 and the hearing be adjourned to October 11, 2011 at 2:30 p.m.;

**AND WHEREAS** on October 11, 2011, Staff appeared before the Commission to request that the Amended Temporary Order be extended for an additional 90 days;

**AND WHEREAS** no one appeared on behalf of any of the Respondents;

**AND WHEREAS** Staff advised the Panel that Staff had been in contact with counsel representing Siklos and Banks and that Siklos consented to an extension of the Amended Temporary Order for 90 days and Banks was not opposing the extension;

**AND WHEREAS** Staff provided the Commission with the Affidavit of Charlene Rochman sworn October 7, 2011 outlining service on the Respondents;

**AND WHEREAS** the Commission ordered that the Amended Temporary Order be extended to January 12, 2012 and the hearing be adjourned to January 11, 2012 at 10:00 a.m.;

**AND WHEREAS** on January 11, 2012, Staff appeared before the Commission to request that the Amended Temporary Order be extended for an additional 90 days;

**AND WHEREAS** no one appeared on behalf of any of the Respondents other than counsel for Siklos;

**AND WHEREAS** Michael Chomica and Jan Chomica advised Staff in writing that they consented to an extension of the Amended Temporary Order for 90 days;

**AND WHEREAS** counsel for Banks advised Staff that Banks did not oppose a further extension of the Amended Temporary Order for 90 days;

**AND WHEREAS** counsel for Siklos advised the Panel that he consented to an extension of the Amended Temporary Order for 90 days;

**AND WHEREAS** Staff provided the Commission with the Affidavit of Charlene Rochman affirmed January 10, 2012 outlining Staff's efforts to serve the Respondents;

**AND WHEREAS** on January 11, 2012, the Commission ordered that the Amended Temporary Order be extended to April 12, 2012 and the hearing be adjourned to April 11, 2012 at 10:00 a.m.;

**AND WHEREAS** on April 11, 2012, Staff appeared before the Commission to request that the Amended Temporary Order be extended and no one appeared on behalf of any of the Respondents;

**AND WHEREAS** Staff provided the Commission with the Affidavit of Peaches Barnaby sworn April 11, 2012 outlining Staff's efforts to serve the Respondents;

**AND WHEREAS** on April 11, 2012, the Commission ordered that the Amended Temporary Order be extended to June 12, 2012 and the hearing be adjourned to June 11, 2012 at 9:00 a.m.;

**AND WHEREAS** on June 11, 2012, Staff appeared before the Commission to request that the Amended Temporary Order be extended and no one appeared on behalf of any of the Respondents;

**AND WHEREAS** Staff provided the Commission with the Affidavit of Peaches Barnaby sworn June 5, 2012 outlining Staff's efforts to serve the Respondents;

**AND WHEREAS** quasi-criminal proceedings have been commenced in the Ontario Court of Justice pursuant to section 122(1)(c) of the Act against, *inter alia*, Michael Chomica, Jan Chomica and Siklos (the "Section 122 Proceedings");

**AND WHEREAS** on June 11, 2012, Staff advised the Commission that counsel for Banks consented to a further extension of the Amended Temporary Order for six months;

**AND WHEREAS** on June 11, 2012, the Commission ordered that the Amended Temporary Order be extended to December 5, 2012 and the hearing be adjourned to December 4, 2012 at 3:30 p.m.;

**AND WHEREAS** by way of letter dated November 30, 2012, Staff advised the Commission that a judicial pre-trial is scheduled for December 17, 2012 in connection with the Section 122 Proceedings and that the Individual Respondents consent to an extension of the Amended Temporary Order to the middle of January 2013;

**AND WHEREAS** Staff provided the Commission with the Affidavit of Nancy Poyhonen sworn November 30, 2012, outlining Staff's attempts to serve the Amended Temporary Order on the Respondents and the consent of the Individual Respondents to the extension of the Amended Temporary Order;

**AND WHEREAS** on December 3, 2012, the Commission ordered that the Amended Temporary Order be extended to January 18, 2013 and the hearing be adjourned to January 17, 2013 at 9:00 a.m.;

**AND WHEREAS** on January 17, 2013, Staff appeared before the Commission to request that the Amended Temporary Order be extended and no one appeared on behalf of any of the Respondents;

**AND WHEREAS** Staff provided the Commission with the Affidavit of Peaches Barnaby sworn January 15, 2013 outlining Staff's service of the Amended Temporary Order on the Individual Respondents, Global and Crown, and Staff's efforts to serve CPAS and EAM;

**AND WHEREAS** Staff advised the Commission that further dates have been scheduled in connection with the Section 122 Proceedings, including a set date appearance on February 14, 2013 and a continuing judicial pre-trial on February 28, 2013;

**AND WHEREAS** Staff requested that the Amended Temporary Order be extended to a date following the judicial pre-trial on February 28, 2013;

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

**IT IS ORDERED** that the Amended Temporary Order is extended to March 8, 2013 and the hearing is adjourned to March 7, 2013 at 11:00 a.m., or such other date and time as set by the Office of the Secretary and agreed to by the parties.

**DATED** at Toronto this 17th day of January, 2013.

"Mary G. Condon"

**2.2.6 Paul Azeff et al. – Rule 6 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  
PAUL AZEFF, KORIN BOBROW,  
MITCHELL FINKELSTEIN, HOWARD JEFFREY MILLER  
AND MAN KIN CHENG (a.k.a. FRANCIS CHENG)**

**ORDER**

**(Rule 6 of the Ontario Securities Commission's  
Rules of Procedure (2012), 35 O.S.C.B. 10009)**

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

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

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

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

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

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

**AND WHEREAS** at the confidential pre-hearing conference on January 11, 2011, all parties made submissions regarding the disclosure made by Staff and it was ordered by the Commission, on the consent of all parties, that Staff and the Respondents would exchange written proposals concerning outstanding disclosure issues

and that a motion date would be set for February 22, 2011 regarding disclosure issues, if necessary;

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

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

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

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

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

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

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

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

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

**AND WHEREAS** on August 30, 2011, the Commission ordered that the Privilege Motion be heard on September 26, 2011; the Prematurity Motion and the Stay

Motion be heard together commencing on November 9, 2011; the Third Party Records Motion be scheduled to be heard on a date after the Prematurity Motion and the Stay Motion have been heard and decided; the Disclosure Motion be adjourned to a date that will be fixed after the four motions have been heard and decided; and dates for the hearing on the merits of the matter be set after the five motions have been heard and decided (the "Scheduling Order");

**AND WHEREAS** the Privilege Motion, the Prematurity Motion and the Stay Motion have been heard and decided in accordance with the Scheduling Order;

**AND WHEREAS** Staff requested a pre-hearing conference to request, among other things, that the Scheduling Order be amended to schedule the Third Party Records Motion, the Disclosure Motion and the hearing on the merits;

**AND WHEREAS** a pre-hearing conference was held on October 2, 2012 at which time Staff and counsel for the Respondents attended and made submissions;

**AND WHEREAS** on October 2, 2012, the Commission ordered that the request for a summons to compel the production of certain records of a third party and any motion to quash such summons proceed in accordance with Rule 4.7, and that a pre-hearing conference be held on January 16, 2013 at which time the Commission would consider scheduling the Disclosure Motion and the hearing on the merits;

**AND WHEREAS** a pre-hearing conference was held on January 16, 2013, and Staff and the Respondents made submissions regarding the scheduling of the Third Party Records Motion, the Disclosure Motion and the hearing on the merits;

**AND WHEREAS** all parties have the right to bring any other motions should issues subsequently arise;

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

**IT IS ORDERED THAT:**

1. The Third Party Records Motion to review the issuance of a summons shall be heard on April 8, 2013 at 10:00 a.m.;
2. The Disclosure Motion shall be heard on July 17, 2013 at 10:00 a.m.; and
3. The hearing on the merits shall commence on May 5, 2014, and continue up to and including June 20, 2014, save and except for Monday, May 19 (Victoria Day), and the alternate Tuesdays each month when meetings of the Commission are scheduled, the dates of which are unknown at this time.

**DATED** at Toronto this 16th day of January, 2013.

"Edward P. Kerwin"

**2.2.7 Bunting & Waddington Inc. et al.**

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

**AND**

**IN THE MATTER OF  
BUNTING & WADDINGTON INC., ARVIND SANMUGAM,  
JULIE WINGET AND JENIFER BREKELMANS**

**ORDER**

**WHEREAS** on March 22, 2012, 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") (the "Notice of Hearing") in connection with a Statement of Allegations filed by Staff of the Commission ("Staff") on March 22, 2012, to consider whether it is in the public interest to make certain orders against Bunting & Waddington Inc. ("B&W"), Arvind Sanmugam ("Sanmugam"), Julie Winget ("Winget") and Jenifer Brekelmans ("Brekelmans") (collectively, the "Respondents");

**AND WHEREAS** on April 13, 2012, Staff filed Affidavits of Service evidencing service of the Notice of Hearing and the Statement of Allegations on the Respondents;

**AND WHEREAS** on April 16, 2012, a first appearance hearing was held before the Commission and Staff, Winget and counsel for Brekelmans appeared in person, Sanmugam attended via teleconference and no one appeared for B&W;

**AND WHEREAS** Staff advised that it was preparing the disclosure in this matter and anticipated that it would deliver the disclosure in two to three weeks;

**AND WHEREAS** on April 16, 2012, the Commission ordered that the hearing is adjourned to such date and time as set by the Office of the Secretary and agreed to by the parties, for a confidential pre-hearing conference;

**AND WHEREAS** on May 29, 2012, the Commission ordered that a confidential pre-hearing conference be held on June 19, 2012;

**AND WHEREAS** on June 19, 2012, a confidential pre-hearing conference was held before the Commission and Staff, Winget and counsel for Brekelmans appeared in person, Sanmugam attended via teleconference and no one appeared for B&W;

**AND WHEREAS** on June 19, 2012, the Commission ordered that the confidential pre-hearing conference be continued on October 18, 2012 to provide the panel with a status update and, if necessary, to hear any proper motions of Sanmugam;

**AND WHEREAS** on October 18, 2012, a continuation of the confidential pre-hearing conference was held before the Commission and Staff, Winget and counsel for Brekelmans appeared in person, B&W was represented by Winget, and Sanmugam attended via teleconference;

**AND WHEREAS** on October 18, 2012, the Commission ordered that the confidential pre-hearing conference be continued on January 18, 2013 to provide the panel with a status update;

**AND WHEREAS** on January 18, 2013, a continuation of the confidential pre-hearing conference was held before the Commission and Staff and counsel for Brekelmans appeared in person, Sanmugam attended via teleconference, and no one appeared for Winget or B&W;

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

**IT IS ORDERED** that the confidential pre-hearing conference be adjourned to April 26, 2013 at 10:00 a.m. to provide the panel with a status update.

**DATED** at Toronto this 18th day of January, 2013.

"Edward P. Kerwin"



**2.2.8 Global Energy Group, Ltd. et al. – ss. 37, 127, 127.1**

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

**AND**

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

**ORDER  
(Sections 37, 127 and 127.1 of the Securities Act)**

**WHEREAS** on June 8, 2010, the Ontario Securities Commission (the “Commission”) issued a Notice of Hearing pursuant to sections 37, 127 and 127.1 of the *Securities Act*, R.S.O. c. S.5, as amended (the “Act”) accompanied by a Statement of Allegations dated June 8, 2010, issued by Staff of the Commission (“Staff”) with respect to Global Energy Group, Ltd. (“Global Energy”), New Gold Limited Partnerships (“New Gold”), Vadim Tsatskin (“Tsatskin”), Christina Harper (“Harper”), Michael Schauer (“Schauer”), Elliot Feder (“Feder”), Oded Pasternak (“Pasternak”), Alan Silverstein (“Silverstein”), Herbert Groberman (“Groberman”), Allan Walker (“Walker”), Peter Robinson (“Robinson”), Vyacheslav Brikman (“Brikman”), Nikola Bajovski (“Bajovski”), Bruce Cohen (“Cohen”) and Andrew Shiff (“Shiff”);

**AND WHEREAS** on July 10, 2008, the Commission issued a temporary order, pursuant to subsections 127(1) and (5) of the Act, that all trading by Global Energy and New Gold and their officers, directors, employees and/or agents in securities of the New Gold Partnerships shall cease (the “First Temporary Order”);

**AND WHEREAS** on April 7, 2010, the Commission issued a second temporary order, pursuant to subsections 127(1) and (5) of the Act, that Harper, Howard Rash (“Rash”), Schauer, Feder, Tsatskin, Pasternak, Silverstein, Groberman, Walker, Robinson, Brikman, Bajovski, Cohen and Shiff cease trading in all securities and that any exemptions in Ontario securities law do not apply to them (the “Second Temporary Order”);

**AND WHEREAS** on December 7, 2010, the Commission directed that the First Temporary Order and the Second Temporary Order, as amended, be consolidated into a single temporary order (the “Temporary Order”);

**AND WHEREAS** on May 3, 2011, the Temporary Order was extended against all named Respondents, except Rash, to the conclusion of the hearing on the merits;

**AND WHEREAS** Settlement agreements were reached between Staff and each of Robinson, Pasternak, Brikman, Walker, Silverstein, Schauer, and Feder. As a result of those settlement agreements, the Commission issued the following Orders:

- (i) On November 5, 2010, an Order was issued pursuant to sections 37 and 127 of the Act imposing sanctions against Robinson;
- (ii) On September 1, 2011, an Order was issued pursuant to sections 37 and 127 of the Act imposing sanctions against Pasternak;
- (iii) On September 1, 2011, an Order was issued pursuant to sections 37 and 127 of the Act imposing sanctions against Brikman;
- (iv) On September 1, 2011, an Order was issued pursuant to sections 37 and 127 of the Act imposing sanctions against Walker;
- (v) On November 29, 2011, an Order was issued pursuant to sections 37 and 127 of the Act imposing sanctions against Silverstein;
- (vi) On November 29, 2011, an Order was issued pursuant to sections 37 and 127 of the Act imposing sanctions against Schauer; and
- (vii) On January 20, 2012, an Order was issued pursuant to sections 37 and 127 of the Act imposing sanctions against Feder.

**AND WHEREAS** the hearing on the merits began on January 23, 2012, and continued on January 24, 25, 26, 30, February 1, 2, 3, 24 and April 17, 2012 (the “Merits Hearing”);

**AND WHEREAS** following the Merits Hearing, the Commission issued its Reasons and Decision with respect to the Merits Hearing, on December 21, 2012 (Re Global Energy Group, Ltd. (2013), 36 O.S.C.B. 139);

**AND WHEREAS** on December 21, 2012 the Commission ordered that the Temporary Order, as it pertains to Global Energy, New Gold, Tsatskin, Harper, Groberman, Bajovski, Cohen and Shiff is extended until the conclusion of the sanctions and costs hearing;

**AND WHEREAS** on December 21, 2012, the Commission ordered that the parties appear before the

Commission on January 15, 2013, at 3:00 p.m. at the offices of ASAP Reporting Services Inc., Bay Adelaide Centre, 333 Bay Street, Suite 900, Toronto, ON, for the purpose of scheduling dates for a sanctions and costs hearing;

**AND WHEREAS** on January 15, 2013, Staff appeared, Harper participated by telephone, counsel for Groberman appeared, and Shiff appeared on his own behalf and made submissions and no one appeared on behalf of the remaining respondents;

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

**IT IS ORDERED** that:

1. on or before March 8, 2013, Staff shall serve and file with the Commission written submissions with respect to sanctions and costs;
2. on or before March 16, 2013, the remaining respondents shall serve and file with the Commission written submissions with respect to sanctions and costs, if any; and
3. the sanctions and costs hearing is scheduled for March 22, 2013 at 10:00 a.m.

