

The Ontario Securities Commission

OSC Bulletin

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

The Ontario Securities Commission

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Chapter 1

Notices / News Releases

1.4 Notices from the Office of the Secretary

1.4.1 Pro-Financial Asset Management Inc.

FOR IMMEDIATE RELEASE
May 27, 2014

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

AND

IN THE MATTER OF
PRO-FINANCIAL ASSET MANAGEMENT INC.

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

1. The term and condition on PFAM's registration imposed by Commission order dated March 4, 2014 which stated that "PFAM may only distribute securities of the Pro-Index Funds to existing security holders of the Pro-Index Funds" is deleted and replaced with "PFAM shall not distribute securities of the Pro-Index Funds."
2. A confidential pre-hearing conference in respect of the section 8 hearings and reviews of the Director Decisions will proceed on June 5, 2014 at 10:00 a.m.
3. The Temporary Order is extended to July 4, 2014.
4. The hearing is adjourned to July 2, 2014 at 2:00 p.m.

A copy of the Order dated May 23, 2014 is available at www.osc.gov.on.ca.

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1.4.2 Global Energy Group, Ltd. et al.

**FOR IMMEDIATE RELEASE
May 28, 2014**

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

AND

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

TORONTO – The Commission issued an Order in the above named matter which provides that the Temporary Order is extended against Rash until the conclusion of the Section 127(10) Proceeding, including if appropriate, any final determination with respect to sanctions and costs.

A copy of the Order dated May 27, 2014 is available at www.osc.gov.on.ca.

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1.4.3 Howard Rash

**FOR IMMEDIATE RELEASE
May 28, 2014**

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

AND

**IN THE MATTER OF
HOWARD RASH**

TORONTO – The Commission issued an Order in the above named matter which provides that the hearing is adjourned to August 27, 2014 at 10:00 a.m. or such further or other dates as may be agreed to by the parties and fixed by the Office of the Secretary.

A copy of the Order dated May 27, 2014 is available at www.osc.gov.on.ca.

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1.4.4 Newer Technologies Limited et al.

**FOR IMMEDIATE RELEASE
June 3, 2014**

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

AND

**IN THE MATTER OF
NEWER TECHNOLOGIES LIMITED, RYAN PICKERING AND RODGER FREY**

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

1. A pre-hearing conference will be held on August 13, 2014 at 12:00 p.m.; and
2. By the August 13, 2014 pre-hearing conference, the parties shall have served every other party with:
 - a. Witness lists and witness summaries; and
 - b. A draft index of documents for a proposed joint hearing brief.

A copy of the Order dated June 2, 2014 is available at www.osc.gov.on.ca.

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**1.4.5 Frederick Lawrence Marlatt, also known as
Frederick Lawrence Mitschele and Michael
Wallace Minor**

FOR IMMEDIATE RELEASE
June 3, 2014

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

AND

**IN THE MATTER OF
FREDERICK LAWRENCE MARLATT, also known as
FREDERICK LAWRENCE MITSCHELE
and MICHAEL WALLACE MINOR**

TORONTO – The Commission issued its Reasons and Decision and an Order pursuant to Sections 127(1) and 127(10) of the *Securities Act* in the above noted matter.

A copy of the Reasons and Decision and the Order dated June 2, 2014 are available at www.osc.gov.on.ca.

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Element Financial Corporation

Headnote

Multilateral Instrument 11-102 Passport System and National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – exemption granted from requirement to provide audited financial statements of the acquired business in a BAR. Filer granted relief to include alternative financial information, comprising a statement of assets acquired and liabilities assumed, a 12 month audited financial forecast and additional information about the Acquisitions as financial statement disclosure for a significant acquisition.

Applicable Legislative Provisions

National Instrument 51-102 Continuous Disclosure Obligations, ss. 8.4, 13.1.

May 26, 2014

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
ELEMENT FINANCIAL CORPORATION
(the “Filer” or “Element”)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer (the “**Application**”) for a decision under the securities legislation of the Jurisdiction of the principal regulator (the “**Legislation**”) for an exemption (the “**Exemption Sought**”) from the financial statement requirements in Section 8.4 of National Instrument 51-102 *Continuous Disclosure Obligations* (“**NI 51-102**”) for the business acquisition report (“**BAR**”) to be prepared and filed with the applicable Canadian securities regulatory authorities in connection with the acquisition by the Filer of certain railcars (the “**Railcars**”) and underlying leases (the “**Leases**” and, together with the Railcars, the “**Railcar Assets**”) pursuant to a vendor finance program with Trinity Industries Inc. (the “**Trinity Vendor Program**”).

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

- (a) the Ontario Securities Commission is the principal regulator for this application; and
- (b) the Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (“**MI 11-102**”) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland and Labrador.

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, MI 11-102 or NI 51-102 have the same meanings if used in this decision, unless otherwise defined herein.

Representations

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

The Filer

1. The Filer is a corporation formed under the *Business Corporations Act* (Ontario).
2. The principal and head office of the Filer is located in Toronto, Ontario.
3. The financial year end of the Filer is December 31.
4. The Filer is an equipment finance company in the business of providing financing to customers to facilitate purchases of equipment by its customers. Financing provided by the Filer typically involves the provision of equipment loans and leases. The Filer originates business through vendor finance programs established with equipment manufacturers.
5. The Filer is a reporting issuer in each of Ontario, British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland and Labrador.
6. To its knowledge, other than the requirement to file a BAR in respect of the aggregate acquisition of the First Tranche and the Second Tranche (as defined below), the Filer is not in default of securities legislation in any such jurisdiction in Canada in which it is a reporting issuer.
7. The common shares, Cumulative 5-Year Rate Reset Preferred Shares, Series A and Cumulative 5-Year Rate Reset Preferred Shares, Series C of the Filer are listed on the Toronto Stock Exchange under the symbols "EFN", "EFN.PR.A" and "EFN.PR.C", respectively.

The Acquisitions

8. On December 9, 2013, Element established the Trinity Vendor Program with Trinity Industries Inc. ("**Trinity**") to acquire Railcar Assets comprised of Railcars and underlying Leases from Trinity and/or its affiliates over a two year period.
9. Under the terms of the Trinity Vendor Program, Element and Trinity formed a strategic alliance whereby Element is presented with preferred opportunities from time to time to acquire Railcar Assets from Trinity on financial terms to be agreed upon by the parties at the time of offer.
10. The identification of the Railcar Assets offered by Trinity to Element under the Trinity Vendor Program may include Leases for: (a) newly manufactured Railcars; (b) existing Railcars; and (c) secondary market purchases of Railcars from third parties identified by Trinity, and is based on predetermined diversification criteria, including limits on Railcar type, use, Lease duration, average age and credit quality of the lessee. Offers of qualifying Railcar Assets are to be made to Element by Trinity from time to time for the duration of the Trinity Vendor Program. Trinity and Element meet on a quarterly basis to report on and consult with respect to material business and process issues under the Trinity Vendor Program.
11. In connection with the Trinity Vendor Program, Element acquired approximately US\$619 million of existing Railcar Assets (collectively, the "**Acquisitions**") pursuant to an approximately US\$105 million tranche completed on December 19, 2013 (the "**First Tranche**"), an approximately US\$396 million second tranche completed on January 28, 2014 (the "**Second Tranche**") and an approximately US\$118 million third tranche completed on March 27, 2014.
12. The Leases assumed by Element pursuant to the Acquisitions were a combination of newly originated and pre-existing Leases.

Nature of the Acquisitions and Available Financial Information

13. In response to a pre-filing interpretation request made by the Filer, the Canadian Securities Administrators determined that the Acquisitions constitute the acquisition of a "business" within the meaning of Part 8 of NI 51-102. Given the Filer's financial results, the Acquisitions constitute a significant acquisition under Part 8 of NI 51-102 and the Filer was obligated to file a BAR on or before April 28, 2014.

14. Sections 8.4(1) and 8.4(2) of NI 51-102 require that the Filer include in the BAR the following annual financial statements in respect of the business acquired:
 - (a) a statement of comprehensive income, a statement of changes in equity and a statement of cash flows for (i) the year ended December 31, 2013 (audited); and (ii) the year ended December 31, 2012 (not required to be audited);
 - (b) a statement of financial position as at December 31, 2013 (audited) and December 31, 2012 (not required to be audited); and
 - (c) notes to the required financial statements.
15. Section 8.4(5) of NI 51-102 requires that the Filer include the following pro forma financial statements of the Filer:
 - (a) a *pro forma* statement of financial position of the Filer as at December 31, 2013 that gives effect, as if the Acquisitions had taken place as at the date of the pro forma statement of financial position, to the Acquisitions; and
 - (b) a *pro forma* income statement of the Filer that gives effect to the Acquisitions as if they had taken place on January 1, 2013 for the year ended December 31, 2013.
16. The purchase price for the Acquisitions was determined by Element based on the contractual rental payments for each of the individual Leases, the credit profile of the individual lessees underlying the Leases and the Filer's estimates of the residual value of the Railcars forming the Railcar Assets at the end of their respective lease term.
17. The Filer did not acquire any physical facilities, employees, marketing systems, sales forces, operating rights, production techniques or trade names of Trinity in connection with the Acquisitions. Such items remained with Trinity following the Acquisitions.
18. Element did not acquire a separate entity, a subsidiary or a division of Trinity. Pursuant to the Trinity Vendor Program, Trinity presents Element with opportunities from time to time to purchase Railcars and underlying Leases. The acquisition of the Leases and Railcars is an equipment financing transaction under the Trinity Vendor Program consistent with Element's business as a finance company.
19. The financial information in respect of the individual Railcar Assets and operations of Trinity necessary to produce historical financial statements for the Acquisitions has not been made available to Element. Trinity did not prepare financial statements in respect of the Railcar Assets. The Filer has made every reasonable effort to obtain historical financial statements for the Railcar Assets and has been unable to do so.
20. The Filer does not believe that historical financial statements for the Acquisitions would be relevant to investors or assist investors in understanding the Acquisitions or the Trinity Vendor Program as any such historical financial statements would require extensive assumptions regarding Trinity and would not reflect the financial impact of the Railcar Assets in the hands of the Filer.
21. The Filer has established a financing program whereby it expects to securitize substantially all of the Railcar Assets acquired in the Acquisitions through the sale of such Railcar Assets to a special purpose vehicle or other entity, which entity issues notes secured by such Railcar Assets.
22. In lieu of the historical financial statements required by Part 8 of 51-102, the Filer proposes to provide alternative financial information (the "**Alternative Financial Information**") in respect of the Acquisitions as follows:
 - (a) an audited statement of assets acquired and liabilities assumed as at December 19, 2013, January 28, 2014 and March 27, 2014 that:
 - (i) is comprised of the Railcar Assets specifically acquired and liabilities assumed in the Acquisitions, such information to be presented in a single statement;
 - (ii) includes a statement that the statement of assets acquired and liabilities assumed is prepared using accounting policies that are permitted by IFRS and would apply to those line items if those line items were presented as part of a complete set of financial statements prepared in accordance with IFRS;
 - (iii) includes a description of the accounting policies used to prepare the statement;