**DATED** at Toronto, Ontario this 15th day of January, 2013.

“Paulette L. Kennedy”

“Judith N. Robertson”

**2.2.9 Matthew Robert White and White Capital Corporation– s. 8(4)**

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

**AND**

**IN THE MATTER OF  
MATTHEW ROBERT WHITE AND  
WHITE CAPITAL CORPORATION**

**ORDER  
(Subsection 8(4) of the Securities Act)**

**WHEREAS** on January 15, 2013, the applicants Matthew Robert White (“White”) and White Capital Corporation (“White Capital”) (collectively, the “Applicants”) filed with the Ontario Securities Commission (the “Commission”) a notice of application (the “Application”), pursuant to section 8 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”), for a hearing and review of the decision of Marianne Bridge, Deputy Director, Compliance and Registrant Regulation Branch (the “Director”) dated January 11, 2013 that suspended the Applicants’ registration (the “Decision”);

**AND WHEREAS** on January 15, 2013, the Applicants applied for an order granting a stay of the Decision (the “Stay Application”);

**AND WHEREAS** on January 18, 2013, the Commission held a hearing to consider the Stay Application;

**AND WHEREAS** the Commission heard submissions from counsel for the Applicants and counsel for Staff of the Commission (“Staff”);

**AND WHEREAS** the Commission reviewed the Applicants’ request for a stay of the Decision, book of authorities and the affidavit of Matthew White sworn January 14th, 2013;

**AND WHEREAS** upon considering the materials submitted in support of the Stay Application and submissions of the Applicants and of Staff, the Commission is of the opinion that it is in the public interest to grant a stay order with conditions, pursuant to subsection 8(4) of the Act (the “Stay”);

**AND WHEREAS** the Applicants and Staff agreed that the hearing and review of the Decision will be heard on April 25 and 26 and May 13, 2013;

**IT IS HEREBY ORDERED THAT:**

1. The hearing and review of the Decision is scheduled for April 25 and 26 and May 13, 2013;
2. The suspensions of registration imposed by the Decision are stayed immediately and this order will continue in force until May 13, 2013, or until a further order of the Commission is made;
3. The Applicants shall satisfy the following conditions by close of business on January 25, 2013:
  - (a) the audited financial statements for the fiscal year ended August 31, 2012 shall be delivered to Staff;
  - (b) Form 31-103FI – Calculation of Excess Working Capital based on the audited financial statements for the fiscal year ended August 31, 2012 shall be delivered to Staff;
  - (c) White Capital shall post a copy of the Decision on White Capital’s website forthwith and a copy of the Decision shall be provided to all purchasers of securities from White Capital and its dealing representatives at the point of sale for all purchases made from the date of this Order, and that
    - i. the Applicants and any White Capital dealing representatives will not make any statements that are inconsistent with the Decision;
    - ii. White Capital may indicate on its website, and when providing the Decision to purchasers may state, that “The decision to suspend the registration of White and White Capital was stayed pursuant to the order of the Commission dated January 18th, 2013. An application for a hearing and review of the

Decision under section 8 of the Act has been filed and is scheduled to be heard by a panel of the Commission on April 25 and 26 and May 13, 2013"; and

- (d) White will no longer serve as the Chief Compliance Officer ("CCO") of White Capital from the date of this Order and that Robert Hawkes will be named as CCO replacing White; and
- 4. If conditions (a) through (d) above are not satisfied by the close of business on Friday, January 25, 2013, this Order granting a stay shall be immediately revoked and the Decision suspending the registrations of White and White Capital shall be immediately restored; and
- 5. This Order is made without prejudice to the Applicants' or Staff's right to return to request a variation pursuant to section 144 of the Act, or, in the case of Staff, to take any other action it considers in the public interest.

**DATED** at Toronto this 18th day of January, 2013.

"James E. A. Turner"

**2.2.10 Sandy Winick et al.**

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

**AND**

**IN THE MATTER OF  
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 CORP.  
(aka LIQUID GOLD INTERNATIONAL INC.),  
and NANOTECH INDUSTRIES INC.**

**ORDER**

**WHEREAS** on January 27, 2012, 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") (the "Notice of Hearing") in connection with a Statement of Allegations filed by Staff of the Commission ("Staff") on January 27, 2012, to consider whether it is in the public interest to make certain orders against Sandy Winick ("Winick"), Andrea Lee McCarthy ("McCarthy"), Kolt Curry, Laura Mateyak ("Mateyak"), Gregory J. Curry ("Greg Curry"), American Heritage Stock Transfer Inc. ("AHST Ontario"), American Heritage Stock Transfer, Inc. ("AHST Nevada"), BFM Industries Inc. ("BFM"), Liquid Gold International Corp. (aka Liquid Gold International Inc.) ("Liquid Gold"), and Nanotech Industries Inc. ("Nanotech") (collectively, the "Respondents");

**AND WHEREAS** on February 16, 2012, a first appearance hearing was held and the matter was adjourned to a pre-hearing conference on March 23, 2012;

**AND WHEREAS** on March 23, 2012, it was ordered that the hearing on the merits in this matter shall commence on November 12, 2012, and continue until November 21, 2012, except that the hearing will not sit on November 20, 2012 (the "Hearing on the Merits").

**AND WHEREAS** Winick, Greg Curry and Nanotech have never participated in this hearing, although properly served with the Notice of Hearing and Staff's Statement of Allegations;

**AND WHEREAS** on October 17, 2012, it was ordered, pursuant to Rule 11.5 of the Commission's *Rules of Procedure* (2012), 35 O.S.C.B. 10071 (the "*Rules of Procedure*"), that the Hearing on the Merits shall proceed as a written hearing, in accordance with the following schedule:

1. Staff shall file evidentiary briefs in the form of affidavits, as well as written submissions on the relevant facts and

law, with the Secretary's Office no later than November 30, 2012;

2. The Respondents shall file any responding materials by January 11, 2013;
3. Staff shall file any reply submissions or evidence by January 25, 2013; and
4. Staff and any participating Respondents will attend at a date appointed by the panel after January 25, 2013, to answer questions, make submissions or make any necessary witnesses available for cross-examination.

**AND WHEREAS** on January 11, 2013, Staff filed a motion pursuant to Rule 3 of the *Rules of Procedure* seeking to sever the proceeding as against the respondents McCarthy, Liquid Gold and BFM (the "Motion");

**AND WHEREAS** on January 15, 2013, Staff and counsel for McCarthy, BFM and Liquid Gold appeared and consented to the Motion;

**AND WHEREAS** on January 15, 2013, counsel for Kolt Curry, Mateyak and AHST Ontario appeared and took no position on the Motion, but sought an extension of the October 17, 2012 order;

**AND WHEREAS** on January 15, 2013, the other respondents did not appear or provide submissions;

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

**IT IS HEREBY ORDERED** that the application to sever is granted and the matter, as against McCarthy, BFM and Liquid Gold, is adjourned to a date to be fixed by the office of the Secretary of the Commission in consultation with counsel;

**IT IS FURTHER ORDERED** that a hearing shall take place on April 4, 2013 at 10:00 a.m., to provide counsel for Kolt Curry, Mateyak and AHST Ontario and the remaining parties an opportunity to make submissions as to how the matter should proceed.

**DATED** at Toronto this 21st day of January, 2013.

"James D. Carnwath"

2.2.11 Sino-Forest Corporation et al.

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

**AND**

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

**ORDER**

**WHEREAS** the Ontario Securities Commission ("the Commission") issued a Notice of Hearing (the "Notice of Hearing") and Statement of Allegations in this matter dated May 22, 2012 pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990 c. S.5, as amended in respect of Sino-Forest Corporation ("Sino-Forest"), Allen Chan ("Chan"), Albert Ip ("Ip"), Alfred C.T. Hung ("Hung"), George Ho ("Ho"), Simon Yeung ("Yeung") and David Horsley ("Horsley");

**AND WHEREAS** on May 22, 2012, the Notice of Hearing gave notice that a hearing would be held on July 12, 2012 at 10:00 a.m. before the Commission;

**AND WHEREAS** on July 12, 2012, counsel for Staff, counsel for Sino-Forest, counsel for Chan, counsel for Ip, Hung, Ho and Yeung and counsel for Horsley appeared before the Commission and consented to the hearing being adjourned to October 10, 2012;

**AND WHEREAS** on July 12, 2012 the hearing in this matter was adjourned to October 10, 2012 at 10:00 a.m.;

**AND WHEREAS** on October 10, 2012 the hearing in this matter was adjourned to January 17, 2013;

**AND WHEREAS** on January 17, 2013 counsel for Staff, counsel for Chan, counsel for Ip, Hung, Ho and Yeung and counsel for Horsley appeared before the Commission;

**AND WHEREAS** on January 17, 2013, counsel for Staff, counsel for Chan, counsel for Ip, Hung, Ho and Yeung and counsel for Horsley requested that the Commission reserve time on February 28, 2013 for a motion, if required, to be brought by counsel for Ip, Hung, Ho and Yeung;

**AND WHEREAS** on January 17, 2013 counsel for Staff, counsel for Chan, counsel for Ip, Hung, Ho and Yeung and counsel for Horsley, requested that the hearing being adjourned to May 13, 2013 for the purpose of conducting a pre-hearing conference;

**IT IS HEREBY ORDERED** that:

1. if required, a motion be heard February 28, 2013, at 11:00 a.m. or such other date and time as agreed to by the parties and set by the Office of the Secretary; and
2. a pre-hearing conference be held on May 13, 2013, at 10:00 a.m. or such other date and time as agreed to by the parties and set by the Office of the Secretary.

**DATED** at Toronto this 17th day of January, 2013.

"Mary G. Condon"

**2.2.12 Oversea Chinese Fund Limited Partnership 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  
OVERSEA CHINESE FUND LIMITED PARTNERSHIP,  
WEIZHEN TANG AND ASSOCIATES INC.,  
WEIZHEN TANG CORP. AND WEIZHEN TANG**

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

**WHEREAS** on March 17, 2009, pursuant to subsections 127(1) and (5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”), the Ontario Securities Commission (the “Commission”) made the following temporary orders (the “Temporary Order”) against Oversea Chinese Fund Limited Partnership (“Oversea”), Weizhen Tang and Associates Inc. (“Associates”), Weizhen Tang Corp. (“Corp.”) and Weizhen Tang (collectively, the “Respondents”):

1. that all trading in securities of Oversea, Associates and Corp. shall cease;
2. that all trading by the Respondents shall cease; and
3. that the exemptions contained in Ontario securities law do not apply to the Respondents.

**AND WHEREAS** on March 17, 2009, pursuant to subsection 127(6) of the Act, the Commission ordered that the Temporary Order shall expire on the 15th day after its making unless extended by order of the Commission;

**AND WHEREAS** on March 18, 2009, the Commission issued a Notice of Hearing to consider, among other things, the extension of the Temporary Order, to be held on April 1, 2009 at 2:00 p.m.;

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

**AND WHEREAS** prior to the April 1, 2009 hearing date, Staff of the Commission (“Staff”) served the Respondents with copies of the Temporary Order, Notice of Hearing, and Staff’s supporting materials;

**AND WHEREAS** on April 1, 2009, counsel for the Respondents advised the Commission that the Respondents did not oppose the extension of the Temporary Order;

**AND WHEREAS** on April 1, 2009, the Commission considered the evidence and submissions before it and the Commission was of the opinion that it was in the public interest to extend the Temporary Order until September 10, 2009;

**AND WHEREAS** on April 1, 2009, the Commission ordered that the Temporary Order be extended, pursuant to subsection 127(8) of the Act, to September 10, 2009 and the hearing be adjourned to September 9, 2009;

**AND WHEREAS** on September 8, 2009, the Commission ordered, on consent, that the Temporary Order be extended until September 26, 2009 and the hearing be adjourned until September 25, 2009 at 10:00 a.m.;

**AND WHEREAS** on September 24, 2009, the Commission ordered, on consent, that the Temporary Order be extended until October 23, 2009 and the hearing be adjourned until October 22, 2009 at 10:00 a.m.;

**AND WHEREAS** on October 22, 2009, the Commission ordered, on consent, that the Temporary Order be extended until November 16, 2009 and the hearing be adjourned until November 13, 2009 at 10:00 a.m.;

**AND WHEREAS** on November 13, 2009, the Respondents brought a motion before the Commission to have the Temporary Order varied to allow Weizhen Tang to trade (the “Tang Motion”) and Staff opposed this motion;

**AND WHEREAS** on November 13, 2009, Staff sought an extension of the Temporary Order until after the conclusion of the charges before the Ontario Court of Justice against Oversea, Associates and Weizhen Tang;

**AND WHEREAS** on November 13, 2009, the Commission considered the materials filed by the parties, the evidence given by Weizhen Tang, and the submissions of counsel for Staff and counsel for the Respondents;

**AND WHEREAS** on November 13, 2009, the Commission was of the opinion that, pursuant to subsection 127(8) of the Act, satisfactory information had not been provided to the Commission by any of the Respondents; it was in the public interest to order that the Tang Motion be denied; the Temporary Order be extended until June 30, 2010; and the hearing be adjourned to June 29, 2010 at 10:00 a.m.;

**AND WHEREAS** on June 29, 2010, Staff sought an extension of the Temporary Order until after the conclusion of the charges before the Ontario Court of Justice against Oversea, Associates and Weizhen Tang;

**AND WHEREAS** on June 29, 2010, the Respondents and Staff filed materials, including the Affidavit of Jeff Thomson, sworn on June 23, 2010;

**AND WHEREAS** on June 29, 2010, the Commission considered the materials filed by the parties, the submissions of counsel for Staff and counsel for the Respondents, and the submissions of Weizhen Tang;

**AND WHEREAS** on June 29, 2010, the Commission ordered that the Temporary Order be extended until March 31, 2011, and the hearing be adjourned to March 30, 2011, at 10:00 a.m.;

**AND WHEREAS** on March 30, 2011, no one appeared on behalf of the Respondents despite being given notice of the appearance;

**AND WHEREAS** on March 30, 2011, the Commission ordered that the Temporary Order was extended until May 17, 2011, and the hearing was adjourned to May 16, 2011 at 10:00 a.m.;

**AND WHEREAS** on May 16, 2011, Staff made submissions and sought an extension of the Temporary Order and the Respondent Weizhen Tang appeared on behalf of all Respondents and made submissions opposing the extension of the Temporary Order;

**AND WHEREAS** on May 16, 2011, the Commission concluded pursuant to subsection 127(8) of the Act that satisfactory information had not been provided to the Commission by any of the Respondents;

**AND WHEREAS** on May 16, 2011, the Commission ordered that the Temporary Order be extended until November 1, 2011 and the hearing be adjourned to October 31, 2011 at 10:00 a.m.;

**AND WHEREAS** on October 31, 2011, Staff appeared before the Commission seeking an extension of the Temporary Order;

**AND WHEREAS** on October 31, 2011, Weizhen Tang appeared on behalf of all Respondents opposing the extension of the Temporary Order;

**AND WHEREAS** on October 31, 2011, Staff and the Respondents filed materials and made submissions before the Commission;

**AND WHEREAS** on October 31, 2011, the Commission considered the materials filed by the parties, the submissions of counsel for Staff and the submissions of Weizhen Tang;

**AND WHEREAS** on October 31, 2011, the Commission concluded pursuant to subsection 127(8) of the Act that satisfactory information was not provided by any of the Respondents;

**AND WHEREAS** on October 31, 2011, the Commission advised Weizhen Tang that the Respondents could bring a motion under section 144 of the Act to vary the Temporary Order prior to the next hearing date;

**AND WHEREAS** on October 31, 2011, the Commission ordered that the Temporary Order be extended to September 24, 2012 and that the hearing be adjourned to September 21, 2012 at 10:00 a.m.;

**AND WHEREAS** on September 21, 2012, the Commission ordered that the Temporary Order be extended to January 21, 2013 and that the hearing be adjourned to January 18, 2013 at 10:00 a.m.;

**AND WHEREAS** on January 18, 2013, Staff appeared before the Commission to request an extension of the Temporary Order and no one appeared on behalf of the Respondents despite being given notice of this hearing;

**AND WHEREAS** Weizhen Tang indicated by email dated January 17, 2013 that he opposes the extension of the Temporary Order and attached materials to his e-mail;

**AND WHEREAS** Weizhen Tang was not able to appear before the Commission due to an appearance in another matter;

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

**IT IS HEREBY ORDERED** that the Temporary Order is extended until February 4, 2013 and the hearing of this matter is adjourned to February 1, 2013 at 2:00 p.m.

**DATED** at Toronto this 18th day of January, 2013.

"Mary G. Condon"



**2.2.13 Sino-Forest Corporation 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  
SINO-FOREST CORPORATION, ALLEN CHAN,  
ALBERT IP, ALFRED C.T. HUNG,  
GEORGE HO AND SIMON YEUNG**

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

**WHEREAS** on August 26, 2011, the Ontario Securities Commission (the “Commission”) issued a temporary cease trade order pursuant to subsections 127(1) and 127(5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”), subsequently varied by the Commission pursuant to an order under section 144(1) of the Act on the same day (together, the “Temporary Order”), with respect to Sino-Forest Corporation (“Sino-Forest”), Allen Chan (“Chan”), Albert Ip (“Ip”), Alfred C.T. Hung (“Hung”), George Ho (“Ho”) and Simon Yeung (“Yeung”), collectively the “Respondents”) ordering:

- 1) pursuant to paragraph 2 of section 127(1) of the Act that all trading in the securities of Sino-Forest shall cease (the “General Cease Trade Order”);
- 2) pursuant to paragraph 2 of section 127(1) of the Act that all trading in securities by Chan, Ip, Hung, Ho and Yeung (collectively, the “Individual Respondents”) shall cease (the “Individual Respondents’ Cease Trade Order”); and
- 3) pursuant to section 127(6) of the Act that this order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by order of the Commission;

**AND WHEREAS** on September 8, 2011, the Temporary Order was extended by order of the Commission until January 25, 2012;

**AND WHEREAS** on September 15, 2011, the Temporary Order was further varied by order of the Commission pursuant to section 144(1) of the Act in the matter of Canadian Derivatives Clearing Corporation (the “CDCC Order”) but otherwise remained in effect, unamended except as expressly provided in the CDCC Order;

**AND WHEREAS** on January 23, 2012, the Temporary Order was extended by order of the Commission until April 16, 2012;

**AND WHEREAS** on April 13, 2012, the Temporary Order was extended by order of the Commission until July 16, 2012 and the hearing in this matter was adjourned to July 12, 2012, at 10:00 a.m.;

**AND WHEREAS** on May 22, 2012, Staff of the Commission issued a Statement of Allegations against the Respondents and David Horsley, the former Chief Financial Officer of Sino-Forest (the “Statement of Allegations”);

**AND WHEREAS** on July 12, 2012, the General Cease Trade Order was extended by order of the Commission until October 15, 2012 and the Individual Respondents’ Cease Trade Order was extended until the final disposition of the matter related to the Statement of Allegations, including, if appropriate, any final determination with respect to sanctions and costs;

**AND WHEREAS** on July 12, 2012, the hearing in this matter was adjourned to October 10, 2012 at 10:00 a.m.;

**AND WHEREAS** on October 10, 2012, the General Cease Trade Order was extended by order of the Commission until October 29, 2012 and the hearing in this matter was adjourned to October 26, 2012 at 10:00 a.m.;

**AND WHEREAS** on October 26, 2012, the General Cease Trade Order was varied by the Commission pursuant to section 144 of the Act (the “Section 144 Order”) and extended until January 21, 2013 and the hearing in this matter was adjourned to January 17, 2013 at 10:00 a.m.;

**AND WHEREAS** on January 17, 2013, counsel for Staff, counsel for Chan and counsel for Ip, Hung, Ho and Yeung appeared before the Commission;

**AND WHEREAS**, by letter dated January 15, 2013, counsel for Sino-Forest advised that Sino-Forest did not intend to participate in the hearing on January 17, 2013 and that neither Sino-Forest’s monitor appointed by the Superior Court of Justice (Ontario) in connection with a proposed plan of compromise and reorganization pursuant to the Companies Creditors Arrangement Act (Canada) proposed by Sino-Forest (the “Plan”), nor Sino-Forest’s litigation trustee, established in connection with the Plan, intend to have Sino-Forest participate in the Commission proceeding following the implementation of the Plan;

**AND WHEREAS** on January 17, 2013, counsel for Staff submitted that the General Cease Trade Order as varied by the Section 144 Order should be extended until the final disposition of the matter related to the Statement of Allegations, including, if appropriate, any final determination with respect to sanctions and costs;

**AND WHEREAS** the Commission, having considered the evidence and submissions before it, is of the opinion that it is in the public interest to extend the General Cease Trade Order as varied by the Section 144 Order;

**IT IS HEREBY ORDERED** that pursuant to subsections 127(7) and (8) of the Act, the General Cease Trade Order as varied by the Section 144 Order is extended until the final disposition of the matter related to the Statement of Allegations, including, if appropriate, any final determination with respect to sanctions and costs.

Dated at Toronto this 17th day of January, 2013.

"Mary G. Condon"

## Chapter 3

# Reasons: Decisions, Orders and Rulings

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### 3.1 OSC Decisions, Orders and Rulings

#### 3.1.1 Jowdat Waheed and Bruce Walter

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

AND

IN THE MATTER OF  
JOWDAT WAHEED AND BRUCE WALTER

CONFIDENTIAL REASONS AND DECISION  
ON A MOTION TO QUASH SUMMONSES  
[Editor's Note: Made public on January 16, 2013]

**Hearing:** December 12, 2012

**Decision:** December 20, 2012

**Panel:** Christopher Portner – Commissioner

**Appearances:** Matthew P. Gottlieb – For William Gula and Steven Harris

R. Paul Steep – For Jowdat Waheed

Kent E. Thomson – For Bruce Walter

Lawrence Thacker – For Staff of the Commission  
Jennifer Lynch

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**CONFIDENTIAL REASONS AND DECISION  
ON A MOTION TO QUASH SUMMONSES**

**I. BACKGROUND**

[1] By three Notices of Motion dated, respectively, December 4, 5 and 10, 2012, motions were brought by Jowdat Waheed (“**Waheed**”), Bruce Walter (“**Walter**”) and both of William Gula (“**Gula**”) and Steven Harris (“**Harris**”) to quash summonses issued by Staff (“**Staff**”) of the Ontario Securities Commission (the “**Commission**”) to Gula and Harris directing them to attend at the Commission for compelled examinations. The motions were heard together in a hearing before the Commission on December 12, 2012 (the “**Motion Hearing**”).

[2] Waheed and Walter (together, the “**Respondents**”) are respondents in a proceeding commenced by a Notice of Hearing issued on January 9, 2012 in connection with a Statement of Allegations filed by Staff on the same date. In the Statement of Allegations, Staff alleges breaches by the Respondents of subsections 76(1) and (2) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “**Act**”) and conduct contrary to the public interest. Staff alleges at paragraph 1 of the Statement of Allegations that:

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

[3] The hearing to determine the merits of Staff’s allegations against the Respondents (the “**Merits Hearing**”) will begin on January 14, 2013.

[4] On June 8, 2011, Staff obtained an order pursuant to subsection 11(1)(a) of the Act in connection with an investigation relating to Baffinland. That order was subsequently amended on a number of occasions to add and remove the names of the individuals conducting the investigation. The matters to be investigated, as set out in the most recent order dated November 27, 2012, are as follows:

- A. Certain persons may have engaged in trading in securities of Baffinland with knowledge of material facts or material changes respecting Baffinland that had not been generally disclosed;
- B. Selective disclosure may have been made respecting material facts or material changes relating to Baffinland that had not been generally disclosed; and
- C. Disclosure documents required to be filed with the Commission by persons in connection with the offers to Baffinland securityholders may have contained statements that were misleading or untrue;

[5] On November 27, 2012, Staff contacted Gula to arrange for the service of a summons which required Gula to attend for an examination before the Commission on December 7, 2012 (the “**Gula Summons**”). The Gula Summons was issued and served on Gula’s counsel on November 29, 2012. On November 30, 2012, a similar summons was issued to Harris and served on Harris’s counsel which required Harris to attend for an examination before the Commission on December 14, 2012 (the “**Harris Summons**”). Both the Gula Summons and the Harris Summons were issued pursuant to section 13 of the Act in connection with Staff’s investigation into the business, operations and securities activities of Baffinland, ArcelorMittal and Nunavut Iron Ore Acquisition Inc.<sup>1</sup> (“**Nunavut**”) and their representatives and agents, past and present, including persons or companies that may have engaged in any activities with or relating to any of them.

[6] Gula is a former partner of the Davies Ward Phillips & Vineberg LLP law firm (“**Davies**”), and Harris is a current partner of Davies. Both Gula and Harris acted as counsel to Nunavut in connection with its take-over bid for Baffinland and were involved in providing legal advice to the Respondents.

[7] In June 2012, the Respondents advised Staff that they intend to rely on the defence of legal advice at the Merits Hearing and waive privilege solely over the portion of the Davies file “that is from the timeframe between July 26, 2010 and September 9, 2010 and has a bearing on the defence of legal advice in the OSC Proceeding (*i.e.* concerns the review by or with Davies of issues relating to Mr. Waheed’s consultancy)” (June 28, 2012 letter from counsel for Walter to Staff) (the “**Limited Waiver**”).

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<sup>1</sup> The company formerly known as Nunavut Iron Ore Acquisition Inc. is now WW Mines Inc.

[8] The Respondents have indicated their intention to call Gula and Harris as witnesses at the Merits Hearing.

## II. THE FACTS

[9] The Merits Hearing will commence on January 14, 2013, a little more than one month after the date of the Motion Hearing.

[10] Staff conducted seven compelled examinations under the authority of sections 11 and 13 of the Act during the period from July 25, 2011 to October 28, 2011, including examinations of each of Waheed and Walter which were conducted on August 11, 2011 and August 12, 2011, respectively. By October 13, 2011, the Respondents had both produced documents and Waheed had provided Staff with answers to undertakings he gave during his compelled examination.

[11] Staff has conducted interviews of other witnesses in preparation for the Merits Hearing. In communications with Respondents' counsel, Staff has indicated that the Respondents will receive Staff's witness information in accordance with the *Rules*. On October 16, 2012, counsel for Walter made the following request of Staff:

We have reason to believe that Staff have interviewed one or more potential witnesses in connection with this matter and have neither disclosed to us nor McCarthys the fact of the interviews or the contents/subject-matter of the interviews.

Please advise if this is the case.

(October 16, 2012 email from counsel for Walter to Staff)

Staff replied:

Staff is preparing for the hearing in January. In the event that Staff receives materials that have not been previously disclosed, such materials will be disclosed pursuant to our ongoing disclosure obligations. Otherwise, as discussed last week, Staff (along with the Respondents) will provide its witness list and will-says in accordance with the *Rules*.

(October 16, 2012 email from Staff to counsel for Walter)

[12] Previously in this proceeding, Staff has made submissions on the distinction between investigation and hearing preparation. At a November 22, 2012 pre-hearing conference, at which counsel for the Respondents requested disclosure of information relating to interviews Staff had conducted, counsel for Staff stated:

So if we interview a witness and they provide new material, our obligation is to provide disclosure of that material. It is not to provide the fact that we interviewed them. That is part – what my friends are looking for is our strategy and our preparation, and there is no obligation under the rules to provide our litigation strategy.

(Pre-hearing conference transcript, November 22, 2012 at page 73, lines 2 to 9)

And:

... There's a bright line that many [sic] friend is attempting to blur between the fruits of the investigation and litigation preparation.

(Pre-hearing conference transcript, November 22, 2012 at page 73, lines 9 to 12)

[13] The Respondents and Nunavut have provided Staff with only those portions of the Davies file to which the Limited Waiver applies. Staff is attempting to compel counsel to the Respondents (at the relevant time) to submit to examinations by Staff knowing that Gula and Harris are bound by the law relating to privilege to keep certain communications relating to the subject of Staff's investigation in confidence.

[14] On June 5, 2012, the Respondents confirmed with Staff that they intend to rely on the defence of legal advice. Staff submit that:

... The defence is that Walter and Waheed were given a legal opinion by Gula, Harris and/or other Davies' lawyers. There is no legal opinion in any of the Davies documents that were disclosed. The only possible opinion would have to have been given orally. Therefore, the only possible way for Staff to obtain that evidence, which bears directly on the question whether Waheed and/or Walter

had “knowledge of material facts or material changes reflecting Baffinland that had not been generally disclosed” when they purchased the toehold shares and launched their hostile bid, is to conduct a section 13 examination of Gula and Harris. The lawyers who provided the advice legal opinion are the only source of the evidence about that advice.

(Memorandum of Fact and Law of Staff of the Ontario Securities Commission at para. 82)

[15] The Applicants proposed to Staff that their pre-hearing examinations of Gula and Harris be conducted on a voluntary basis with counsel for the Respondents in attendance to assert any claims of privilege. Staff did not agree to the proposal.

### III. RELIEF SOUGHT

[16] The Respondents and Gula and Harris (collectively, the “**Applicants**”) are seeking:

- (a) An order that the Gula Summons and the Harris Summons (together, the “**Summonses**”) be quashed; and
- (b) An order prohibiting Staff from obtaining or issuing further summonses to current or former lawyers or law students of Davies; or
- (c) In the alternative, an order permitting counsel for the Respondents to attend any examination of Gula, Harris or any other current or former lawyer or law student of Davies by Staff, and to participate in such interview for the purpose of asserting and protecting the privilege of the Respondents and Nunavut.

[17] Staff requests an order dismissing the Applicants’ motions in their entirety.

### IV. STAFF’S POWERS TO INVESTIGATE

[18] Part VI of the Act sets out the Commission’s powers in investigations and examinations. The relevant sections of Part VI, for the purposes of this Motion Hearing, are as follows:

11. (1) Investigation Order – The Commission may, by order, appoint one or more persons to make such investigation with respect to a matter as it considers expedient,

(a) for the due administration of Ontario securities law or the regulation of the capital markets in Ontario; ...