- (iv) is accompanied by an independent auditor's report that reflects the fact the statement was prepared in accordance with the basis of accounting disclosed in the notes to the statement;
 - (b) a 12 month financial forecast covering the period from April 1, 2014 to March 31, 2015 accompanied by an independent auditor's report on the financial forecast reflecting the financial impact of the Acquisitions; and
 - (c) additional information about the Trinity Vendor Program, including a description of the terms of the Trinity Vendor Program and a description of the Railcars and Leases acquired in the Acquisitions which includes disclosure of the leases in default, if any, the year of manufacture of the Railcars, credit ratings of the lessees, remaining lease terms of the leases acquired and average initial lease rates.
- 23. The Filer submits that the Exemption Sought would not be prejudicial to the public interest because the Alternative Financial Information will provide investors with the information material to their understanding of the Acquisitions and the Filer believes that the presentation of financial statements prepared strictly in compliance with Section 8.4 of NI 51-102 would not be more meaningful or relevant to investors than the Alternative Financial Information.
- 24. Any subsequent acquisitions under the Trinity Vendor Program that qualifies as a significant acquisition pursuant to Part 8 of NI 51-102 shall not be part of the exemptive relief sought hereunder.

Decision

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

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted in respect of the Acquisitions, provided that the BAR for the Acquisitions includes the Alternative Financial Information.

"Sonny Randhawa"
Manager, Corporate Finance
Ontario Securities Commission

2.1.2 Slate U.S. Opportunity (No. 2) Realty Trust – s. 1(10)(a)(ii)

Headnote

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

Applicable Legislative Provisions

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

May 27, 2014

Slate U.S. Opportunity (No. 2) Realty Trust
c/o Goodmans LLP
Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, ON M5H 2S7

Attention: Bradley Hennick

Dear Sirs/Mesdames:

Re: Slate U.S. Opportunity (No. 2) Realty Trust (the “Applicant”) – application for a decision under the securities legislation of Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Yukon, Northwest Territories and Nunavut (the “Jurisdictions”) that the Applicant is not a reporting issuer

The Applicant has applied to the local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions for a decision under the securities legislation (the Legislation) of the Jurisdictions 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.

“Sonny Randhawa”
Manager, Corporate Finance
Ontario Securities Commission

2.1.3 Carmanah Technologies Corporation

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards, s. 5.1 – An issuer wants relief from the requirement that financial statements required by securities legislation to be audited must be accompanied by an auditor's report that expresses an unmodified opinion – The issuer is making a significant acquisition for which it requires shareholder approval and for which it must file a business acquisition report (BAR); the financial statements of the target company must be included in the information circular and the BAR; the auditor's report will contain a qualification related to the accounting methods the target company used to record a historical investment; the target company disposed of the investment prior to being acquired by the issuer; the issuer will otherwise comply with the financial statement requirements for the information circular and the acquisition statement requirements for the business acquisition report.

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – National Instrument 51-102 Continuous Disclosure Obligations, s.13.1 – Information Circular – An issuer wants relief from the requirement to include prospectus-level disclosure in an information circular to be circulated in connection with an arrangement, reorganization, acquisition or amalgamation – The issuer will provide alternate financial information about the target company that is consistent with the information required in the continuous disclosure context for significant acquisitions; information will be provided about the parties to the transaction sufficient for shareholders to assess the transaction as a whole.

Applicable Legislative Provisions

National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards, ss. 3.3(1)(a), 5.1.
National Instrument 51-102 Continuous Disclosure Obligations, ss. 9.1, 13.1.
Form 51-102F5 Information Circular, s. 14.2.

May 22, 2014

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

AND

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

AND

**IN THE MATTER OF
CARMANAH TECHNOLOGIES CORPORATION
(THE FILER)**

DECISION

Background

- 1 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) exempting the Filer from the requirements in:
 - (a) National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards* (NI 52-107) that an auditor's report accompanying audited financial statements to be included in both an information circular and business acquisition report must express an unmodified opinion; and
 - (b) Item 14.2 of Form 51-102F5 *Information Circular* (Form 51-102F5) to include in an information circular financial statements of an acquired business prescribed by the form of prospectus that the acquired business would be eligible to use immediately prior to the sending of the information circular to shareholders of the Filer (the Required Sol Statements);

(together, the Exemption Sought).

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

- (a) the British Columbia Securities Commission is the principal regulator for this application,
- (b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in Alberta, and
- (c) the decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

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

Representations

- 3 This decision is based on the following facts represented by the Filer:
- 1. the Filer is a company existing under the *Business Corporations Act* (British Columbia);
 - 2. the Filer's head office is located in Victoria, British Columbia;
 - 3. the Filer's common shares are listed and posted for trading on the Toronto Stock Exchange (TSX) under the symbol CMH;
 - 4. the Filer is a reporting issuer under the securities laws of British Columbia, Alberta and Ontario;
 - 5. Michael Sonnenfeldt is a director of the Filer; he currently holds or controls, directly or indirectly, approximately 23.4% of the total outstanding common shares of the Filer and, as such, is a control person of the Filer under applicable Canadian securities laws;
 - 6. SOL, Inc. (Sol) is a private company incorporated under Florida Business Corporations Act;
 - 7. on March 21, 2014, the Filer announced that it had entered into a binding letter of intent with Michael Sonnenfeldt (who currently owns approximately 84.5% of the outstanding shares of Sol) to acquire Sol (the Acquisition);
 - 8. since the Acquisition constitutes a significant acquisition for purposes of section 8.3 of National Instrument 51-102 *Continuous Disclosure Obligations*, the Filer will be required to prepare and file a business acquisition report in respect of the Acquisition (the BAR);
 - 9. the common shares of the Filer issuable in connection with the Acquisition exceed 25% of the number of common shares issued prior to the Acquisition; as such, the Acquisition is subject to shareholder approval requirements under the rules of the TSX;
 - 10. the Acquisition also constitutes a related party transaction for purposes of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (MI 61-101); as such, for purposes of securities laws in Ontario, the Acquisition must, among other things, be approved by a majority of the minority of shareholders voting at a meeting of shareholders of the Filer;
 - 11. during the course of preparing an information circular (the Circular) for a meeting of shareholders required to consider and approve the Acquisition under both MI 61-101 and the rules of the TSX, Sol's auditors advised that they would be unable to deliver an unmodified audit opinion in respect of Sol's historical financial statements for the following reasons:
 - (a) Sol previously had an investment in Phocos AG (Phocos), an unrelated private company based in Germany; Sol's investment in Phocos represented approximately a 32% interest in Phocos;
 - (b) Sol accounted for its investment in Phocos using the cost method of accounting, rather than the equity method of accounting which is required under U.S. GAAP (as that term is defined in NI 52-107);

- (c) Sol's auditors will include a qualification in their auditor's report for the years ended December 31, 2013, December 31, 2012 and December 31, 2011 due to the fact that the method used to account for the Phocos investment was not in accordance with U.S. GAAP;
 - (d) on April 23, 2013, Sol sold its entire investment in Phocos; accordingly, Sol no longer holds any interest in Phocos and historical financial information about Phocos would be of little value to investors or shareholders assessing the Acquisition given that the Filer will not be acquiring any interest in Phocos when it acquires Sol;
 - (e) the financial statements of Phocos itself were never audited; and
 - (f) without access to audited financial statements or the relevant underlying information of Phocos, Sol is currently unable to make the changes to its historical financial statements to ensure they comply with U.S. GAAP;
- 12. under NI 52-107, financial statements that are required by securities legislation to be audited must be accompanied by an auditor's report that expresses an unmodified opinion;
 - 13. under Item 14.2 of Form 51-102F5, the Filer is required to include in the Circular the Required Sol Statements on the basis that Sol is an issuer rather than an acquired business;
 - 14. under subsection 3.2(1)(a) of NI 52-107, the Required Sol Statements are required to be prepared using Canadian GAAP (as that term is used in NI 52-107);
 - 15. subsection 3.11 of NI 52-107 permits financial statements of a business to be acquired to be prepared in accordance with U.S. GAAP;
 - 16. the Filer proposes to include in the Circular financial statements of Sol for its years ended December 31, 2013, December 31, 2012 and December 31, 2011 which are U.S. GAAP compliant other than as set out in paragraph 11 (the Alternative Financial Statements);
 - 17. the Alternative Financial Statements will provide information in respect of Sol that is sufficient to enable a shareholder of the Filer to make an informed decision regarding the Acquisition;
 - 18. except for the Exemption Sought, the Alternative Financial Statements to be included in the Circular and the BAR will comply with the requirements of NI 51-102 and NI 52-107; and
 - 19. the Filer is not in default of any requirement of Canadian securities laws.