...

13. (1) Power of investigator or examiner – A person making an investigation or examination under section 11 or 12 has the same power to summon and enforce the attendance of any person and to compel him or her to testify on oath or otherwise, and to summon and compel any person or company to produce documents and other things, as is vested in the Superior Court of Justice for the trial of civil actions, and the refusal of a person to attend or to answer questions or of a person or company to produce such documents or other things as are in his, her or its custody or possession makes the person or company liable to be committed for contempt by the Superior Court of Justice as if in breach of an order of that court.

(2) Rights of witness – A person or company giving evidence under subsection (1) may be represented by counsel and may claim any privilege to which the person or company is entitled.

[Emphasis added]

...

[19] As noted above, the Act explicitly states that any person subject to a compelled examination by Staff may claim any privilege to which the person is entitled.

[20] The Applicants do not dispute that an investigation need not cease with the issuance of a notice of hearing by the Commission, but may continue (see *Re Boock* (2010), 33 O.S.C.B. 1589 (“**Boock**”), *Re YBM Magnex International Inc.* (2001), 24 O.S.C.B. 1061, aff’d [2001] O.J. No. 2039 (Div. Ct.) (“**YBM**”) and *A&B*, May 8, 2000, unreported (Ont. Sec. Comm.) (“**A&B**”). As the Commission stated in *Boock*:

... the authority of Staff to investigate under a section 11 order does not end when an adjudicative proceeding is commenced. There are many legitimate reasons why an active investigation may continue after the issue of a notice of hearing or a statement of allegations. The Commission stated in *Re X and Y Co.* that “there is no indication in the Act that a notice of hearing in any way changes Staff’s ability to exercise its power under an order made pursuant to section 11 of the Act”. Similarly, the Court stated in *Johnson v. British Columbia (Securities Commission)*, [1999] B.C.J. No. 522 (B.C. S.C. [In Chambers])... that “the probable purpose of the further interviews is to obtain further information which may be used against Johnson at the Hearing itself. ...

(*Boock, supra* at para. 105)

## V. ANALYSIS

### A. Were the Summonses issued legitimately as part of Staff’s continuing investigation?

[21] Given the late stage in the adjudicative proceedings against the Respondents and the particular circumstances of this case, the question arises as to whether the Summonses were in fact issued by Staff as part of a continuing investigation, or whether their purpose was not investigatory in nature but rather intended to aid Staff in their preparation for the upcoming Merits Hearing.

[22] The Applicants submit that “[t]he interviews sought by Staff are, in substance, witness interviews in aid of preparation for the merits hearing. They are not the proper subjects of a compelled examination pursuant to s. 13 Securities Act” (December 4, 2012 Notice of Motion of Waheed at para. 23).

[23] Staff submits that the Summonses were properly issued as part of their continuing investigation in this matter. Staff contends that the examinations of Gula and Harris are relevant to the investigation and notes that the relevance of evidence from Gula and Harris is essentially agreed since the Respondents have squarely placed their legal advice in issue by proposing to rely on it as a legal defence.

[24] Staff further submits that:

... the only possible way for Staff to obtain that evidence, which bears directly on the question whether Waheed and/or Walter had “knowledge of material facts or material changes reflecting Baffinland that had not been generally disclosed” when they purchased the toehold shares and launched their hostile bid, is to conduct a section 13 examination of Gula and Harris. The lawyers who provided the advice legal opinion [sic] are the only source of the evidence about that advice.

(Memorandum of Fact and Law of Staff of the Ontario Securities Commission at para. 82)

[25] The Respondents submit that there is no valid purpose for the Summonses other than to conduct what are essentially examinations for discovery of witnesses for the Respondents for the purpose of preparing for the Merits Hearing.

[26] Staff have acknowledged that the Summonses were issued to obtain information with respect to a defence that the Respondents intend to raise at the Merits Hearing:

The Respondents have advised that they intend to rely on the defence of legal advice. Staff is entitled to obtain information on this issue as part of our ongoing investigation. We seek to interview Mr. Gula as a witness as he is a person who gave legal advice to the Respondents. As you know, it is well settled law that there is no property in a witness. ...

(November 28, 2012 email from Staff to counsel for the Respondents)

[27] I accept that Staff’s investigation in this matter may be ongoing and that there is no legal barrier to the investigation continuing. However, for Staff to be permitted to proceed with a compelled examination at this late stage in the proceeding, it is not sufficient for Staff to merely assert that the examinations are for the purpose of an ongoing investigation.

[28] In my view, Staff is attempting to exercise its investigative authority on the eve of the Merits Hearing in order to examine witnesses who will be testifying on behalf of the Respondents and I find that such an exercise of its investigative authority is inappropriate.

**B. Should the Summonses be quashed?**

[29] Once a proceeding has been commenced before the Commission, the Commission has the authority to determine its own procedures and practices in the proceeding (*Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22, as amended (the “SPPA”) at s. 25.0.1; *Prassad v. Canada (Minister of Employment and Immigration)*, [1989] 1 S.C.R. 560 at para. 16; *Re AT/ Technologies Inc.* (2005), 28 O.S.C.B. 9667 at para. 9; and *Re Hollinger Inc.* (2006), 29 O.S.C.B.7071 at para. 49). It is not the role of an adjudicative Panel of the Commission to direct an investigation by Staff and the procedural safeguards of the SPPA do not relate to the conduct of investigations (*YBM*, *supra* at para. 11 and SPPA, s. 3). However, the Commission’s *Rules of Procedure* (2012), 35 O.S.C.B. 10071 (the “Rules”) made under the SPPA set out a scheme for hearing preparation, provision of witness information and disclosure of documents on which the parties intend to rely at a hearing.

[30] Staff submits that “[a]lthough the purpose of the proposed section 13 examinations is investigatory, it would also be a permitted and valid purpose to discover what a witness’ evidence is going to be at the hearing” (Memorandum of Fact and Law of Staff of the Ontario Securities Commission at para. 88).

[31] The circumstances under which the Summonses were issued in this case differ from the circumstances present in prior decisions in which the Commission has declined to quash summonses issued by Staff in the course of investigations (see *YBM* and *A&B*). In *A&B*, the Commission stated:

Nor do we agree with “Mr. X’s” argument that the Summons should be quashed because it was issued for a collateral or ulterior purpose because the real intent of the Summons was to obtain a *viva voce* deposition from a senior officer of “B” for the purpose of preparing for the hearing.

If this means that the real purpose of the Summons is to obtain discovery of “B” through an officer of “B” then we are satisfied that this was not the purpose of the Summons. If it means no more than that the Summons is being used by Staff to determine whether or not to call “A” as a witness, and, if they do, what his evidence will be, then we see nothing wrong with this, nor do we see any unfairness in it. Part VI clearly, in our view, contemplates such a proceeding. ... [Emphasis added]

(*A&B*, *supra* at 11 to 12)

[32] It appears that the Panel in *A&B* was satisfied that the purpose of Staff’s summons in that case was not to conduct a pre-hearing discovery. In this case, I am satisfied that the real purpose of the Summonses is to conduct an oral examination in preparation for the Merits Hearing. In that sense, the facts in *A&B* are distinguishable.

[33] Likewise, the facts of this case are distinguishable from the facts in *YBM* in which the Commission stated at paragraph 13:

We disagree with the Applicant’s contention that the Commission erred in its decision in *A&B*. The Section 13 summons was not issued to Mr. Middleton as a corporate officer produced for discovery but rather as a corporate witness being compelled to testify as to his personal knowledge about the facts in issue.

[34] As noted above, the procedure in investigations by Staff is separate from the procedure to be followed by parties to an adjudicative proceeding before the Commission. Rule 4.5 of the *Rules* requires that witness lists and summaries of the evidence witnesses are expected to give at the hearing be disclosed at least 10 days before the commencement of the hearing. If, as the Respondents have indicated, they intend to call Gula and Harris as witnesses at the Merits Hearing, they will be required to comply with Rule 4.5 of the *Rules*. Staff’s opportunity to test the nature, extent and strength of any evidence Gula and Harris provide will be through cross-examination at the Merits Hearing.

[35] The parties made extensive submissions with respect to issues of privilege at the Motion Hearing. Given my finding below, it is not necessary to address issues of privilege.

**VI. CONCLUSION**

[36] The Applicants have made a compelling case that the purpose for issuing the Summonses to Gula and Harris is to provide Staff the tactical advantage of discovering the evidence of Gula and Harris prior to their testimony at the Merits Hearing. This, in my opinion, is not an appropriate use of Staff’s broad investigative powers. It is not sufficient for Staff to simply rely on the breadth of their investigative powers, with no response to the alleged abuse of those powers.

[37] In the absence of any evidence of a legitimate investigative purpose for the issuance of the Summonses, I am satisfied on the preponderance of evidence that the Summonses were issued in aid of Staff’s preparation for the Merits Hearing and not



for a legitimate purpose related to their ongoing investigation into this matter. My conclusion is entirely dependent on the facts of this case.

[38] I therefore conclude that the Summonses should be quashed.

[39] I do not find it appropriate at this stage to make any further order with respect to any future summonses Staff may issue in connection with their ongoing investigation.

Dated at Toronto this 20th day of December, 2012.

“Christopher Portner”

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## Chapter 4

# Cease Trading Orders

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### 4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Revoke

THERE ARE NO ITEMS FOR THIS WEEK.

### 4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/ Expire	Date of Issuer Temporary Order

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 6

# Request for Comments

### 6.1.1 Proposed Amendments Facilitating CSA Information Technology Arrangements



Canadian Securities  
Administrators

Autorités canadiennes  
en valeurs mobilières

## CSA Notice and Request for Comment Proposed Amendments Facilitating CSA Information Technology Arrangements

January 24, 2013

### Introduction

The Canadian Securities Administrators (the CSA or we) are publishing for a 90 day comment period the following material (the Proposed Material):

- proposed National Instrument 13-102 *System Fees for SEDAR and NRD* (NI 13-102), as set out in Annex A,
- proposed amendments to National Instrument 13-101 *System for Electronic Document Analysis and Retrieval (SEDAR)* (NI 13-101), as set out in Annex C,
- proposed amendments to National Instrument 31-102 *National Registration Database* (NI 31-102), as set out in Annex D, and
- proposed amendments to National Instrument 55-102 *System for Electronic Disclosure by Insiders (SEDI)*, as set out in Annex E.

The Proposed Material reflects the amendments necessary in connection with the scheduled expiry of existing agreements with CDS Inc. to operate the System for Electronic Documents Analysis and Retrieval (SEDAR), the System for Electronic Disclosure by Insiders (SEDI) and the National Registration Database (NRD) (collectively, the CSA National Systems) on behalf of the CSA. NI 13-102 will consolidate and replace the existing filing service charge schedules under the SEDAR Filer Manual and NRD User Guide. As well, we have taken advantage of cost saving opportunities under the new arrangements to reduce fees. Based on recent filing patterns, we expect system fees to decline in approximately 40% of SEDAR filing situations and in approximately 24% of NRD filing situations.

The text of NI 13-102 is contained in Annex A of this notice. Annex B of this notice compares the fees in the existing filing service charge schedules to the fees in NI 13-102. Other related proposed amendments are contained in Annexes C, D and E of this notice. This material is also available on websites of CSA jurisdictions, including:

[www.lautorite.qc.ca](http://www.lautorite.qc.ca)  
[www.albertasecurities.com](http://www.albertasecurities.com)  
[www.bcsc.bc.ca](http://www.bcsc.bc.ca)  
[www.gov.ns.ca/nssc](http://www.gov.ns.ca/nssc)  
[www.nbsc-cvmnb.ca](http://www.nbsc-cvmnb.ca)  
[www.osc.gov.on.ca](http://www.osc.gov.on.ca)  
[www.spsc.gov.sk.ca](http://www.spsc.gov.sk.ca)  
[www.msc.gov.mb.ca](http://www.msc.gov.mb.ca)

### Background

CDS Inc. currently operates the CSA National Systems for the benefit of the CSA. The agreements with CDS Inc. to operate the CSA National Systems are scheduled to expire in October 2013 and a new service provider is being secured to take over operations. In this regard, a number of minor changes to the existing rules governing the CSA National Systems are required. In

addition, we are consolidating the existing filing service charge schedules under the SEDAR Filer Manual and NRD User Guide into NI 13-102.

The proposed system fees in NI 13-102 are structured in a substantially similar way to the fees in the existing filing service charge schedules. "First jurisdiction" filing fees have been replaced with filing fees payable to the applicable filer's principal regulator, with the amounts unchanged. Fees payable for filings in additional jurisdictions have been substantially reduced. Maximum fees for filing in all jurisdictions will not increase, but fewer filers will be subject to the maximum fee due to the reduction in additional jurisdiction fees and the way in which these fees will be applied under the proposed system.

From a user perspective, we do not expect any significant changes to the current payment process. The system fees will continue to be collected on-line through the CSA National Systems and paid into a special purpose pool of funds, managed by one or more designated CSA members, for the payment of costs and expenses associated with the operation and development of the CSA National Systems (including any new or updated national information technology systems that may be developed for the CSA).

### **Substance and Purpose**

NI 13-102 sets out system fees payable to Canadian securities regulatory authorities, largely in connection with specified filings. It consolidates and replaces the existing system fee schedules found in the SEDAR Filer Manual and NRD User Guide. The proposed system fees result in a reduction to the overall fees charged under the current arrangements. System fees would continue, with the exception of NRD enrolment fees, to be paid on-line through SEDAR and NRD.

The other proposed amendments reflect the changes necessary as a result of the change of the SEDAR filing service contractor, SEDI operator and NRD administrator from CDS Inc. to a new vendor.

### **Summary of the Proposed Material**

Part 1 of NI 13-102 sets out definitions used in the proposed Instrument. It also ensures that the proposed Instrument prevails over any conflicting provision in NI 13-101 or NI 31-102.

Part 2 of NI 13-102, in conjunction with Appendices A and B of the proposed Instrument, sets out the SEDAR system fees payable to each Canadian securities regulatory authority.

Part 3 of NI 13-102 sets out the NRD system fees payable to each Canadian securities regulatory authority.

Part 4 of NI 13-102 provides that the fees in section 3, 4, 6 or 7 of the proposed Instrument are all paid through SEDAR or NRD, as the case may be.

Part 5 of NI 13-102 allows exemptions to be granted under the Instrument.

### **Anticipated Costs and Benefits**

The proposed system fees, when implemented, will yield benefits in the form of lower system costs for many filers. Based on recent filing patterns, we expect system fees to decline in approximately 40% of SEDAR filing situations and in approximately 24% of NRD filing situations. In all remaining filing situations, there will be no change in system fee costs. We expect system fee costs to decline by 6.5% on average for SEDAR filings and by 6.6% on average for NRD filings based on recent filing patterns.<sup>2</sup> We have also eliminated the subscription fees that are currently required to be paid for SEDAR filer software licences.

The CSA believes the proposed system operation and fee changes will have no impact on service levels or the general operation and development of the CSA National Systems.

### **Request for Comments**

We welcome your comments on the Proposed Materials.

Please submit your comments in writing on or before April 24, 2013. If you are not sending your comments by email, please send a CD containing the submissions (in Microsoft Word format).

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<sup>2</sup> Averages calculated by weighting the fee changes for each filing type by that filing type's share of all filings made over the last 12 months. For further information on the fee changes, see Annex B.