Decision

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

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

"Andrew S. Richardson"
Acting Director, Corporate Finance
British Columbia Securities Commission

2.2 Orders

2.2.1 Pro-Financial Asset Management Inc.

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

AND

**IN THE MATTER OF
PRO-FINANCIAL ASSET MANAGEMENT INC.**

ORDER

WHEREAS on May 17, 2013, the Commission issued a temporary order (the "Temporary Order") with respect to Pro-Financial Asset Management Inc. ("PFAM") pursuant to subsections 127(1) and (5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") ordering that:

- (i) pursuant to paragraph 1 of subsection 127(1) of the Act, the registration of PFAM as a dealer in the category of exempt market dealer be suspended and the following terms and conditions apply to the registration of PFAM as an adviser in the category of portfolio manager ("PM") and to its operation as an investment fund manager ("IFM"):
 - a. PFAM's activities as a PM and IFM shall be applied exclusively to the Managed Accounts (as defined in the Temporary Order) and to the Pro-Hedge Funds and Pro-Index Funds (as defined in the Temporary Order); and
 - b. PFAM shall not accept any new clients or open any new client accounts of any kind in respect of the Managed Accounts;
- (ii) pursuant to subsection 127(6) of the Act, the Temporary 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 May 28, 2013, the Commission ordered: (i) the Temporary Order be extended to June 27, 2013; (ii) the hearing to consider whether to further extend the terms of the Temporary Order and/or to make any further order as to PFAM's registration proceed on June 26, 2013 at 10:00 a.m.;

AND WHEREAS on June 26, 2013, the Commission ordered that: (i) the Temporary Order be extended to July 15, 2013; and (ii) the affidavit of Michael Denyszyn sworn May 24, 2013 not be marked as an exhibit until the next appearance in the absence of a Commission order to the contrary; and the hearing to consider this matter proceed on July 12, 2012;

AND WHEREAS on July 11, 2013, the Commission ordered that: (i) the Temporary Order be extended to July 22, 2013; (ii) the hearing be adjourned to July 18, 2013 at 11:00 a.m.; and (iii) the hearing date of July 12, 2013 at 10:00 a.m. be vacated;

AND WHEREAS on July 18, 2013, PFAM brought a motion (the "First PFAM Motion") that the hearing be held *in camera* and that the affidavits of Michael Denyszyn sworn May 24 and June 24, 2013 and the affidavit of Michael Ho sworn July 17, 2013 (collectively the "Staff Affidavits") either not be admitted as evidence or else be treated as confidential documents and the parties agreed that the motion should be heard *in camera*;

AND WHEREAS on July 18, 2013, PFAM's counsel filed supporting documents (the "PFAM Materials") in support of the First PFAM Motion and counsel for PFAM and Staff made oral submissions and filed written submissions;

AND WHEREAS on July 22, 2013, the Commission ordered:

- (i) the Temporary Order be extended to August 26, 2013;
- (ii) leave be granted to the parties to file written submissions in respect of the First PFAM Motion;
- (iii) the Staff Affidavits, the transcript of the PFAM motion, the PFAM Materials, written submissions filed by Staff and PFAM and other documents presented during the course of the First PFAM Motion shall be treated as confidential documents until further direction or order of the Commission; and

- (iv) the hearing be adjourned to August 23, 2013 at 10:00 a.m.;

AND WHEREAS on August 23, 2013, Staff filed with the Commission the affidavit of Michael Ho sworn August 22, 2013 and PFAM's counsel filed the affidavit of Stuart McKinnon dated August 23, 2013 but the parties did not seek to mark these affidavits as exhibits;

AND WHEREAS on August 23, 2013, Staff and counsel for PFAM advised the Commission that the parties had agreed on the terms of a draft order;

AND WHEREAS on August 23, 2013, PFAM requested that the hearing be held *in camera* so PFAM's submissions on certain confidentiality issues could be heard and Staff did not oppose PFAM's request;

AND WHEREAS on August 27, 2013, the Commission ordered:

- (i) the Temporary Order be extended to October 11, 2013;
- (ii) the affidavit of Michael Ho sworn August 22, 2013 and the affidavit of Stuart McKinnon sworn August 23, 2013 be treated as confidential documents until further order of the Commission;
- (iii) PFAM will deliver to Staff the final PPN reconciliation report by 4:30 p.m. on September 30, 2013; and
- (iv) the hearing to consider whether to: (i) make any further order as to PFAM's registration as an adviser in the category of PM or in respect of its operation as an IFM, as a result of PFAM's ongoing capital deficiency; and/or (ii) otherwise vary or extend the terms of the Temporary Order, proceed on October 9, 2013 at 11:00 a.m.;

AND WHEREAS on October 9, 2013, PFAM brought a second motion (the "Second PFAM Motion") for an order that the hearing be held *in camera* and for a confidentiality order treating as confidential documents: (i) the Staff and PFAM affidavits; (ii) all facts and correspondence exchanged by Staff and PFAM; and (iii) any transcript of this and prior *in camera* proceedings;

AND WHEREAS on October 9, 2013, PFAM's counsel filed written submissions dated October 8, 2013, the affidavit of Stuart McKinnon sworn October 7, 2013 and the affidavit of Kenneth White sworn October 7, 2013 in support of the Second PFAM Motion and Staff filed written submissions dated October 9, 2013 and the affidavit of Michael Ho sworn October 8, 2013 and opposed the request for an *in camera* hearing and for the confidentiality order;

AND WHEREAS on October 9, 2013, the Commission heard submissions from counsel on the Second PFAM Motion *in camera* and the Commission requested the parties to prepare a draft order that, among other matters, addressed the confidentiality of documents filed with the Commission and permitted BNP Paribas Canada and Société Générale Canada (the "Banks") to review certain documents attached to Staff affidavits dealing substantively with the PPN reconciliation process, provided the Banks treated such documents as confidential;

AND WHEREAS on October 11, 2013, the Commission ordered that:

- (i) the Temporary Order be extended to December 15, 2013;
- (ii) the affidavit of Michael Ho sworn October 8, 2013, the affidavit of Stuart McKinnon sworn October 7, 2013, the affidavit of Kenneth White sworn October 7, 2013 and the written submissions of the parties dated October 8 and 9, 2013 be treated as confidential documents until further order of the Commission; and
- (iii) the hearing to consider whether to: (i) make any further order as to PFAM's registration as an adviser in the category of PM or in respect of its operation as an IFM, as a result of PFAM's ongoing capital deficiency; and/or (ii) otherwise vary or extend the terms of the Temporary Order, shall proceed on December 12, 2013 at 10:00 a.m.;

AND WHEREAS on October 17, 2013, the Commission ordered (the "October 17, 2013 Order") that:

- (i) the affidavit of Michael Ho sworn October 8, 2013, the affidavit of Stuart McKinnon sworn October 7, 2013, the affidavit of Kenneth White sworn October 7, 2013 and the written submissions of the parties dated October 8 and 9, 2013 be treated as confidential documents until further order of the Commission;
- (ii) the previous orders as to confidentiality made by the Commission on July 22, 2013 and August 27, 2013 remain in force until further order or direction of the Commission; and

- (iii) documents related to the PPN reconciliation process listed on Schedule "A" to the October 17, 2013 Order be provided to counsel for the Banks on condition that the Banks treat those documents as confidential documents and not provide copies to any third party without further direction or order of the Commission;

AND WHEREAS on September 30, 2013, PFAM agreed to sell to another portfolio manager (the "Purchaser") PFAM's interest in all of the investment management contracts for the Pro-Index Funds and the Managed Accounts (the "First Transaction"). In a second transaction, an investor agreed to purchase through a corporation (the "Investor") all of the shares of the Purchaser (the "Second Transaction");

AND WHEREAS on October 22, 2013, the Purchaser and PFAM filed a notification letter providing Compliance and Registrant Regulation Branch ("CRR Branch") Staff with notice ("Notice") of the application filed under section 11.9 and 11.10 of National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("NI 31-103") relating to the First Transaction and the Second Transaction (collectively, the "Transactions");

AND WHEREAS on November 5, 2013, the staff member of the CRR Branch conducting the review of the Notice requested copies of the affidavits of Michael Denyszyn sworn May 24 and June 24, 2013, the affidavits of Michael Ho sworn July 17, August 22 and October 8, 2013, the affidavits of Stuart McKinnon sworn July 17, August 23 and October 7, 2013, the affidavit of Kenneth White sworn October 7, 2013 and the submissions of Staff and Pro-Financial Asset Management Inc. ("PFAM") (collectively, the "Confidential Documents");

AND WHEREAS on November 12, 2013, PFAM filed an application with the Investment Funds Branch ("IF Branch") of the Commission for an order under section 5.5 of National Instrument 81-102 – *Mutual Funds* ("NI 81-102") for approval of the Purchaser as investment fund manager of the Pro-Index Funds and the Purchaser applied on October 24, 2013 for registration in the investment fund manager category for this purpose;

AND WHEREAS on November 13, 2013, Staff filed a Notice of Motion returnable on a date to be determined by the Secretary's office seeking an Order that Staff of the Enforcement Branch be permitted to provide some or all of the Confidential Documents to certain staff members of the CRR Branch and the IF Branch;

AND WHEREAS on November 25, 2013, the Commission ordered that:

- (i) Staff of the Enforcement Branch be permitted to provide the Confidential Documents to the following persons:
 - a. the staff members of the CRR Branch assigned to review the Notice;
 - b. the staff member who has been designated to act in the capacity of the Director on behalf of the CRR Branch for the purposes of deciding whether to object to the Notice;
 - c. the staff members of the IF Branch who have been assigned to review the application made by PFAM or the Purchaser under section 5.5 of NI 81-102; and
 - d. the staff member who has been designated to act in the capacity of the "Director" for the purposes of deciding whether to approve the application under section 5.5 of NI 81-102;
- (ii) The CRR staff members assigned to review the Notice be permitted to provide relevant information derived from the Confidential Documents ("Relevant Information") to PFAM, the Purchaser and their counsel involved in the Notice as part of the CRR staff members' review and analysis of the Notice on condition that the recipients of such information treat it as confidential and not provide it to any third party without further direction or order of the Commission;
- (iii) The IF staff members assigned to review the application for change of fund manager be permitted to provide Relevant Information to PFAM, the Purchaser and their counsel involved in the application filed under NI 81-102 as part of the Investment Funds staff members' review and analysis of the application on condition that the recipients of such information treat it as confidential and not provide it to any third party without further direction or order of the Commission;
- (iv) The CRR staff members assigned to review the Notice be permitted to provide Relevant Information to the Investor or its counsel with the consent of PFAM; and
- (v) The parties may seek direction from the Commission in the event that the CRR staff members and PFAM cannot agree on whether Relevant Information should be provided to the Investor or its counsel;

AND WHEREAS Staff has filed an affidavit of Michael Ho sworn December 10, 2013 attaching a letter from counsel to Investment Administration Solution Inc. ("IAS"), PFAM's recordkeeper for the PPNs, requesting a copy of the PPN reconciliation report submitted by PFAM to Staff;

AND WHEREAS PFAM's counsel provided to Staff and to the Commission and made submissions based on an affidavit of Stuart McKinnon sworn December 11, 2013 which was not marked as an exhibit on December 12, 2013 at the Commission hearing held that day;

AND WHEREAS on December 12, 2013, Staff and counsel for PFAM appeared before the Commission and made submissions on: (i) the appropriate form of order to govern the provision of the Confidential Documents to other members of Staff of the Commission; and (ii) whether IAS should receive copies of the PPN reconciliation reports submitted by PFAM to Staff;

AND WHEREAS by Commission Order dated December 13, 2013, the Commission ordered that:

- (i) the Confidential Documents may be provided to any member of Staff of the Commission, as necessary in the course of their duties;
- (ii) the Temporary Order be extended to January 24, 2014;
- (iii) the hearing be adjourned to January 21, 2014 at 11:00 a.m.; and
- (iv) Staff shall be entitled to provide a copy of each document relating to the PPN reconciliation process listed on Schedule "A" of the October 13, 2013 order to counsel for IAS on the conditions that: (a) IAS treat those documents as confidential and not provide them to any third party without further direction or order of the Commission; and (b) IAS may use the documents for the purpose of assisting Staff in resolving the PPN discrepancy, and for no other purpose;

AND WHEREAS on January 15, 2014, PFAM's counsel advised Staff that the prospectus for the distribution of securities of the Pro- Index Funds had passed its lapse date on January 14, 2014 and PFAM's counsel requested a lapse date extension of 40 days from Staff;

AND WHEREAS on January 17, 2014, PFAM's counsel filed a pre-hearing conference memorandum ("PFAM's Pre-Hearing Memorandum") with the Secretary's office to discuss various issues and seek an Order granting an extension to the lapse date for the Pro-Index Funds under subsection 62(5) of the Act (the "Lapse Date Relief");

AND WHEREAS PFAM filed the affidavit of Stuart McKinnon sworn January 19, 2014 with the Secretary's office and Staff filed the affidavit of Susan Thomas sworn January 20, 2014 with the Secretary's office but neither party marked either affidavit as an exhibit at the appearance on January 21, 2014;

AND WHEREAS on January 21, 2014, Staff and PFAM's counsel appeared before the Commission and Staff advised the Commission that: (i) Staff's review of the Notice was expected to take another three to four weeks; (ii) the parties agreed that the prior confidentiality orders should be revised to permit Staff to provide the Confidential Documents or excerpts therefrom to the Purchaser, the Investor and their counsel as Staff determines necessary in the course of their duties and on the condition that the recipients treat such documents as confidential and not disclose them to any third party without further direction or order of the Commission; and (iii) the parties agreed that the Temporary Order should be extended;

AND WHEREAS on January 21, 2014, PFAM's counsel requested that submissions relating to the issues raised in PFAM's Pre-Hearing Memorandum be made *in camera* pursuant to Rule 6 of the Commission's *Rules of Procedure*, Staff opposed PFAM's request, and the Commission directed and the parties made submissions *in camera* on the Lapse Date Relief;

AND WHEREAS on January 21, 2014, the Commission ordered that: (i) the Temporary Order be extended to February 24, 2014; (ii) the hearing be adjourned to February 21, 2014 at 2:00 p.m.; (iii) Staff who have received the Confidential Documents be permitted to provide the Confidential Documents or an excerpt of the Confidential Documents to the Purchaser, the Investor and their counsel as set out in the Order; and (iv) PFAM be granted the Lapse Date Relief under subsection 62(5) of the Act to extend the lapse date for the Pro-Index Funds to February 24, 2014 on the conditions set out in the Order;

AND WHEREAS on February 14, 2014, PFAM's counsel served on Staff and filed a pre-hearing conference memorandum with the Secretary's office and requested a confidential pre-hearing conference during the week of February 24, 2014;

AND WHEREAS on February 21, 2014, PFAM's counsel was unavailable to attend before the Commission so the Commission ordered: (i) the Temporary Order be extended to March 6, 2014; (ii) the hearing be adjourned to March 3, 2014 at 11:00 a.m.; and (iii) a confidential pre-hearing conference proceed on February 25, 2014 at 3:30 p.m.;

AND WHEREAS PFAM's counsel requested in his prehearing conference memorandum an extension to the lapse date for the Pro-Index Funds which was previously extended to February 24, 2014 by Commission order dated January 21, 2014 (the "Further Lapse Date Relief");

AND WHEREAS in connection with a confidential pre-hearing conference on February 25, 2014 and the appearance on March 3, 2014, Staff filed the affidavit of Michael Ho sworn February 24, 2014 and written submissions dated February 28, 2014 to oppose the request for the Further Lapse Date Relief and PFAM's counsel filed the affidavits of Stuart McKinnon sworn February 21, 2014 and March 3, 2014 and a factum dated March 3, 2014 in support of the Further Lapse Date Relief;

AND WHEREAS on March 3, 2014, counsel for PFAM requested that submissions relating to the Further Lapse Date Relief be heard *in camera* and the Commission agreed to this request and the parties made oral submissions *in camera* on the issue of whether the Commission should grant the Further Lapse Date Relief;

AND WHEREAS on March 3, 2014, the Commission ordered that the Further Lapse Date Relief would be granted until April 7, 2014 subject to: (i) PFAM issuing a news release, in a form satisfactory to Staff, to ensure that investors receive full disclosure of the matters identified by Staff as set out below; and (ii) PFAM only being permitted to distribute securities of the Pro-Index Funds to existing securityholders of the Pro-Index Funds;

AND WHEREAS on March 3, 2014, the Commission advised, in the public portion of the hearing, that there had been two Director decisions recently made affecting PFAM (the "Director Decisions") and PFAM's counsel advised that the affected parties would seek a hearing and review under subsection 8(2) of the Act of both of the Director Decisions on an expedited basis;

AND WHEREAS on March 4, 2014, the Commission ordered: (i) the terms and conditions imposed on PFAM's registration by the Temporary Order be deleted and replaced with new terms and conditions which provided that PFAM shall not accept any new clients or open any new client accounts of any kind in respect of its Managed Accounts and that PFAM may only distribute securities of the Pro-Index Funds to existing securityholders of the Pro-Index Funds (the "Distribution Restriction"); (ii) PFAM be granted the Further Lapse Date Relief under subsection 62(5) of the Act to extend the lapse date for the Pro-Index Funds to April 7, 2014 subject to the conditions that: (a) PFAM issue a news release by March 6, 2014, in a form satisfactory to Staff, providing disclosure about the specific items set out in the March 4, 2014 order; and (b) PFAM comply with the terms of the March 4, 2014 order; (iii) the hearing be adjourned to April 7, 2014 at 10:00 a.m.; and (iv) the Temporary Order be extended to April 10, 2014;

AND WHEREAS on March 6, 2014, a confidential prehearing conference was held to consider a motion by counsel to the Purchaser and the Investor to vary the Distribution Restriction imposed by the Commission in the March 4, 2014 order, so that PFAM could continue distributing securities until April 7, 2014 to new investors after issuing the press release provided for in the March 4 order (the "Variation Motion");