Address your submission to all of the CSA as follows:

British Columbia Securities Commission  
Alberta Securities Commission  
Saskatchewan Financial and Consumer Affairs Authority  
Manitoba Securities Commission  
Ontario Securities Commission  
Autorité des marchés financiers  
Nova Scotia Securities Commission  
New Brunswick Securities Commission  
Prince Edward Island Securities Office  
Office of the Superintendent of Securities, Government of Newfoundland and Labrador  
Department of Community Services, Government of Yukon  
Office of the Superintendent of Securities, Government of the Northwest Territories  
Legal Registries Division, Department of Justice, Government of Nunavut

Deliver your comments **only** to the addresses below. Your comments will be distributed to the other participating CSA members.

The Secretary  
Ontario Securities Commission  
20 Queen Street West  
19th Floor, Box 55  
Toronto, Ontario M5H 3S8  
Fax: 416-593-2318  
[comments@osc.gov.on.ca](mailto:comments@osc.gov.on.ca)

M<sup>e</sup> Anne-Marie Beaudoin  
Corporate Secretary  
Autorité des marchés financiers  
800, square Victoria, 22e étage  
C.P. 246, tour de la Bourse  
Montréal (Québec) H4Z 1G3  
Fax : 514-864-6381  
[consultation-en-cours@lautorite.qc.ca](mailto:consultation-en-cours@lautorite.qc.ca)

We cannot keep submissions confidential because securities legislation in certain provinces requires publication of a summary of the written comments received during the comment period.

### **Contents of Annexes**

As described above, Annexes A, C and D contain the Proposed Material. Annex B compares the existing filing service charge schedules to the fees in NI 13-102.

Where applicable, Annex F contains local material.

### **Questions**

*Autorité des marchés financiers*  
Mathieu Laberge  
Legal Counsel  
Legal Affairs  
514-395-0337 ext.2537  
1-877-525-0337 ext. 2537  
[mathieu.laberge@lautorite.qc.ca](mailto:mathieu.laberge@lautorite.qc.ca)

*Alberta Securities Commission*  
Samir Sabharwal  
Associate General Counsel  
Office of the General Counsel  
403-297-7389  
[samir.sabharwal@asc.ca](mailto:samir.sabharwal@asc.ca)

## Request for Comments

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### *British Columbia Securities Commission*

David M. Thompson  
General Counsel  
604-899-6537  
[DThompson@bcsc.bc.ca](mailto:DThompson@bcsc.bc.ca)

### *Manitoba Securities Commission*

Chris Besko  
Legal Counsel – Deputy Director  
204-945-2561  
[Chris.Besko@gov.mb.ca](mailto:Chris.Besko@gov.mb.ca)

### *Ontario Securities Commission*

Simon Thompson  
Senior Legal Counsel  
General Counsel's Office  
416-593-8261  
[sthompson@osc.gov.on.ca](mailto:sthompson@osc.gov.on.ca)

Robert Galea  
Legal Counsel  
General Counsel's Office  
416-593-2321  
[rgalea@osc.gov.on.ca](mailto:rgalea@osc.gov.on.ca)



**ANNEX A****PROPOSED NATIONAL INSTRUMENT 13-102  
SYSTEM FEES FOR SEDAR AND NRD****PART 1  
DEFINITIONS AND INTERPRETATION****Definitions**

**1. (1)** In this Instrument,

“annual information form” means an “AIF” as defined by National Instrument 51-102 *Continuous Disclosure Obligations* or an annual information form for the purposes of Part 9 of National Instrument 81-106 *Investment Fund Continuous Disclosure*;

“issuer bid”

- (a) except in Ontario, means an issuer bid to which Part 2 of Multilateral Instrument 62-104 *Take-Over Bids and Issuer Bids* applies, and
- (b) in Ontario, means a “formal issuer bid” as defined by subsection 89(1) of the *Securities Act* (Ontario);

“shelf prospectus” means a prospectus filed under National Instrument 44-102 *Shelf Distributions*;

“take-over bid”

- (a) except in Ontario, means a take-over bid to which Part 2 of Multilateral Instrument 62-104 applies, and
- (b) in Ontario, means a “formal take-over bid” as defined by subsection 89(1) of the *Securities Act* (Ontario).

**(2)** In this Instrument, each term appearing in Column 1 of the Table below has the meaning ascribed to it in the Instrument or Form shown in the same row in Column 2 of the Table.

<b>Column 1 Term Defined</b>	<b>Column 2 Specified Instrument or Form</b>
CPC instrument	National Instrument 45-106 <i>Prospectus and Registration Exemptions</i>
firm filer	National Instrument 31-102 <i>National Registration Database</i>
individual filer	National Instrument 31-102 <i>National Registration Database</i>
long form prospectus	National Instrument 41-101 <i>General Prospectus Requirements</i>
MJDS prospectus	National Instrument 71-101 <i>The Multijurisdictional Disclosure System</i>
NRD	National Instrument 31-102 <i>National Registration Database</i>
principal jurisdiction	Multilateral Instrument 11-102 <i>Passport System</i>
principal regulator	Multilateral Instrument 11-102 <i>Passport System</i>
rights offering	National Instrument 45-101 <i>Rights Offerings</i>
SEDAR	National Instrument 13-101 <i>System for Electronic Document Analysis and Retrieval (SEDAR)</i>
short form prospectus	National Instrument 41-101 <i>General Prospectus Requirements</i>
sponsoring firm	Form 33-109F4 <i>Registration of Individuals and Review of Permitted Individuals</i>

### **Inconsistency with other instruments**

2. If there is any conflict or inconsistency between this Instrument and National Instrument 13-101 *System for Electronic Document Analysis and Retrieval (SEDAR)* or National Instrument 31-102 *National Registration Database*, this Instrument prevails.

## **PART 2 SEDAR SYSTEM FEES**

### **Local system fees**

3. In Québec, a person or company making the type of filing described in Column C of Appendix A with the Autorité des marchés financiers must pay to the Autorité des marchés financiers the system fee specified in Column D of that Appendix.

### **System fees**

4. A person or company making the type of filing described in Column B of Appendix B of the category in Column A of that Appendix must pay to the securities regulatory authority with which the filing was made the system fee specified in Column C or D of that Appendix, as the case may be.

## **PART 3 NRD SYSTEM FEES**

### **Enrolment Fee**

5. A firm filer must pay to the securities regulatory authority of its principal jurisdiction an enrolment fee of \$500 upon enrolment in NRD.

### **NRD submission fee**

6. (1) A firm filer must pay an NRD system fee in respect of an individual filer to each securities regulatory authority if

- (a) it is the sponsoring firm for the individual filer, and
- (b) through the filing of a Form 33-109F4, the individual filer registers or reactivates their registration with the securities regulatory authority.

(2) The fee under subsection (1) payable to each securities regulatory authority by a sponsoring firm in respect of an individual filer is,

- (a) if the securities regulatory authority is the principal regulator of the individual filer, \$75.00, and
- (b) in any other case, \$20.50.

### **Annual NRD system fee**

7. On December 31 of each year, a firm filer must pay an annual NRD system fee to a securities regulatory authority equal to the total of:

- (a) if the securities regulatory authority in a jurisdiction is the principal regulator of one or more individuals who are individual filers on that date and for which the firm filer is the sponsoring firm in that jurisdiction, the product of \$75.00 and the number of those individuals, and
- (b) if there are individual filers on that date for which the securities regulatory authority in a jurisdiction is not the principal regulator and for which the firm filer is the sponsoring firm in that jurisdiction, the product of \$20.50 and the number of those individuals.

**PART 4  
PAYMENT OF FEES**

**Means of payment**

8. A fee under section 3, 4, 6 or 7 must be paid through SEDAR or NRD, as the case may be.

**PART 5  
EXEMPTION**

**Exemption**

9. (1) The regulator or the securities regulatory authority may grant an exemption from this Instrument, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.

(2) Despite subsection (1), in Ontario, only the regulator may grant such an exemption.

**PART 6  
EFFECTIVE DATE**

**Effective Date**

10. This Instrument comes into force on ●, 2013.

## Appendix A – Local SEDAR System Fees

## Section 3

Column A Local Jurisdiction	Column B Category of Filing	Column C Type of Filing	Column D System Filing Fee
Québec	Securities Offerings	Prospectus distribution to person outside Québec, if made from Québec (section 12 of <i>Securities Act</i> (Québec))	\$130.00

## Appendix B – Other SEDAR System Fees

## Section 4

Row	Column A Category of Filing	Column B Type of Filing	Column C System Fee Payable to Principal Regulator	Column D System Fee Payable to Each Other Securities Regulatory Authority
1	Annual filing service fee for continuous disclosure – investment funds <i>Note: Excludes the Annual Information Form and all other filings listed separately in Rows 3 to 21.</i>	Investment funds (continuous disclosure)	\$495.00	N/A
2	Annual filing service fee for continuous disclosure <i>Note: Excludes the Annual Information Form and all other filings listed separately in Rows 3 to 21.</i>	Continuous disclosure for reporting issuers (other than investment funds)	\$705.00	\$74.00
3	Investment fund issuers / securities offerings	Simplified prospectus, annual information form and Fund Facts (National Instrument 81-101 <i>Mutual Fund Prospectus Disclosure</i> )	\$585.00, which applies in total to a combined filing, if one annual information form and one simplified prospectus are used to qualify the investment fund securities of more than one investment fund for distribution	\$162.50, subject to the application provision described in Column C
4		Long form prospectus	\$715.00	\$212.50
5	Investment fund issuers / continuous disclosure	Annual information form (National Instrument 81-106 <i>Investment Fund Continuous Disclosure</i> ) for investment fund if not a short form prospectus issuer	\$455.00	N/A
6	Investment fund issuers / continuous disclosure	Annual information form (National Instrument 81-106 <i>Investment Fund Continuous Disclosure</i> ) for investment fund if short form prospectus issuer	\$2,655.00	N/A
7	Investment fund issuers / exemptions and other applications	Applications (National Instrument 81-102 <i>Mutual Funds</i> )	\$195.00	\$40.00
8		Exemptions and other applications in connection with a prospectus filing	\$195.00	\$82.50

Row	Column A Category of Filing	Column B Type of Filing	Column C System Fee Payable to Principal Regulator	Column D System Fee Payable to Each Other Securities Regulatory Authority
9	Other issuers / securities offerings	Short form prospectus (National Instrument 44-101 <i>Short Form Prospectus Distributions</i> )	\$390.00	\$115.00
10		Shelf prospectus (National Instrument 44-102 <i>Shelf Distributions</i> )	\$390.00	\$115.00
11		MJDS Prospectus (National Instrument 71-101 <i>The Multijurisdictional Disclosure System</i> )	\$390.00	\$115.00
12		Long form prospectus	\$715.00	\$212.50
13		Rights offering material	\$325.00	\$115.00
14		Prospectus governed by CPC instrument (TSX Venture Exchange)	\$715.00	\$212.50
15	Other issuers / continuous disclosure	Annual information form, if neither an investment fund nor a short form prospectus issuer	\$455.00	N/A
16		Annual information form, if a short form prospectus issuer (other than an investment fund)	\$2,655.00	N/A
17	Exemptions and other applications (if not an investment fund)	Exemptions and other applications in connection with prospectus filing	\$195.00	\$82.50
18	Other issuers / Going Private / Related Party Transactions	Going private transaction filings	\$325.00	\$115.00
19		Related party transaction filings	\$325.00	\$115.00
20	Other issuers/securities acquisitions	Issuer bid filings	\$195.00	\$82.50
21	Third party filers/third party filings	Take-over bid filings	\$195.00	\$82.50

**ANNEX B****COMPARISON OF EXISTING CHARGES TO PROPOSED FEES IN NI 13-102****SEDAR filing service subscriber fees**

Category	Existing Charge	Proposed Fee
Initial licensing fee	\$390.00	Fee eliminated
Charge for additional SEDAR filer software licenses	\$260.00	Fee eliminated
Annual subscription fee	\$390.00	Fee eliminated

**SEDAR local system fees  
(Appendix A of NI 13-102)**

Reference in NI 13-102	Category	Existing Charge	Proposed Fee
Appendix A	Québec fee for distribution outside Québec	\$130.00	No change

**Annual filing service fee for continuous disclosure  
(Appendix B of NI 13-102)**

Reference in NI 13-102	Category	Existing Charge	Proposed Fee
Row 1	Investment Fund	\$495.00	No change
Row 2	Single Jurisdiction Issuer (issuer which is a reporting issuer in only one jurisdiction)	\$705.00	No change
Row 2	Multi-Jurisdiction Issuer (an issuer which is a reporting issuer in more than one jurisdiction)	\$1,595.00	\$705.00, plus \$74.00 for each additional jurisdiction in which the issuer is a reporting issuer, to a maximum of \$1,593.00

**Other SEDAR system fees  
(Appendix B of NI 13-102)**

Reference in NI 13-102	Category		Existing Charge	Proposed Fee
Row 3	Simplified prospectus, AIF and Fund Facts (investment funds)	First/local jurisdiction fee	\$585.00	No change
		Fee per add'l jurisdiction	\$325.00	\$162.50
		Maximum Fee	\$2,535.00	No change
Row 4	Long form prospectus (investment funds)	First/local jurisdiction fee	\$715.00	No change
		Fee per add'l jurisdiction	\$425.00	\$212.50
		Maximum Fee	\$3,265.00	No change
Row 5	Investment funds AIF (not a short form prospectus issuer)	First/local jurisdiction fee	\$455.00	No change
Row 6	Investment funds AIF (if short form prospectus issuer)	First/local jurisdiction fee	\$2,655.00	No change
Row 7	Investment fund exemptions and other applications (NI 81-102)	First/local jurisdiction fee	\$195.00	No change
		Fee per add'l jurisdiction	\$80.00	\$40.00
		Maximum Fee	\$675.00	No change
Rows 8, 17, 20 and 21	Exemptions and other applications in connection with a prospectus filing; issuer bid filings and take-over bid filings	First/local jurisdiction fee	\$195.00	No change
		Fee per add'l jurisdiction	\$165.00	\$ 82.50
		Maximum Fee	\$1,185.00	No change
Rows 9 to 11	Other short form prospectuses, shelf prospectuses and MJDS prospectus	First/local jurisdiction fee	\$390.00	No change
		Fee per add'l jurisdiction	\$230.00	\$115.00
		Maximum Fee	\$1,770.00	No change
Rows 12 and 14	Long form prospectus or prospectus governed by CPC instrument	First/local jurisdiction fee	\$715.00	No change
		Fee per add'l jurisdiction	\$425.00	\$212.50
		Maximum Fee	\$3,265.00	No change
Rows 13, 19 and 20	Rights offering material, going private transaction filings and related party transaction filings	First/local jurisdiction fee	\$325.00	No change
		Fee per add'l jurisdiction	\$230.00	\$ 115.00
		Maximum Fee	\$1,705.00	No change
Row 15	AIF if neither an investment fund nor a short form prospectus issuer	First/local jurisdiction fee	\$455.00	No change



Reference in NI 13-102	Category		Existing Charge	Proposed Fee
Row 16	AIF, if a short form prospectus issuer (other than an investment fund)	First/local jurisdiction fee	\$2,655.00	No change

**NRD system fees**

Reference in NI 13-102	Category		Existing Charge	Proposed Fee
s. 5	NRD enrolment fee		\$500.00	No change
s. 6(2) and 7	NRD submission and annual systems fee	First/local jurisdiction fee	\$75.00	No change
		Fee per add'l jurisdiction	\$50.00	\$20.50
		Maximum Fee	\$325.00	\$321.00

**ANNEX C**

**PROPOSED AMENDMENTS TO NATIONAL INSTRUMENT 13-101  
SYSTEM FOR ELECTRONIC DOCUMENT ANALYSIS AND RETRIEVAL (SEDAR)**

1. *National Instrument 13-101 System for Electronic Document Analysis and Retrieval (SEDAR) is amended by this Instrument.*
2. *Section 1.1 is amended by, in the definition of “SEDAR filing service contractor”, replacing “CDS INC.” with “\_\_\_\_\_”.*
3. This Instrument comes into force on ●.