AND WHEREAS on March 6, 2014, the Commission was of the view that the hearing of the Variation Motion should proceed only after a notice of the Variation Motion has been filed with the Secretary's office so that the public could be advised of the hearing;

AND WHEREAS on March 6, 2014, the Commission ordered that: (i) portions of the Commission decision of March 3, 2014 imposing the Distribution Restriction and deleting and replacing the terms and conditions on PFAM's registration and operation be stayed until March 11, 2014; (ii) PFAM be granted lapse date relief to extend the lapse date for the Pro-Index Funds to March 11, 2014; (iii) the Purchaser and the Investor file notice of the Variation Motion with the Secretary's office; and (iv) the Variation Motion be adjourned to March 11, 2014 at 1:00 p.m.;

AND WHEREAS the Purchaser and Investor's counsel filed the affidavit of Diego Beltran sworn March 5, 2014, the affidavit of Stuart McKinnon sworn March 11, 2014 and written submissions dated March 6, 2014 in support of the Variation Motion and Staff filed the affidavit of Michael Ho sworn March 10, 2014 and written submissions dated March 10, 2014 to oppose the Variation Motion;

AND WHEREAS on March 11, 2014, the Purchaser and the Investor's counsel made a request that the hearing of the Variation Motion proceed *in camera* and Staff opposed the request and the Purchaser and Investor's counsel and Staff made oral submissions and the Commission denied the request that the hearing proceed *in camera*;

AND WHEREAS on March 11, 2014, Staff opposed the Variation Motion and the Purchaser and Investor's counsel and Staff made oral submissions on the Variation Motion and Staff advised that a separate order will be required to cease the distribution of securities of the Pro-Index Funds to new investors as of March 11, 2014 if the Variation Motion is dismissed;

AND WHEREAS on March 11, 2014, the Commission ordered that: (i) the Variation Motion be dismissed; and (ii) the distribution of securities of the Pro-Index Funds to new investors be ceased as of the end of the day on March 11, 2014;

AND WHEREAS PFAM filed the affidavit of Stuart McKinnon sworn April 4, 2014 in support of its request for a further lapse date extension (the "Third Lapse Date Extension Request") and requested that the affidavit be treated on a confidential basis and Staff filed an affidavit of Mostafa Asadi sworn April 4, 2014 and opposed the Third Lapse Date Extension Request on the basis that PFAM has not filed the annual audited financial statements or the annual management reports of fund performance for the Pro-Index Funds which were due on March 31, 2014;

AND WHEREAS on April 7, 2014, PFAM's counsel requested that the submissions of the parties be heard *in camera* and Staff opposed the request and the Commission directed PFAM's counsel and Staff to make oral submissions *in camera*;

AND WHEREAS on April 7, 2014, Staff requested permission to provide a copy of the affidavit of Stuart McKinnon sworn April 4, 2014 to IAS or its legal counsel prior to the argument of PFAM's Third Lapse Date Request and PFAM's counsel opposed Staff's request;

AND WHEREAS on April 7, 2014, the parties made submissions *in camera* and the Commission directed that the affidavit of Stuart McKinnon sworn April 4, 2014 shall not be received on a confidential basis and directed that the correspondence between Staff and PFAM's counsel be treated as confidential;

AND WHEREAS on April 7, 2014, the Commission ordered that: (i) the lapse date for the Pro-Index Funds be extended to April 21, 2014; (ii) the affidavit of Stuart McKinnon sworn April 4, 2014 shall appear on the public record except for exhibits containing the correspondence between Staff and PFAM's counsel, including enclosures; (iii) Staff shall be entitled to provide a copy of the affidavit of Stuart McKinnon sworn April 4, 2014 to IAS or IAS' legal counsel subject to the conditions that IAS shall treat as confidential all correspondence between PFAM and Staff forming part of the affidavit and IAS shall only use the affidavit to assist Staff in the ongoing proceeding; (iv) the Temporary Order be extended to April 21, 2014; and (v) the hearing be adjourned to April 17, 2014 at 11:00 a.m. to argue the Third Lapse Date Extension Request.

AND WHEREAS on April 17, 2014, Staff filed the affidavit of Michael Ho sworn April 11, 2014 to oppose the Third Lapse Date Extension Request and PFAM filed the affidavit of Stuart McKinnon sworn April 16, 2014 in support of the Third Lapse Date Extension Request;

AND WHEREAS on April 17, 2014, PFAM's counsel requested that the submissions of the parties on the Third Lapse Date Extension Request be heard *in camera* and Staff opposed PFAM's request and the Commission directed that the parties' submissions on the Third Lapse Date Extension Request would not be heard *in camera*;

AND WHEREAS on April 17, 2014, PFAM's counsel made oral submissions and filed written submissions dated April 7 and 17, 2014 in support of the Third Lapse Date Extension Request and Staff made oral and filed written submissions dated April 14, 2014 to oppose PFAM's request and after hearing the parties' submissions, the Commission reserved its decision and adjourned the hearing to April 21, 2014 at 2:00 p.m.;

AND WHEREAS on April 21, 2014, the Commission dismissed the Third Lapse Date Extension Request and provided oral reasons for its decision;

AND WHEREAS on April 23, 2014, the Commission ordered that: (i) the Third Lapse Date Extension Request be dismissed without prejudice to PFAM bringing an application under section 144 to vary or revoke this order if the audited financial statements and management reports of fund performance for the Pro-Index Funds are filed with the Commission; (ii) notwithstanding that the lapse date for the Pro-Index Funds was previously extended to April 21, 2014, the distribution of securities of the Pro-Index Funds shall cease as of the end of the day on April 21, 2014; (iii) the Temporary Order be extended to May 27, 2014; and (iv) the hearing be adjourned to May 23, 2014 at 10:00 a.m.;

AND WHEREAS on May 23, 2014, Staff filed the affidavit of Michael Ho sworn May 22, 2014 to: (i) update the Commission on the payments by PFAM on March 31, April 7 and 8, 2014 of maturity proceeds for certain series of PPNs to escrow agents as arranged by the Banks and agreed to by PFAM; and (ii) confirm that the current discrepancy between the records of the record-keeper and the trustee remains unchanged and indicates that the total cash obligation to PPN noteholders exceeds the amount in the trustee's records by \$1,222,549.45;

AND WHEREAS the parties have agreed to extend the Temporary Order to July 4, 2014 and to adjourn the hearing to July 2, 2014 at 2:00 p.m.;

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

IT IS HEREBY ORDERED that:

1. The term and condition on PFAM's registration imposed by Commission order dated March 4, 2014 which stated that "PFAM may only distribute securities of the Pro-Index Funds to existing security holders of the Pro-Index Funds" is deleted and replaced with "PFAM shall not distribute securities of the Pro-Index Funds."
2. A confidential pre-hearing conference in respect of the section 8 hearings and reviews of the Director Decisions will proceed on June 5, 2014 at 10:00 a.m.
3. The Temporary Order is extended to July 4, 2014.
4. The hearing is adjourned to July 2, 2014 at 2:00 p.m.

DATED at Toronto this 23rd day of May, 2014.

"James E. A. Turner"

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

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

AND

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

ORDER
(Subsections 127(7) and 127(8) of the Securities Act)

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

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

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

AND WHEREAS the Notice of Hearing 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 First Temporary Order until such time as considered necessary by the Commission;

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

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

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

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

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

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

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

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

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

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

- i) Christina Harper ("Harper"), Howard Rash ("Rash"), Michael Schaumer ("Schaumer"), Elliot Feder ("Feder"), Tsatskin, Oded Pasternak ("Pasternak"), Alan Silverstein ("Silverstein"), Herbert Groberman ("Groberman"), Allan Walker ("Walker"), Peter Robinson ("Robinson"), Vyacheslav Brikman ("Brikman"), Nikola Bajovski ("Bajovski"), Bruce Cohen ("Cohen") and Andrew Shiff ("Shiff") (collectively, the "Individual Respondents"), shall cease trading in all securities; and
- ii) that any exemptions contained in Ontario securities law do not apply to the Individual Respondents;

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

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

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

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

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

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

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

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

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

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

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

AND WHEREAS on September 1, 2010, it was further ordered pursuant to subsections 127(1) and (2) of the Act that, notwithstanding the Second Temporary Order, Feder is permitted to trade securities in an account in his own name or in an account of his registered retirement savings plans (as defined in the *Income Tax Act* (Canada)) in which he has the sole legal and beneficial ownership, provided that:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- (a) Feder is permitted to trade securities in an account in his own name or in an account of his registered retirement savings plan (as defined in the *Income Tax Act* (Canada)) in which Feder has the sole legal and beneficial ownership, provided that:
 - (i) the securities traded are listed and posted for trading on the Toronto Stock Exchange, the New York Stock Exchange, or NASDAQ (or their successor exchanges) which is a reporting issuer; and
 - (ii) Feder carries out any permitted trading through a dealer registered with the Commission (which dealer must be given a copy of this order) and through accounts opened in Feder's name only; and
- (b) Feder is permitted to contact the existing shareholders of (i) Genesis Rare Diamonds (Ontario) Ltd. (ii) Kimberlite Diamond Corporation and (iii) their subsidiaries, none of which is a reporting issuer, or their counsel and to discuss/explore the potential for the sale of Feder's shares in those corporations to any or all of their existing shareholders and/or the purchase of Feder's shares in those corporations by the respective corporations for cancellation, provided that Feder's shares are not actually sold and/or purchased without Feder first obtaining a further exemption/order from the Commission that permits such sale(s) and/or purchase(s);

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

AND WHEREAS on December 15, 2011 Staff requested a further extension of the Temporary Order against Rash;

AND WHEREAS on December 15, 2011, the Commission considered the evidence and submissions before it and the Commission was of the opinion that it was in the public interest to extend the Temporary Order against Rash to October 22, 2012, and to adjourn the hearing to October 19, 2012 at 10:00 a.m., without prejudice to either Staff or Rash to apply for a variation of the Temporary Order under section 144 of the Act;

AND WHEREAS on January 20, 2011, the Commission approved a settlement agreement between Staff and Feder;

AND WHEREAS on October 19, 2012, Staff attended the hearing and no one appeared on behalf of Rash;

AND WHEREAS the Commission was satisfied that Staff served or made reasonable attempts to serve the Corporate Respondents and the Individual Respondents with notice of the hearing;

AND WHEREAS on October 19, 2012, Staff requested a further extension of the Temporary Order against Rash;

AND WHEREAS on October 19, 2012, the Commission ordered that the Temporary Order be extended against Rash until February 28, 2013, without prejudice to either Staff or Rash to apply for a variation of the Temporary Order under section 144 of the Act, and that the hearing be adjourned to February 27, 2013 at 10:00 a.m.;

AND WHEREAS on February 27, 2013, Staff attended the hearing and no one appeared on behalf of Rash;

AND WHEREAS Staff filed the Affidavit of Peaches A. Barnaby sworn February 27, 2013 (the "February 27th Affidavit") outlining service on Rash of the Commission's Order dated October 19, 2012;

AND WHEREAS the Commission was satisfied that Staff served or made reasonable attempts to serve the Corporate Respondents and the Individual Respondents with notice of the hearing;

AND WHEREAS Staff informed the Commission that Rash pleaded guilty to breaching Ontario securities law in connection with his activities as a salesperson at Global Energy in proceedings before the Ontario Court of Justice and that a hearing was scheduled for March 20, 2013, at which the parties to that proceeding may make submissions on sentence;

AND WHEREAS Staff requested a further extension of the Temporary Order to a date following the sentencing hearing;

AND WHEREAS the February 27th Affidavit set out Rash's consent, through his counsel, to the extension of the Temporary Order;

AND WHEREAS on February 27, 2013, the Commission considered the evidence and submissions before it and the Commission was of the opinion that it was in the public interest to extend the Temporary Order against Rash until April 29, 2013, without prejudice to either Staff or Rash to apply for a variation of the Temporary Order under section 144 of the Act, and to adjourn the hearing to April 26, 2013 at 11:00 a.m.;

AND WHEREAS a letter from Staff to the Secretary of the Commission, dated April 24, 2013 (the "April 24 Letter"), accompanied an Affidavit of Peaches A. Barnaby of Staff, sworn April 24, 2013 (the "April 24 Affidavit"), which outlined service on Rash of the Commission's Order dated February 27, 2013;

AND WHEREAS in the April 24 Affidavit, it is stated that the sentencing hearing in respect of Rash commenced on March 20, 2013 and is scheduled to continue on July 17, 2013, and that counsel for Rash consents to a further extension of the Temporary Order against Rash to a date following the sentencing hearing on July 17, 2013;

AND WHEREAS in the April 24 Letter, Staff requests that:

- (i) the oral hearing scheduled for April 26, 2013 proceed in writing and that the date for the oral hearing be vacated;
- (ii) the Temporary Order be extended to a date following the sentencing hearing on July 17, 2013; and
- (iii) the hearing be adjourned to the business day immediately preceding that date;

AND WHEREAS the Commission considered the April 24 Letter and the April 24 Affidavit and was of the opinion that it was in the public interest to order that:

- (i) the oral hearing scheduled for April 26, 2013 proceed in writing and the hearing date scheduled for April 26, 2013 be vacated;
- (ii) the Temporary Order be extended against Rash until September 5, 2013; and
- (iii) the hearing be adjourned to September 4, 2013 at 11:00 a.m.

AND WHEREAS on September 4, 2013, Staff attended the hearing and no one appeared on behalf of Rash;

AND WHEREAS Staff filed the Affidavit of Tia Faerber sworn August 28, 2013 (the "August 28 Affidavit") outlining service of the Commission's Order dated April 26, 2013 on Rash;

AND WHEREAS Staff advised the Panel that a pre-sentence report ("PSR") has been ordered in connection with Rash's sentencing hearing before the Ontario Court of Justice and the parties are scheduled to attend before Justice Gorewich in connection with the PSR on November 7, 2013 (the "PSR Hearing");

AND WHEREAS Staff requested that the Temporary Order be extended and that the hearing to consider a further extension be adjourned to a date following the PSR Hearing;

AND WHEREAS the August 28 Affidavit attached correspondence from Rash's lawyer's office confirming that Rash consents to an extension of the Temporary Order to a date following the PSR Hearing;

AND WHEREAS the Commission ordered that the Temporary Order be extended against Rash until December 19, 2013 and the hearing to consider a further extension of the Temporary Order be adjourned to December 17, 2013 at 3:30 p.m.;

AND WHEREAS on December 17, 2013, Staff attended the hearing and no one appeared on behalf of Rash;

AND WHEREAS Staff advised the Panel that the parties attended before Justice Gorewich on November 7, 2013 for the PSR Hearing and that, at the conclusion of that hearing, Rash was sentenced to nine months incarceration;

AND WHEREAS Staff advised the Panel that Staff has been in contact with Rash's counsel in the proceedings before the Ontario Court of Justice and Rash's counsel in those proceedings has advised Staff that he is seeking instructions from Rash as to his continued representation of Rash in connection with the proceedings before the Commission;

AND WHEREAS Staff further advised the Panel that Staff is awaiting the release of the transcript and the final reasons for judgment in connection with Rash's sentencing in the Ontario Court of Justice;

AND WHEREAS Staff requested that the Temporary Order be extended and that the hearing to consider a further extension be adjourned for approximately six weeks;

AND WHEREAS the Commission ordered that the Temporary Order be extended against Rash until January 31, 2014 and the hearing to consider a further extension of the Temporary Order be adjourned to January 29, 2014 at 10:30 a.m.;

AND WHEREAS on January 29, 2014, Staff attended the hearing and no one appeared on behalf of Rash;

AND WHEREAS Staff filed the Affidavit of Tia Faerber sworn January 28, 2014 outlining service of the Commission's Order dated December 17, 2013 on Moishe Reiter, Rash's counsel in the proceedings before the Ontario Court of Justice;

AND WHEREAS Staff advised the Panel that Staff has obtained the final reasons for judgment in connection with Rash's sentencing in the Ontario Court of Justice and that Staff has been in contact with Mr. Reiter in connection with this matter;

AND WHEREAS Staff requested that the Temporary Order be extended and that the hearing to consider a further extension be adjourned for approximately two months;

AND WHEREAS the Commission ordered that the Temporary Order be extended against Rash until April 1, 2014 and the hearing to consider a further extension of the Temporary Order be adjourned to March 28, 2014 at 10:00 a.m.;

AND WHEREAS on March 7, 2014, the Commission commenced proceedings against Rash pursuant to subsections 127(1) and 127(10) of the Act on the basis of a Statement of Allegations filed by Staff (the "Section 127(10) Proceeding");

AND WHEREAS on March 28, 2014, Staff attended the hearing and no one appeared on behalf of Rash;

AND WHEREAS the Panel was satisfied that Rash had notice of the hearing and consented to an extension of the Temporary Order;

AND WHEREAS on March 28, 2014, the Commission ordered that the Temporary Order be extended against Rash until May 30, 2014 and the hearing to consider a further extension of the Temporary Order be adjourned to May 27, 2014 at 10:00 a.m.;

AND WHEREAS on May 27, 2014, Staff attended the hearing and no one appeared on behalf of Rash;

AND WHEREAS the Panel was satisfied that Rash had notice of the hearing and consented to an extension of the Temporary Order to the conclusion of the Section 127(10) Proceeding;

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

IT IS ORDERED THAT the Temporary Order is extended against Rash until the conclusion of the Section 127(10) Proceeding, including if appropriate, any final determination with respect to sanctions and costs.

DATED at Toronto this 27th day of May, 2014.

"Edward P. Kerwin"

2.2.3 Howard Rash

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

AND

**IN THE MATTER OF
HOWARD RASH**

ORDER

WHEREAS on March 7, 2014, the Ontario Securities Commission (the “Commission”) issued a Notice of Hearing (the “Notice of Hearing”) pursuant to subsections 127(1) and 127(10) of the *Securities Act*, R.S.O. 1990 c. S.5 as amended (the “Act”) accompanied by a Statement of Allegations of Staff of the Commission dated March 7, 2014 with respect to Howard Rash (“Rash”);

AND WHEREAS the Notice of Hearing announced that a hearing would be held at the offices of the Commission on March 28, 2014;

AND WHEREAS on March 28, 2014, Staff attended the hearing and no one appeared on behalf of Rash;

AND WHEREAS the Commission was satisfied that Rash had notice of the hearing and consented to an adjournment;

AND WHEREAS on March 28, 2014, the Commission ordered that the hearing be adjourned to May 27, 2014 at 10:00 a.m.;

AND WHEREAS on May 27, 2014, Staff attended the hearing and no one appeared on behalf of Rash;

AND WHEREAS Staff requested an adjournment of the hearing;

AND WHEREAS the Commission was satisfied that Rash had notice of the hearing and consented to the adjournment;

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

IT IS HEREBY ORDERED that the hearing is adjourned to August 27, 2014 at 10:00 a.m. or such further or other dates as may be agreed to by the parties and fixed by the Office of the Secretary.