**ANNEX D**

**PROPOSED AMENDMENTS TO NATIONAL INSTRUMENT 31-102  
NATIONAL REGISTRATION DATABASE**

1. ***National Instrument 31-102 National Registration Database is amended by this Instrument.***
2. ***Section 1.1 is amended by, in the definition of “NRD administrator”, replacing “CDS INC.” with “\_\_\_\_\_”.***
3. ***Paragraph 4.5(e) is amended by replacing “payable to CDS INC. in Canadian funds, to the firm’s principal regulator” with “payable to \_\_\_\_\_ in Canadian currency, made payable to \_\_\_\_\_”.***
4. This Instrument comes into force on ●.

**ANNEX E**

**PROPOSED AMENDMENTS TO NATIONAL INSTRUMENT 55-102  
SYSTEM FOR ELECTRONIC DISCLOSURE BY INSIDERS (SEDI)**

1. ***National Instrument 55-102 System for Electronic Disclosure by Insiders (SEDI) is amended by this Instrument.***
2. ***Section 1.1 is amended by, in the definition of “SEDI operator”, replacing “CDS INC.” with “\_\_\_\_\_”.***
3. ***Form 55-102F5 – SEDI User Registration Form is amended by***

- (a) ***replacing the section titled “Delivery of Signed Copy to SEDI Operator” with the following:***

***Delivery of Signed Copy to SEDI Operator***

Before you may make a valid SEDI filing, you must deliver a manually signed paper copy of the completed user registration form to the SEDI operator for verification purposes. To satisfy this requirement, it is preferred that you print a copy of the online user registration form once you have certified and submitted it. You must deliver a manually signed and dated copy of the completed user registration form via prepaid mail, personal delivery or facsimile to the SEDI operator at the following address or fax number, as applicable:

*[Insert appropriate address - to be determined]*

or, if you are resident in the province of Quebec, to the SEDI operator at the address above, or to:

*[Insert appropriate address - to be determined]*

or at such other address(es) or fax number(s) as may be provided on the SEDI web site (www.sedi.ca).

- (b) ***replacing the section titled “Questions” with the following:***

***Questions***

Questions may be directed to the SEDI operator at 1-800-219-5381 or such other number as may be provided on the SEDI web site.

- (c) ***in the section titled “Notice – Collection and Use of Personal Information”,***

- (i) ***replacing “CDS INC. (the SEDI operator) is retained by CDS INC.” with “the SEDI operator is retained by the SEDI operator”; and***

- (ii) ***replacing “the CDS SEDI Administrator” with “the SEDI operator”;***

- (d) ***replacing the first paragraph in the section titled “SEDI User Registration Form” with the following:***

Note: Before an individual registering as a SEDI user may make a valid SEDI filing, the registering individual must deliver a manually signed paper copy of the completed user registration form to the SEDI operator for verification purposes. It is preferred that the registering individual print a copy of the online version using the “Print” function provided for this purpose in SEDI. The signed paper copy must be delivered by prepaid mail, personal delivery or facsimile to:

*[Insert appropriate address - to be determined]*

or, if you are resident in the province of Quebec, to the SEDI operator at the address above, or to

*[Insert appropriate address - to be determined]*

- (e) *replacing, in the section titled “ SEDI User Registration Form”, the portion titled “Section 3 – Certification of SEDI User” with the following:*

**Section 3 Certification of SEDI User**

I certify that the foregoing information is true in all material respects. I agree to update the information submitted on this form in SEDI as soon as practicable following any material change in the information. I agree that an executed copy of Form 55-102F5, if delivered to the SEDI operator by facsimile, shall have the same effect as an originally executed copy delivered to the SEDI operator.

4. This Instrument comes into force on ●.

**ANNEX F**

**LOCAL ONTARIO ANNEX**

**Alternatives Considered**

No alternatives to rule-making were considered.

**Authority for Proposed Materials**

The statutory rule-making authority in Ontario for the Proposed Materials is provided under subsection 143(1) of the *Securities Act*:

- Paragraph 1 of that subsection provides the Ontario Securities Commission with authority to prescribe requirements in respect of registration.
- Paragraph 39 of that subsection provides the Commission with authority in connection the “media, format, preparation, form content, execution, certification, dissemination and other use, filing and review” of documents required under or governed by the *Securities Act*.
- Paragraph 43 of that subsection provides the Commission with authority to prescribe fees payable to the Commission in connection with the administration of Ontario securities law.
- Paragraph 44 of that subsection provides the Commission with authority to vary the *Securities Act* to permit or require the use of an electronic or computer-based system for the filing, delivery or deposit of specified documents.
- Paragraph 45 of that subsection provides the Commission with authority to establish requirements for and procedures in respect of the use of an electronic or computer-based systems for the filing, delivery or deposit of documents or information.
- Paragraph 49 of that subsection provides the Commission with authority to permit or require, including through variations to the *Securities Act*, methods of filing or delivery by specified persons of specified material required under or governed by Ontario securities law.

**Unpublished Materials**

The Commission relies on no significant unpublished study, report or other written materials in proposing NI 13-102 or the other amendments described in Annexes C, D or E.

## **Chapter 7**

# **Insider Reporting**

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This chapter is available in the print version of the OSC Bulletin, as well as as in Carswell's internet service SecuritiesSource (see [www.carswell.com](http://www.carswell.com)).

This chapter contains a weekly summary of insider transactions of Ontario reporting issuers in the System for Electronic Disclosure by Insiders (SEDI). The weekly summary contains insider transactions reported during the seven days ending Sunday at 11:59 pm.

To obtain Insider Reporting information, please visit the SEDI website ([www.sedi.ca](http://www.sedi.ca)).





## Chapter 8

# Notice of Exempt Financings

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### REPORTS OF TRADES SUBMITTED ON FORMS 45-106F1 AND 45-501F1

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price (\$)	No. of Securities Distributed
11/08/2012	14	AbbVie Inc. - Notes	170,922,385.18	14.00
04/01/2012 to 12/01/2012	4	Agilith North American Diversified Fund LP - Units	130,000.00	130.00
11/30/2012	3	Aircastle Limited c/o Aircastle Advisor LLC - Notes	14,401,400.00	3.00
01/01/2012 to 12/01/2012	24	AlphaNorth Partners Fund Inc. - Common Shares	3,560,225.00	149,082.59
12/21/2012	4	American Residential Properties, Inc. - Common Shares	22,037,500.00	7,187,500.00
09/18/2012	2	Amkor Technology, Inc. - Notes	1,026,500.00	2.00
12/24/2012	13	Asher Resources Corporation - Units	342,500.00	1,370,000.00
11/27/2012 to 12/05/2012	11	Aurvista Gold Corporation - Units	1,473,853.00	589,412.00
01/31/2012 to 11/30/2012	24	Auspice Capital Advisors Ltd. - Trust Units	3,685,690.00	377,385.23
09/17/2012	1	Berkshire Hathaway Finance Corporation - Notes	24,904,394.97	N/A
12/28/2012	22	Berkwood Resources Ltd. - Units	289,555.00	N/A
12/18/2012	17	Big North Graphie Corp. - Common Shares	991,809.83	14,168,712.00
11/26/2012	16	Biosign Technologies Inc. - Units	287,785.00	4,427,462.00
12/20/2012 to 12/28/2012	11	Biosign Technologies Inc. - Units	355,805.00	7,116,100.00
12/31/2012	3	Birch Lake Energy Inc. - Common Shares	210,499.92	1,754,166.00
01/01/2012 to 04/01/2012	3	Blackheath Fund Management Inc. - Units	326,575.00	N/A
05/01/2012 to 12/01/2012	2	Blackheath Fund Management Inc. - Units	150,000.00	1,390.81
12/19/2012	3	Boxxer Gold Corp. - Common Shares	308,000.00	4,400,000.00
12/31/2012	3	Bristol Gate US Dividend Growth Fund LP - Limited Partnership Units	392,490.00	2,935.51
11/20/2012	7	Canada Zinc Metals Corp. - Common Shares	3,000,000.00	7,500,000.00
12/14/2012	4	Canadian Horizons First MIC Fund Inc. - Preferred Shares	104,795.00	N/A
07/25/2012	7	Canadian Horizons First MIC Fund Inc. - Preferred Shares	394,668.00	N/A

**Notice of Exempt Financings**

<b>Transaction Date</b>	<b>No. of Purchasers</b>	<b>Issuer/Security</b>	<b>Total Purchase Price (\$)</b>	<b>No. of Securities Distributed</b>
10/03/2012	22	Canadian Imperial Bank of Commerce - Notes	11,660,000.00	116,600.00
08/10/2012	1	Canadian Imperial Bank of Commerce - Notes	1,000,000.00	10,000.00
12/31/2012	1	Canadian Imperial Bank of Commerce - Notes	1,000,000.00	10,000.00
09/25/2012	1	Canadian Imperial Bank of Commerce - Notes	1,023,500.00	10,000.00
12/28/2012	32	Cancen Oil Canada Inc. - Common Shares	1,134,819.40	3,636,393.00
12/28/2012	13	Cancen Oil Canada Inc. - Debentures	686,000.00	686.00
12/28/2012	8	Cancen Oil Canada Inc. - Units	1,126,839.08	2,965,366.00
11/19/2012	2	Cap-Ex Ventures Ltd. - Flow-Through Shares	739,999.75	2,114,285.00
12/28/2012	14	Cardero Resource Corp. - Common Shares	3,000,400.00	6,000,800.00
12/19/2012	23	Cardero Resource Corp. - Common Shares	3,585,057.30	7,966,794.00
12/21/2012 to 12/27/2012	153	Cardinal Energy Ltd. - Common Shares	20,006,250.00	7,275,000.00
08/10/2012	10	CareVest Blended MIC Fund Inc. - Preferred Shares	489,209.00	N/A
12/14/2012	14	CareVest Blended MIC Fund Inc. - Preferred Shares	381,941.00	N/A
08/10/2012	7	CareVest First MIC Fund Inc. - Preferred Shares	187,900.00	N/A
07/25/2012 to 07/30/2012	15	CareVest First MIC Fund Inc. - Preferred Shares	908,949.00	N/A
12/28/2012	1	Cequel Communications Holdings I, LLC/ Cequel Capital Corporation - Note	2,050,112.00	1.00
12/07/2012	1	Clarity Trust - Notes	2,500,000.00	2,500,000.00
12/17/2012	2	Cobalt International Energy, Inc. - Notes	2,864,229.20	2.00
12/20/2012	25	Cordoba Minerals Corp - Units	3,244,000.50	7,208,890.00
12/17/2012	21	Coval Energy Inc. - Common Shares	16,141,468.70	N/A
12/27/2012	1	DH Services Luxembourg - Notes	1,989,800.00	1.00
12/12/2012	2	Dycom Industries, Inc. - Notes	1,278,962.98	2.00
12/14/2012	19	Earth Video Camera Inc. - Units	1,183,975.40	639,987.00
12/19/2012	10	Edge Resources Inc. - Common Shares	1,060,940.00	3,341,250.00
12/14/2012	8	EQT Infrastructure II (No. 1) Feeder Limited Partnership - Limited Partnership Interest	34,450.00	N/A
12/18/2012	5	EQT Infrastructure II (No. 1) Feeder Limited Partnership - Limited Partnership Interest	22,886.50	N/A
01/16/2013	1	Evolving Gold Corp. - Common Shares	999,999.90	5,555,555.00
12/01/2012	9	Excalibur Capital Protection Fund LP - Limited Partnership Units	7,872,072.45	40.14

**Notice of Exempt Financings**

<b>Transaction Date</b>	<b>No. of Purchasers</b>	<b>Issuer/Security</b>	<b>Total Purchase Price (\$)</b>	<b>No. of Securities Distributed</b>
12/28/2012	20	Exploration Typhon inc. - Units	146,000.00	1,460,000.00
12/17/2012	2	FelCor Lodging Limited Partnership - Notes	4,920,500.00	2.00
01/14/2013	1	Feronia Inc. - Common Shares	5,043,360.00	42,028,000.00
12/27/2012 to 01/05/2013	233	Fisgard Capital Corporation - Common Shares	1,416,234.50	N/A
12/21/2012	40	Fission Energy Corp. - Common Shares	6,000,600.60	10,001,001.00
12/10/2012	1	Fuel Transfer Technologies Inc. - Common Shares	10,000.00	0.00
02/03/2012 to 01/07/2013	185	Fulcra Focused Yield Fund - Units	14,333,998.00	N/A
11/29/2012	1	GMO Emerging Markets Fund-VI - Units	14,895,000.00	1,339,285.71
10/01/2012 to 12/19/2012	1	GMO Global Equity Allocation Fund-III - Units	3,934,273.20	453,028.76
10/01/2012 to 12/03/2012	1	GMO International Equity Allocation Fund-III PLC - Units	469,730.72	33,163.70
10/04/2012 to 12/24/2012	1	GMO International Intrinsic Value Fund-II - Units	510,578.04	25,511.84
09/14/2012	7	Great Quest Metals Ltd. - Common Shares	120,700.00	142,000.00
01/31/2012 to 11/30/2012	9	Greenchip Global Equity Fund - Units	2,710,222.08	356,749.12
03/31/2012	81	HEPF I Limited Partnership - Limited Partnership Units	50,375,000.00	50,375,000.00
12/24/2012	1	Hyde Park Residences Inc. - Trust Units	150,000.00	3.00
12/21/2012	3	IAC/InterActiveCorp. - Notes	16,901,400.00	3.00
12/17/2012	7	Ideal Implant Incorporated - Common Shares	131,341.00	24,200.00
12/18/2012	1	Igloo Holdings Corporation - Note	292,663.80	1.00
07/31/2012	1	Infexion 2012 Co-Investment Fund Limited Partnership - Limited Partnership Interest	10,994,900.00	N/A
12/28/2012	13	IOU Financial Inc. - Units	665,000.00	1,662,500.00
10/31/2012	1	IWG Diversified Redevelopment Fund Limited Partnership - Units	24,000.00	24,000.00
02/01/2012	2	KAILOG Partners Fund L.P. - Units	200,000.00	1,573.07
03/01/2012	3	KAILOG Partners Fund L.P. - Units	340,000.00	2,662.81
04/01/2012	1	KAILOG Partners Fund L.P. - Units	100,000.00	803.56
02/01/2012 to 08/01/2012	8	KCS Great White North Fund - Units	220,000.00	N/A
12/31/2012	1	Kingwest Avenue Portfolio - Units	400,000.00	13,704.59
01/01/2013	1	Knighthead Offshore Fund Ltd. - Common Shares	64,571,000.00	65,000.00