DATED at Toronto this 27th day of May, 2014.

“Edward Kerwin”

2.2.4 Magna International Inc. – s. 104(2)(c)

Headnote

Section 104(2)(c) of the Act – Issuer bid – relief from issuer bid requirements in sections 94 to 94.8 and 97 to 98.7 of the Act – Issuer proposes to purchase, at a discounted purchase price, up to 2,150,000 of its common shares from one of its shareholders – due to the discounted purchase price, proposed purchases cannot be made through the TSX trading system – but for the fact that the proposed purchases cannot be made through the TSX trading system, the Issuer could otherwise acquire the subject shares in reliance upon the issuer bid exemption available under section 101.2 of the Act and in accordance with the TSX rules governing normal course issuer bid purchases – no adverse economic impact on, or prejudice to, the issuer or public shareholders – proposed purchases exempt from the issuer bid requirements in sections 94 to 94.8 and 97 to 98.7 of the Act, subject to conditions, including that the issuer not purchase, in the aggregate, more than one-third of the maximum number of shares to be purchased under its normal course issuer bid by way of off-exchange block purchases.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 94 to 94.8, 97 to 98.7, 104(2)(c).

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

AND

**IN THE MATTER OF
MAGNA INTERNATIONAL INC.**

**ORDER
(Clause 104(2)(c))**

UPON the application (the “**Application**”) of Magna International Inc. (the “**Issuer**”) to the Ontario Securities Commission (the “**Commission**”) for an order pursuant to clause 104(2)(c) of the *Securities Act* (Ontario) (the “**Act**”) exempting the Issuer from the requirements of sections 94 to 94.8, inclusive, and sections 97 to 98.7, inclusive, of the Act (the “**Issuer Bid Requirements**”) in connection with the proposed purchases (the “**Proposed Purchases**”) by the Issuer of up to 2,150,000 common shares of the Issuer (the “**Subject Shares**”) in one or more tranches, from The Toronto-Dominion Bank (the “**Selling Shareholder**”);

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

AND UPON the Issuer (and the Selling Shareholder in respect of paragraphs 5, 6, 7, 8, 12 and 24 as they relate to the Selling Shareholder) having represented to the Commission that:

1. The Issuer is a corporation governed by the *Business Corporations Act* (Ontario).
2. The registered and principal business office of the Issuer is 337 Magna Drive, Aurora, Ontario, L4G 7K1.
3. The Issuer is a reporting issuer in each of the provinces of Canada and its common shares are listed for trading on the Toronto Stock Exchange (the “**TSX**”) and the New York Stock Exchange (the “**NYSE**”) under the symbols “MG” and “MGA”, respectively. The Issuer is not in default of any requirement of the securities legislation in the jurisdictions in which it is a reporting issuer.
4. The Issuer’s authorized share capital consists of an unlimited number of common shares (“**Common Shares**”), of which 217,934,153 are issued and outstanding as of May 15, 2014, and 99,760,000 preference shares (“**Preference Shares**”) issuable in series. As of May 15, 2014, no Preference Shares are issued or outstanding.
5. The Selling Shareholder has advised the Issuer that its corporate headquarters are located in the Province of Ontario. The trades contemplated by this application will be executed and settled in the Province of Ontario.
6. The Selling Shareholder has advised the Issuer that it does not directly or indirectly beneficially own more than 5% of the issued and outstanding Common Shares.
7. The Selling Shareholder has advised the Issuer that it is the beneficial owner of at least 2,150,000 Common Shares and that the Subject Shares were not acquired by the Selling Shareholder in anticipation of resale pursuant to private agreements under an issuer bid exemption order by a securities regulatory authority (“**Off-Exchange Block Purchase**”).
8. The Selling Shareholder is at arm’s length to the Issuer and is not an “insider” of the Issuer or an “associate” of an “insider” of the Issuer, or an “associate” or “affiliate” of the Issuer, as such terms are defined in the Act. The Selling Shareholder is an “accredited investor” within the meaning of National Instrument 45-106 – *Prospectus and Registration Exemptions*.
9. Pursuant to a Notice of Intention to Make a Normal Course Issuer Bid (the “**Original Notice**”), which was accepted by the TSX effective November 11, 2013, the Issuer was permitted to make a normal course issuer bid (the “**Normal Course Issuer Bid**”) to purchase up to 12,000,000 Common Shares, representing approximately 5.4% of the Issuer’s public float of Common Shares as of November 6, 2013. On May 13, 2014, the Issuer announced that the TSX accepted an amendment to the Original Notice (the “**Amendment**” and together with the Original Notice, the “**Notice**”) effective May 16, 2014 to increase the number of Common Shares the Issuer is permitted to purchase under the Normal Course Issuer Bid to 20,000,000 Common Shares, representing approximately 9% of the Issuer’s public float of Common Shares as of November 6, 2013.
10. The Issuer was granted orders on November 22, 2013 (the “**November 2013 Order**”) and March 18, 2014 (the “**March 2014 Order**”) pursuant to clause 104(2)(c) of the Act exempting the Issuer from the requirements of sections 94 to 94.8, inclusive, and sections 97 to 98.7, inclusive, of the Act in connection with the proposed purchases by the Issuer of up to 3,200,000 Common Shares and 600,000 Common Shares, respectively, in tranches from arm’s length selling shareholders. The Issuer has purchased 3,200,000 Common Shares under the November 2013 Order and 600,000 Common Shares under the March 2014 Order.
11. In accordance with the Notice, the Normal Course Issuer Bid is conducted through the facilities of the TSX and purchases may also be made on the NYSE or by such other means as may be permitted by the TSX and/or the NYSE, in accordance with sections 628 to 629.3 of Part VI of the TSX Company Manual (the “**TSX NCIB Rules**”), including private agreements under an issuer bid exemption order issued by a securities regulatory authority.
12. The Issuer and the Selling Shareholder currently intend to enter into one or more agreements of purchase and sale (each, an “**Agreement**”), pursuant to which the Issuer will, subject to market conditions, agree to acquire some or all of the Subject Shares from the Selling Shareholder in one or more tranches, such tranches to occur not more than once per calendar week and no one tranche to exceed 600,000 Common Shares, each to occur prior to November 13, 2014 (each such purchase, a “**Proposed Purchase**”) for a purchase price (each, a “**Purchase Price**”) that will be negotiated at arm’s length between the Issuer and the Selling Shareholder. The Purchase Price will be at a discount to the prevailing market price on the TSX and below the prevailing bid-ask price for the Issuer’s Common Shares at the time of each Proposed Purchase.
13. The Subject Shares acquired under each Proposed Purchase will constitute a “block”, as that term is defined in section 628 of the TSX NCIB Rules.
14. The purchases of the Subject Shares by the Issuer pursuant to each Agreement will constitute

- an "issuer bid" for purposes of the Act, to which the Issuer Bid Requirements would apply.
15. Because the Purchase Price will be at a discount to the prevailing market price on the TSX and below the prevailing bid-ask price for the Issuer's Common Shares, at the time of each Proposed Purchase, each Proposed Purchase cannot be made through the TSX trading system and, therefore, will not occur "through the facilities" of the TSX. As a result, the Issuer will be unable to acquire the Subject Shares from the Selling Shareholder in reliance upon the exemption from the Issuer Bid Requirements that is available pursuant to section 101.2(1) of the Act.
 16. But for the fact that the Purchase Price will be at a discount to the prevailing market price on the TSX and below the prevailing bid-ask price for the Issuer's Common Shares, at the time of each Proposed Purchase, the Issuer could otherwise acquire the Subject Shares as a "block purchase" (a "**Block Purchase**") in accordance with the block purchase exception in section 629(l)(7) of the TSX NCIB Rules and the exemption from the Issuer Bid Requirements available pursuant to section 101.2(1) of the Act.
 17. The sale of any of the Subject Shares to the Issuer will not be a "distribution" (as defined in the Act).
 18. For each Proposed Purchase, the Issuer will be able to acquire the Subject Shares from the Selling Shareholder without the Issuer being subject to the dealer registration requirements of the Act.
 19. Management of the Issuer is of the view that the Issuer will be able to purchase the Subject Shares at a lower price than the price at which it would be able to purchase the Subject Shares under the Normal Course Issuer Bid, through the facilities of the TSX, and management is of the view that this is an appropriate use of funds to increase shareholder value.
 20. The purchase of the Subject Shares will not adversely affect the Issuer or the rights of any of the Issuer's securityholders and will not materially affect control of the Issuer. To the knowledge of the Issuer, the Proposed Purchases will not prejudice the ability of other securityholders of the Issuer to otherwise sell Common Shares in the open market at the prevailing market price. The Proposed Purchases will be carried out with a minimum cost to the Issuer.
 21. To the best of the Issuer's knowledge, as of May 15, 2014, the "public float" for the Issuer's Common Shares represented approximately 99.5% of all issued and outstanding Common Shares for purposes of the TSX NCIB Rules.
 22. The Common Shares are "highly-liquid securities" within the meaning of section 1.1 of OSC Rule 48-501 *Trading during Distributions, Formal Bids and Share Exchange Transactions* and section 1.1 of the Universal Market Integrity Rules.
 23. Other than the Purchase Price, no fee or other consideration will be paid by the Issuer in connection with the Proposed Purchases.
 24. At the time that each Agreement is entered into by the Issuer and the Selling Shareholder and at the time of each Proposed Purchase, neither the Issuer nor the trading products group of, nor personnel of, the Selling Shareholder that have negotiated the Agreement or have made, or participated in the making of, or provided advice in connection with, the decision to enter into the Agreement and sell the Subject Shares will be aware of any "material change" or any "material fact" (each as defined in the Act) in respect of the Issuer that has not been generally disclosed.
 25. On March 31, 2014 the Issuer announced that it entered into an automatic share purchase plan (the "**Plan**") with a broker, providing for the repurchase of Common Shares to be conducted by the broker on the TSX, NYSE or other published markets under the Normal Course Issuer Bid at such times when the Issuer would not be permitted to trade in its Common Shares during regularly scheduled quarterly blackout periods. The Plan was reviewed and approved by the TSX, and was implemented by the Issuer effective April 1, 2014. Under the Plan, purchases by the broker must be made in accordance with the instructions and parameters provided by the Issuer. The Issuer will instruct the broker not to conduct a Block Purchase in accordance with the TSX NCIB Rules during the calendar week that the Issuer completes a Proposed Purchase. No purchases of Subject Shares pursuant to Off-Exchange Block Purchases will be made during blackout periods.
 26. The Issuer will not purchase, pursuant to private agreements under issuer bid exemption orders by a securities regulatory authority, in aggregate, more than one-third of the maximum number of Common Shares that the Issuer can purchase under its Normal Course Issuer Bid.
- AND UPON** the Commission being satisfied to do so would not be prejudicial to the public interest;
- IT IS ORDERED** pursuant to clause 104(2)(c) of the Act that the Issuer be exempt from the Issuer Bid Requirements in connection with the Proposed Purchases, provided that:
- (a) the Proposed Purchases will be taken into account by the Issuer when calculating the maximum annual aggregate