**Notice of Exempt Financings**

<b>Transaction Date</b>	<b>No. of Purchasers</b>	<b>Issuer/Security</b>	<b>Total Purchase Price (\$)</b>	<b>No. of Securities Distributed</b>
12/31/2012	2	Mag Copper Limited - Flow-Through Shares	100,000.00	5,000,000.00
12/15/2012 to 01/15/2013	7	MCF Securities Inc. - Common Shares	273,122.62	273,122.62
01/14/2013	27	Medifocus Inc. - Investment Trust Interests	1,958,550.00	13,056,997.00
03/01/2012	1	Mercer Canadian Hedge Fund Investors Ltd. - Units	53,200,000.00	N/A
12/18/2012	3	Michael Foods Holdings, Inc. - Notes	1,323,638.55	3.00
10/11/2012 to 10/15/2012	17	Midwest Energy Emissions Corp. - Notes	621,000.00	N/A
12/21/2012	4	Mill Road Capital II, L.P. - Limited Partnership Interest	1,391,880.00	N/A
12/18/2012	3	NCR Corporation - Notes	6,897,900.00	3.00
12/13/2012	1	New Academy Finance Company LLC and New Academy Finance Corporation - Note	3,919,106.00	1.00
12/31/2012 to 01/09/2013	4	Newport Balanced Fund - Trust Units	38,035.25	N/A
12/31/2012 to 01/09/2013	2	Newport Canadian Equity Fund - Trust Units	574,000.00	N/A
12/31/2012 to 01/09/2013	9	Newport Fixed Income Fund - Trust Units	1,529,296.87	N/A
12/31/2012 to 01/09/2013	2	Newport Global Equity Fund - Trust Units	290,000.00	N/A
12/31/2012 to 01/09/2013	11	Newport Strategic Yield Fund - Trust Units	739,818.86	N/A
12/31/2012 to 01/09/2013	19	Newport Yield Fund - Trust Units	2,070,867.88	N/A
09/27/2012	26	Northwest Plaza Commercial Trust - Mortgage	800,000.00	800,000.00
12/26/2012	12	NsBR LP by its General Partner KCMP Capital Limited Partnership - Limited Partnership Interest	2,850,000.00	12.00
10/01/2012	1	One E LP - Units	50,000.00	50.00
11/30/2012	9	Oxford Campus Management Ltd. - Units	1,850,000.00	74.00
12/14/2012	9	Palisade Capital Limited Partnership - Units	335,246.46	103.00
12/14/2012	16	Palisade Vantage Fund - Units	4,646,277.12	411,904.00
12/13/2012	7	Palliser Oil & Gas Corporation - Common Shares	1,199,357.42	1,462,631.00
12/20/2012	16	Pan Global Resources Inc. - Common Shares	1,099,000.00	2,747,500.00
12/05/2012	22	Pedro Resources Ltd. - Units	200,000.00	4,000,000.00
11/13/2012	20	Quantum Rare Earth Developments Corp. - Common Shares	258,520.00	2,068,160.00
12/28/2012	11	Quartz Mountain Resources Ltd. - Common Shares	641,201.20	N/A

**Notice of Exempt Financings**

<b>Transaction Date</b>	<b>No. of Purchasers</b>	<b>Issuer/Security</b>	<b>Total Purchase Price (\$)</b>	<b>No. of Securities Distributed</b>
12/31/2012	6	Red Mile Minerals Corp. - Flow-Through Units	165,000.00	3,300,000.00
12/31/2012	3	Red Mile Minerals Corp. - Units	41,000.00	820,000.00
12/21/2012 to 12/31/2012	7	Redstone Investment Corporation - Notes	850,000.00	N/A
01/01/2012 to 12/31/2012	27	Resolute Performance Fund - Trust Units	4,208,744.39	383,939.78
11/20/2012	3	Return on Innovation Capital Ltd. c/o Newmarket Golden Space Inc. & Newmarket Gorham LP - Units	3,436,570.00	3,435,570.00
11/13/2012	2	Return On Innovation Capital Ltd./JD Development King St LP. - Units	1,168,599.00	1,168,599.00
12/10/2012	1	Rockland Minerals Corp. - Flow-Through Shares	150,010.00	2,143,000.00
11/22/2012	2	ROI Capital C/O 2154197 Ontario Inc. and Benjamin Hospitality Inc. - Units	706,202.00	706,202.00
12/03/2012	2	ROI Capital c/o Argus Hospitality Group Ltd. - Units	656,318.46	656,318.46
11/29/2012	2	ROI Capital c/o Castlepoint Studio Partners Limited - Units	23,459.02	23,459.02
12/04/2012	1	ROI Capital/ Villarboit Owen Sound (Heritage Grove Centre Inc.) - Units	1,239,000.00	1,239,000.00
12/05/2012	1	ROI Capital/1650702 Ontario Inc. (Welland, Ontario) - Units	898,880.00	898,880.00
12/21/2012	25	Sabre Metals Inc. - Common Shares	1,987,500.00	3,975,000.00
12/11/2012	3	SEACOR Holdings Inc. - Notes	1,973,400.00	3.00
12/20/2012	11	SGX Resources Inc. - Units	1,196,825.00	3,419,500.00
12/31/2012	1	Shield Gold Inc. - Flow-Through Shares	100,000.00	1,000,000.00
12/04/2012	72	Skyline Commercial Real Estate Investment Trust - Units	10,765,560.00	1,076,556.00
11/01/2012	107	Skyline Commercial Real Estate Investment Trust - Units	11,417,120.00	1,141,712.00
01/11/2013	1	Solarvest BioEnergy Inc. - Common Shares	100,000.00	500,000.00
01/31/2012 to 10/31/2012	9	Successful Investor Canadian Fund - Trust Units	1,427,829.54	40,823.16
02/29/2012 to 07/31/2012	2	Successful Investor Dividend Fund - Trust Units	655,071.00	65,738.75
03/30/2012 to 08/12/2012	15	Successful Investor Growth & Income Fund - Trust Units	2,718,409.44	120,977.78
01/31/2012 to 12/31/2012	12	Successful Investor Stock Picker Fund - Trust Units	1,091,282.76	32,048.63
01/18/2012 to 09/20/2012	8	The North Growth US Equity Fund - Units	903,892.00	35,277.68

**Notice of Exempt Financings**

<b>Transaction Date</b>	<b>No. of Purchasers</b>	<b>Issuer/Security</b>	<b>Total Purchase Price (\$)</b>	<b>No. of Securities Distributed</b>
01/03/2012 to 04/02/2012	4	The Strategic Retirement Fund - Trust Units	75,677.78	697.57
01/03/2012 to 12/03/2012	29	The Vantage Fund - Units	16,728,690.02	1,672,869.00
12/28/2012 to 12/31/2012	34	Times Three Wireless Inc. - Units	1,441,250.00	16,013,889.00
01/01/2012	3	Tutuila Global Fund LP - Limited Partnership Units	3,800,000.00	39,107.93
11/27/2012	7	Uragold Bay Resources Inc. - Bonds	0.00	937,500.00
12/13/2012 to 12/19/2012	1	Vatic Ventures Corp. - Common Shares	200,000.00	1,000,000.00
12/13/2012	1	Vatic Ventures Corp. - Common Shares	200,000.00	1,000,000.00
12/13/2012 to 12/19/2012	1	Vatic Ventures Corp. - Units	25,000.00	250,000.00
12/31/2012	48	Vertex Fund - Trust Units	5,097,068.17	N/A
12/31/2012	1	Vertex Strategic Income Fund - Trust Units	864,511.53	142,758.21
11/22/2012	19	Walton Suburban DC Land Investment Corporation - Common Shares	398,130.00	66,845.00
11/05/2012	1	WV Feeder II (PPT) L.P. - Limited Partnership Interest	6,904,301.00	6,904,301.00
12/28/2012	2	Xmet Inc. - Common Shares	351,000.00	4,387,500.00
12/06/2012	1	Yapi Ve Kredi Bankasi A.S. - Note	29,730,000.00	1.00

## Chapter 11

# IPOs, New Issues and Secondary Financings

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**Issuer Name:**

KEYreit (formerly Scott's Real Estate Investment Trust)  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Short Form Prospectus dated January 15, 2013  
NP 11-202 Receipt dated January 15, 2013

**Offering Price and Description:**

\$20,005,950.00 - 3,253,000 Units  
Price: \$6.15 per Unit

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

National Bank Financial Inc.  
BMO Nesbitt Burns Inc.  
Canaccord Genuity Corp.  
Dundee Securities Ltd.  
GMP Securities L.P.  
Macquarie Capital Markets Canada Ltd.

**Promoter(s):**

-

**Project #2005979**

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**Issuer Name:**

Labrador Iron Mines Holdings Limited  
Principal Regulator - Ontario

**Type and Date:**

Amended and Restated Preliminary Short Form Prospectus  
dated January 17, 2013  
NP 11-202 Receipt dated January 18, 2013

**Offering Price and Description:**

\$25,200,000.00 - 24,000,000 Units  
Price: \$1.05 per Unit

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

CANACCORD GENUITY CORP.  
RBC DOMINION SECURITIES INC.  
SCOTIA CAPITAL INC.  
MACQUARIE CAPITAL MARKETS CANADA LTD.  
JENNINGS CAPITAL INC.  
RAYMOND JAMES LTD.

**Promoter(s):**

-

**Project #2006361**

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**Issuer Name:**

MBAC Fertilizer Corp.  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Short Form Prospectus dated January 21, 2013  
NP 11-202 Receipt dated January 21, 2013

**Offering Price and Description:**

\$30,005,000.00 - 8,825,000 Common Shares  
Price: \$3.40 per Offered Share

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

CANACCORD GENUITY CORP.  
NATIONAL BANK FINANCIAL INC.  
BMO NESBITT BURNS INC.  
GMP SECURITIES L.P.  
PARADIGM CAPITAL INC.  
RAYMOND JAMES LTD.  
SALMAN PARTNERS INC.

**Promoter(s):**

-

**Project #2007465**

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**Issuer Name:**

Symphony Floating Rate Senior Loan Fund  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Short Form Prospectus dated January 15, 2013  
NP 11-202 Receipt dated January 16, 2013

**Offering Price and Description:**

Maximum \$ \* - \* Units  
Price: \$ \* per Class A Unit and US\$ \* per Class U Unit

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

RBC Dominion Securities Inc.  
CIBC World Markets Inc.  
GMP Securities L.P.  
National Bank Financial Inc.  
TD Securities Inc.  
BMO Nesbitt Burns Inc.  
Macquarie Private Wealth Inc.  
Raymond James Ltd.  
Scotia Capital Inc.  
Canaccord Genuity Corp.  
Desjardins Securities Inc.  
Dundee Securities Ltd.  
Mackie Research Capital Corporation  
Manulife Securities Incorporated

**Promoter(s):**

Brompton Funds Limited

**Project #2006346**

**Issuer Name:**

TD Canadian Equity Pool Class  
TD Dividend Growth Class  
TD Dividend Income Class  
TD Fixed Income Capital Yield Pool Class  
TD Global Equity Pool Class  
TD Global High Yield Capital Class  
TD Tactical Monthly Income Class  
TD Tactical Pool Class  
TD Target Return Balanced Fund  
TD Target Return Conservative Fund  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Simplified Prospectus dated January 17, 2013  
NP 11-202 Receipt dated January 17, 2013

**Offering Price and Description:**

Advisor Series, T-Series, S-Series and WT-Series  
Securities

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

TD Waterhouse Canada Inc.  
TD Waterhouse Canada Inc.

**Promoter(s):**

TD Asset Management Inc.

**Project #**2006793

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**Issuer Name:**

Adira Energy Ltd. (formerly AMG Oil Ltd.)  
Principal Regulator - Ontario

**Type and Date:**

Final Short Form Prospectus dated January 16, 2013  
NP 11-202 Receipt dated January 16, 2013

**Offering Price and Description:**

Minimum Offering of \$5,000,000.00 or 52,550 Units  
and Maximum Offering of \$15,000,000.00 or 157,649 Units  
Price \$95.15 per Unit

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

M Partners Inc.  
Dundee Securities Ltd.

**Promoter(s):**

-

**Project #**1977713

**Issuer Name:**

Agellan Commercial Real Estate Investment Trust  
Principal Regulator - Ontario

**Type and Date:**

Final Long Form Prospectus dated January 17, 2013  
NP 11-202 Receipt dated January 17, 2013

**Offering Price and Description:**

\$134,619,430.00 - 13,461,943 Units

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

BMO NESBITT BURNS INC.  
CIBC WORLD MARKETS INC.  
RBC DOMINION SECURITIES INC.  
TD SECURITIES INC.  
GMP SECURITIES L.P.  
NATIONAL BANK FINANCIAL INC.  
RAYMOND JAMES LTD.  
SCOTIA CAPITAL INC.  
CANACCORD GENUITY CORP.

**Promoter(s):**

Diversified Valleywood Limited Partnership  
Diversified Magnettawan Industrial, LLC  
Diversified Magnettawan HDA Non-REIT LP  
Diversified Magnettawan HDA REIT LP  
20 Valleywood Drive Limited Partnership  
Diversified Bank Limited Partnership  
Diversified Parkway L.P.  
Diversified Bellehumeur L.P.  
Aptus Dallas TX Industrial, L.P.  
Aptus Plainfield IN, LLC  
Aptus Maryland, LLC  
Texas Industrial Non-REIT Portfolio, Limited Partnership  
Texas Industrial REIT Portfolio, Limited Partnership  
Cinco Properties LLC  
NAREP Canadian REIT Holdings I L.P.  
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NAREP II Canadian Assets Trust  
NAREP II Canadian Corporation  
NAREP II Canadian Assets ULC  
CMJ/Warrenville, LLC  
**Project #**1983324

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**Issuer Name:**

Black Birch Capital Acquisition III Corp.  
Principal Regulator - Ontario

**Type and Date:**

Final CPC Prospectus dated January 16, 2013  
NP 11-202 Receipt dated January 16, 2013

**Offering Price and Description:**

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

Maximum Offering: \$1,900,000.00 or 19,000,000 Common  
Shares

Price: \$0.10 per Common Share

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

Macquarie Private Wealth Inc.

**Promoter(s):**

Paul Haber

**Project #**1994530



**Issuer Name:**

GOODWOOD CAPITAL FUND

Principal Regulator - Ontario

**Type and Date:**

Amendment #1 dated January 9, 2013 to the Simplified Prospectus and Annual Information Form dated March 8, 2012

NP 11-202 Receipt dated January 16, 2013

**Offering Price and Description:**

-

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

-

**Promoter(s):**

Goodwood Inc.

Project #1854289

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**Issuer Name:**

HudBay Minerals Inc.

**Type and Date:**

Final Short Form Prospectus dated January 18, 2013  
Received on January 18, 2013

**Offering Price and Description:**

-

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

-

**Promoter(s):**

-

Project #2001665

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**Issuer Name:**

NCE Diversified Flow-Through (13) Limited Partnership

Principal Regulator - Ontario

**Type and Date:**

Final Long Form Prospectus dated January 18, 2013

NP 11-202 Receipt dated January 21, 2013

**Offering Price and Description:**

-

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

CIBC World Markets Inc.

National Bank Financial Inc.

RBC Dominion Securities Inc.

BMO Nesbitt Burns Inc.

Scotia Capital Inc.

TD Securities Inc.

Canaccord Genuity Corp.

GMP Securities L.P.

Manulife Securities Incorporated

Macquarie Private Wealth Inc.

Raymond James Ltd.

Desjardins Securities Inc.

Mackie Research Capital Corporation

**Promoter(s):**

Petro Assets Inc.

Project #1998042

**Issuer Name:**

Premier Royalty Inc.

Principal Regulator - Ontario

**Type and Date:**

Final Short Form Prospectus dated January 14, 2013

NP 11-202 Receipt dated January 15, 2013

**Offering Price and Description:**

\$30,000,000.00 - 15,000,000 Common Shares

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

GMP SECURITIES L.P.

CIBC WORLD MARKETS INC.

RBC DOMINION SECURITIES INC.

CANACCORD GENUITY CORP.

STONECAP SECURITIES INC.

NATIONAL BANK FINANCIAL INC.

MACKIE RESEARCH CAPITAL CORPORATION

**Promoter(s):**

-

Project #2001651

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**Issuer Name:**

Sun Life Managed Conservative Portfolio

Sun Life Managed Moderate Portfolio

Sun Life Managed Balanced Portfolio

Sun Life Managed Balanced Growth Portfolio

Sun Life Managed Growth Portfolio

Sun Life Managed Income Portfolio

Sun Life Managed Enhanced Income Portfolio

Sun Life Dynamic Equity Income Fund

Sun Life Dynamic Strategic Yield Fund

Sun Life Sentry Value Fund

Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectus dated January 15, 2013

NP 11-202 Receipt dated January 15, 2013

**Offering Price and Description:**

Series A, Series T5, Series T8, Series F and Series I units

@ Net Asset Value

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

-

**Promoter(s):**

Sun Life Global Investments (Canada) Inc.

Project #1980845

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**Issuer Name:**

Tekmira Pharmaceuticals Corporation

Principal Regulator - British Columbia

**Type and Date:**

Final Shelf Prospectus dated January 16, 2013

NP 11-202 Receipt dated January 16, 2013

**Offering Price and Description:**

US\$50,000,000.00 Common Shares Warrants Units

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

-

**Promoter(s):**

-

Project #2003494

**Issuer Name:**

Toscana Energy Income Corporation  
Principal Regulator - Alberta

**Type and Date:**

Final Short Form Prospectus dated January 16, 2013  
NP 11-202 Receipt dated January 16, 2013

**Offering Price and Description:**

666,700 Common Shares issuable upon exercise of  
666,700 outstanding Special Warrants

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

GMP SECURITIES L.P.  
MACQUARIE CAPITAL MARKETS CANADA LTD.  
NATIONAL BANK FINANCIAL INC.  
SPROTT PRIVATE WEALTH LP

**Promoter(s):**

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**Project #**2000203

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**Issuer Name:**

True North Apartment Real Estate Investment Trust  
Principal Regulator - Ontario

**Type and Date:**

Final Short Form Prospectus dated January 21, 2013  
NP 11-202 Receipt dated January 21, 2013

**Offering Price and Description:**

\$55,480,000.00 - 13,870,000 Subscription Receipts each  
representing the right to receive one Unit  
Price: \$4.00 per Subscription Receipt

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

CIBC WORLD MARKETS INC.  
RAYMOND JAMES LTD.  
TD SECURITIES INC.  
NATIONAL BANK FINANCIAL INC.  
BMO NESBITT BURNS INC.  
GMP SECURITIES L.P.  
SCOTIA CAPITAL INC.  
CANACCORD GENUITY CORP.  
DESJARDINS SECURITIES INC.  
DUNDEE SECURITIES LTD.

**Promoter(s):**

STARLIGHT INVESTMENTS LTD.

**Project #**2005260

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**Issuer Name:**

Vanguard FTSE Emerging Markets Index ETF  
Principal Regulator - Ontario

**Type and Date:**

Amendment #1 dated January 10, 2013 to Final Long Form  
Prospectus dated October 15, 2012  
NP 11-202 Receipt dated January 15, 2013

**Offering Price and Description:**

-

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

-

**Promoter(s):**

Vanguard Investments Canada Inc.

**Project #**1957989

## Chapter 12

# Registrations

### 12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Name Change	Portland Private Wealth Services Inc. changed name to Mandeville Private Client Inc.	Investment Dealer	January 11, 2013
Change in Registration Category	Empire Life Investments Inc.	From: Portfolio Manager and Investment Fund Manager  To: Portfolio Manager, Investment Fund Manager and Commodity Trading Manager	January 15, 2013
Change in Registration Category	Di Tomasso Group Inc.	From: Portfolio Manager, Exempt Market Dealer and Commodity Trading Manager  To: Portfolio Manager, Exempt Market Dealer, Commodity Trading Manager and Investment Fund Manager	January 16, 2013
Change in Registration Category	Shoreline West Asset Management Inc.	From: Exempt Market Dealer  To: Exempt Market Dealer and Investment Fund Manager	January 16, 2013
Change in Registration Category	Qwest Investment Fund Management Ltd.	From: Exempt Market Dealer  To: Exempt Market Dealer and Investment Fund Manager	January 16, 2013
Change in Registration Category	Dimensional Fund Advisors Canada ULC	From: Portfolio Manager and Exempt Market Dealer  To: Portfolio Manager, Exempt Market Dealer and Investment Fund Manager	January 16, 2013

**Registrations**

<b>Type</b>	<b>Company</b>	<b>Category of Registration</b>	<b>Effective Date</b>
Change in Registration Category	Hesperian Capital Management Ltd.	From: Portfolio Manager and Exempt Market Dealer To: Portfolio Manager, Exempt Market Dealer and Investment Fund Manager	January 16, 2013
Change in Registration Category	Covenant Capital Management	From: Portfolio Manager and Exempt Market Dealer To: Portfolio Manager, Exempt Market Dealer and Investment Fund Manager	January 17, 2013
Change in Registration Category	Gestion de Placements Innocap Inc./Innocap Investment Management Inc.	From: Portfolio Manager, Commodity Trading Manager and Exempt Market Dealer To: Portfolio Manager, Commodity Trading Manager, Exempt Market Dealer and Investment Fund Manager	January 17, 2013
Change in Registration Category	Natcan Investment Management Inc. / Gestion de portefeuille Natcan Inc.	From: Portfolio Manager, Commodity Trading Manager and Exempt Market Dealer To: Portfolio Manager, Commodity Trading Manager, Exempt Market Dealer and Investment Fund Manager	January 17, 2013
Change in Registration Category	National Bank Securities Inc./Placements Banque Nationale Inc.	From: Mutual Fund Dealer To: Mutual Fund Dealer and Investment Fund Manager	January 17, 2013
Change in Registration Category	National Bank Trust Inc./Trust Banque Nationale Inc.	From: Portfolio Manager and Exempt Market Dealer To: Portfolio Manager, Exempt Market Dealer and Investment Fund Manager	January 17, 2013
New Registration	Priviti Capital Corporation	Investment Fund Manager	January 17, 2013

**Registrations**

<b>Type</b>	<b>Company</b>	<b>Category of Registration</b>	<b>Effective Date</b>
Change in Registration Category	Invico Capital Corporation	From: Portfolio Manager To: Portfolio Manager and Investment Fund Manager	January 17, 2013
New Registration	Stratigis Capital Advisors Inc.	Exempt Market Dealer, Portfolio Manager and Investment Fund Manager	January 18, 2013
Name Change	Veracap Corporate Finance Limited changed name to Veracap M&A International Inc.	Exempt Market Dealer	January 21, 2013

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## Chapter 13

# SROs, Marketplaces and Clearing Agencies

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### 13.2 Marketplaces

#### 13.2.1 Alpha Exchange Inc. – Amendments to the Alpha Exchange Trading Policies – Notice of Proposed Changes and Request for Feedback

##### NOTICE OF PROPOSED CHANGES AND REQUEST FOR FEEDBACK

The Board of Directors of Alpha Exchange Inc. (“Alpha”) has approved amendments (“Amendments”) to the Alpha Exchange Trading Policies (“Trading Policies”). The Amendments, shown as blacklined text, are attached as Appendix “A”.

Alpha is publishing this Notice of Proposed Changes (“Notice”) in accordance with the requirements set out in the rule protocol attached to its Recognition Order. Market participants are invited to provide the Commission with feedback on the proposed Public Interest Rule Changes.

Feedback on the proposed amendments should be in writing and submitted by February 25, 2013 to:

Market Regulation Branch  
Ontario Securities Commission  
Suite 1903, Box 55  
20 Queen Street West  
Toronto, Ontario M5H 3S8  
Fax: (416) 595-8940  
e-mail: [marketregulation@osc.gov.on.ca](mailto:marketregulation@osc.gov.on.ca)

And to:

Stacey Hoisak  
Alpha Exchange Inc.  
70 York Street, Suite 1501  
Toronto, Ontario M5J 1S9  
Fax: (416) 642-2120  
e-mail: [stacey.hoisak@alpha-group.ca](mailto:stacey.hoisak@alpha-group.ca)

Feedback received will be made public on the OSC website. Upon completion of the review by OSC staff, and in the absence of any regulatory concerns, notice will be published to confirm the completion of Commission staff's review and to outline the intended implementation date of the changes.

Terms not defined in this Notice are defined in the Alpha Exchange Inc. Trading Policies.

## NOTICE OF PROPOSED CHANGES

TMX Group has announced its proposal to enhance Alpha IntraSpread to offer Members the ability to choose the type of liquidity they wish to trade with. SDL orders sent in the current implementation of IntraSpread can trade with eligible Dark Orders with price improvement, Lit Orders and Dark orders that offer no price improvement.

### **I. Proposed Change**

TMX Group will extend the IntraSpread functionality to allow Members entering SDL orders to specify what type of liquidity they would like to trade against. IntraSpread will support three options:

#### **1. Dark and Lit**

SDL orders with the Dark and Lit option would trade with all eligible Dark and transparent orders in the Alpha CLOB while not trading through price levels on other market places. Minimum price improvement rules will be adhered to and the size/value of the SDL order will meet regulatory requirements when trading with non- price improved Dark orders. This option offers the same functionality as in the current implementation of IntraSpread.

#### **2. Dark Price Improvement Only**

SDL orders with the Dark Price Improvement Only option will only trade against Dark orders that offer a price improvement per the minimum price improvement regulatory requirement. Both Small and Large SDL orders with this option will be able to trade with eligible price improved Dark orders.

SDL orders with this option will not trade with dark orders priced at the NBBO or against lit liquidity.

#### **3. Dark Only**

SDL orders with the Dark Only option will trade against both dark orders with price improvement and those without price improvement. When trading against Dark orders with no price improvement, the system will only allow trades, if there are no Lit orders available at Alpha at that price level and only if the order does not trade through better priced orders on other markets. The size/value of the SDL order must also meet regulatory requirements when trading with non-price improved Dark orders.

### **II. Expected Date of Implementation**

April 22, 2013

### **III. Rationale and Relevant Supporting Analysis**

In consultation with clients and access providers, the TMX Group has discovered a client need to be able to control how their order flow interacts with the markets with respect to Lit and Dark liquidity. Some clients prefer to sweep the markets for Dark liquidity first before routing orders to the Lit markets. Alpha's current IntraSpread model only allows them to send orders to Alpha IntraSpread which trade with both Dark and Lit liquidity. Some clients want the ability to only trade with Dark orders on IntraSpread as their order routers control when the orders would enter the Lit Markets after trading in IntraSpread.

For clients who still wish to utilize IntraSpread to trade with both Lit and Dark orders, this option will still be available.

The new options will offer clients flexibility in how they interact with IntraSpread and the Lit markets based upon their trading and routing strategies.

### **IV. Expected Impact on Market Structure, Members, Investors, Issuers and the Capital Markets**

The new proposed change adheres to IIROC Notice "Provisions Respecting Dark Liquidity " and will therefore not adversely impact market structure or the capital markets. The proposed change will offer Members and Investors more flexibility in how they interact with liquidity through Alpha IntraSpread.

TMX Group expects no substantive impact to trading patterns, other than with respect to the timing of when lit orders are sent to the market by those users who choose only to interact with IntraSpread Dark liquidity, when sending SDL orders to Alpha.



Note that this change in behavior would be comparable to how IntraSpread functioned before the “Provisions Respecting Dark Liquidity” were enacted on October 15 2012, as before this date, participants could only trade with Dark liquidity in IntraSpread and there was no interaction with Lit orders when SDL orders were sent to the facility.

**V. Impact on Exchange’s Compliance with the Securities Law, Especially Fair Access and Maintenance of Fair and Orderly Markets**

Each of the 3 new attribute values conform to the regulations outlined in “Provisions Respecting Dark Liquidity” and there will be no adverse impact on the maintenance of fair and orderly markets.

**VI. Consultation and Review**

Alpha is proposing this functionality based upon customer demand. Access providers and retail clients are requesting this functionality to complement their routing and trading strategies. Several clients would like to have the ability to sweep the markets for Dark liquidity first before routing to the Lit markets. The proposed change will allow clients to choose which option best matches their trading strategies.

**VII. Technology Implementation Impact on Members and Service Vendors**

The technology implementation impact will be minimal, as clients will only have to support the new values on an existing attribute.

**VIII. Comparable Rules**

Match Now allows incoming retail orders to only trade against Dark orders. Access providers can control interaction with the Lit markets after trading with Match Now Dark liquidity.

TSX/TSXV exchanges offer clients the ability to trade with Dark liquidity only (by sending Mid-Point Dark orders), Lit orders only (by sending Bypass orders), or both Dark and Lit (by sending Dark Limit Orders).

## APPENDIX A

The relevant black lined section (section 5.23) of the Trading Policies sets out the proposed amendments.

(3) Seek Dark Liquidity™ (SOL™) Orders

- (a) SOL™ orders trade with eligible Dark orders and transparent orders in the Alpha CLOB while not trading through price levels on other marketplaces.
- (b) SOL™ Orders can only be entered on behalf of Retail Customers.  
**Commentary:** It is expected that Members have policies and procedures in place in regards to identifying which accounts qualify and supervisory procedures to monitor ongoing compliance. If Alpha deems that a firm is entering SOL™ orders from non-retail clients, it may take appropriate action against the firm in question (i.e. access to IntraSpread).
- (c) SOL™ orders can be market or limit orders but are treated as FOK – they trade with eligible orders to the extent possible, and any residual is cancelled.
- (d) SOL™ orders must be for a board lot quantity.
- (e) SOL™ orders cannot be Iceberg, On-Stop, Inside Match, FAK, MOO, LOO, MOC, Special Terms, Bypass Passive Only, TTM or ROC.
- (f) SOL™ orders are marked with a Seek Liquidity Type attribute which will determine what type of liquidity the orders will interact with. There are three values for the Seek Liquidity Type attribute:
  - (i) All Dark and Lit: SOL™ orders marked with this attribute value will trade with all eligible Dark and visible orders.
  - (ii) Price Improvement Dark Only: SOL™ orders marked with this attribute value will only trade with Dark orders that offer a price improvement.
  - (iii) All Dark orders: SOL™ orders marked with this attribute will trade with all eligible Dark orders whether price improvement is offered or not. SOL™ orders marked with this attribute value will not interact with visible orders

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