- limit that is imposed upon the Issuer's Normal Course Issuer Bid in accordance with the TSX NCIB Rules;
- (b) the Issuer will refrain from conducting a Block Purchase in accordance with the TSX NCIB Rules during the calendar week that it completes each Proposed Purchase and may not make any further purchases under its Normal Course Issuer Bid for the remainder of that calendar day on which it completes each Proposed Purchase;
 - (c) the Purchase Price for each Proposed Purchase is not higher than the last "independent trade" (as that term is used in paragraph 629(l)1 of the TSX NCIB Rules) of a board lot of Common Shares immediately prior to the execution of each Proposed Purchase;
 - (d) the Issuer will otherwise acquire any additional Common Shares pursuant to the Issuer's Normal Course Issuer Bid in accordance with the Notice and the TSX NCIB Rules, including by means of open market transactions and by other means as may be permitted by the TSX, including under automatic trading plans and, subject to condition (i) below, by private agreements under an issuer bid exemption order issued by a securities regulatory authority;
 - (e) immediately following each Proposed Purchase of the Subject Shares from the Selling Shareholder, the Issuer will report the purchase of the Subject Shares to the TSX;
 - (f) the Issuer will issue a press release disclosing (i) its intention to make the Proposed Purchases, and where such Proposed Purchases are made in tranches, in advance of the first tranche with the Selling Shareholder, and (ii) that information regarding each Proposed Purchase, including the number of Common Shares purchased and the aggregate purchase price, will be available on the System for Electronic Document Analysis and Retrieval ("SEDAR") following the completion of each Proposed Purchase;
 - (g) the Issuer will report information regarding each Proposed Purchase, including the number of Common Shares purchased and the aggregate purchase price, on SEDAR before 5:00 p.m. (Toronto time) on the business day following such purchase;
 - (h) at the time that each Agreement is entered into by the Issuer and the Selling Shareholder and at the time of each Proposed Purchase, neither the Issuer nor the trading products group of, nor personnel of, the Selling Shareholder that have negotiated the Agreement or have made, or participated in the making of, or provided advice in connection with, the decision to enter into the Agreement and sell the Subject Shares will be aware of any "material change" or any "material fact" (each as defined in the Act) in respect of the Issuer that has not been generally disclosed; and
 - (i) the Issuer does not purchase, pursuant to Off-Exchange Block Purchases, in the aggregate more than one-third of the maximum number of Common Shares that the Issuer can purchase under its Normal Course Issuer Bid, such one-third being equal to, as of the date of this Order, 6,666,666 Common Shares.

DATED at Toronto this 30th day of May, 2014.

"Deborah Leckman"
Commissioner
Ontario Securities Commission

"Edward Kerwin"
Commissioner
Ontario Securities Commission

2.2.5 Mariana Resources Limited

Headnote

Subsection 1(10) of the Securities Act – Application by a reporting issuer for an order that it is not a reporting issuer – To the knowledge of the reporting issuer, and based on diligent enquiry, residents of Canada (i) do not directly or indirectly beneficially own more than 2% of each class or series of outstanding securities of the reporting issuer worldwide, and (ii) do not directly or indirectly comprise more than 2% of the total number of shareholders of the Applicant worldwide – Issuer is subject to U.K. securities law and requirements of the AIM – Applicant has provided notice through a press release that it has submitted an application to cease to be a reporting issuer in Ontario.

Applicable Legislative Provisions

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

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

AND

**IN THE MATTER OF
MARIANA RESOURCES LIMITED
(THE “APPLICANT”)**

ORDER

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

UPON the Director having received an application from the Applicant for an order under subparagraph 1 (10)(a)(ii) of the Act that the Applicant is not a reporting issuer in Ontario (the “**Requested Order**”);

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

AND UPON the Applicant representing to the Commission as follows:

1. Mariana Resources Limited was incorporated in Guernsey under The Companies (Guernsey) Laws, 1994 to 1996 (as amended) (Registered No. 44276) on January 31, 2006 and is organized under The Companies (Guernsey) Law, 2008, as amended.
2. The Applicant is a mineral exploration and development company focused on the areas of Peru and southern Argentina. Its head office is located at Suite 102, 3 Eden Street, North Sydney, NSW 2060, Australia. The Applicant does not have operations in Canada.
3. The Company's share capital is divided into ordinary shares (the “**Shares**”) of £0.0001 each, of which 423,908,074 Shares were issued and outstanding as of March 18, 2014. All of the issued Shares are fully paid and non-assessable.
4. The Applicant is a reporting issuer in Ontario. The Applicant is not noted as being in default on the list of reporting issuers maintained by the Commission.
5. The Applicant is listed on the Alternative Investment Market of the London Stock Exchange (“**AIM**”) in the United Kingdom (the “**UK**”) under the trading symbol “MARL”. The Applicant voluntarily delisted its Shares from the Toronto Stock Exchange (the “**TSX**”) on or about February 12, 2013.

De minimis securityholder base in Canada

6. In support of the representations set forth in paragraph 10 below concerning the percentage of outstanding securities and the total number of securityholders in Canada, the Applicant sought and obtained information from Orient Capital Pty Ltd. (the “**Analyst**”). The Analyst is the largest analyser of share registers globally and the dominant provider of equity ownership analytics in multiple markets. The Applicant directed the Analyst to undertake a thorough and diligent

analysis of its shareholdings for the purposes of determining the number, holdings, identity and geographic location of the holders of its outstanding Shares, on a registered and beneficial basis.

7. The Analyst examined the shareholder register as at March 18, 2014 to determine the registered shareholders of the Applicant (the “**Registered Shareholders**”), their respective places of residence and their respective shareholdings. The Analyst determined that as at March 18, 2014, the Applicant had 423,908,074 Shares outstanding worldwide. The Analyst determined that of 523 worldwide Registered Shareholders, a total of 34,500 Shares were held by two Registered Shareholders with addresses in Canada. As a result, the Analyst concluded that as at March 18, 2014, Registered Shareholders with residences in Canada held 0.01% of the total number of issued and outstanding Shares worldwide and make up approximately 0.38% of Registered Shareholders worldwide.
8. The Analyst contacted each nominee/broker/intermediary directly to determine the beneficial shareholders of the Applicant (“**Beneficial Shareholders**”), their respective places of residence and their respective shareholdings as at March 18, 2014. The Analyst was able to track the beneficial ownership of 99.96% of the outstanding Shares as at March 18, 2014. The Analyst determined that of 619 worldwide Beneficial Shareholders, a total of 5,431,690 Shares were held by 9 Beneficial Shareholders with addresses in Canada. As a result, the Analyst concluded that as at March 18, 2014, Beneficial Shareholders with residences in Canada held 1.28% of the total number of issued and outstanding Shares and make up approximately 1.45% of Beneficial Shareholders.
9. The Applicant believes that the foregoing inquiries and scope of the analysis of the Analyst were reasonable, given that the Applicant’s share register and the method of contacting each nominee/broker/intermediary holding Shares directly are the only sources and methods available to obtain information about the Applicant’s shareholders, their respective places of residence and respective shareholdings.
10. Accordingly, based on the four foregoing paragraphs, as of March 18, 2014, residents of Canada do not:
 - (a) directly or indirectly beneficially own more than 2% of each class or series of outstanding securities (including debt securities) of the Applicant worldwide, and
 - (b) directly or indirectly comprise more than 2% of the total number of securityholders of the Applicant worldwide.

No Canadian capital markets activity

11. The Applicant has no current intention to seek public financing by way of an offering of securities in any jurisdiction in Canada.
12. In the 12 months before the date hereof, the Applicant has not taken any steps that indicate there is a market for its securities in Canada and, in particular, has not conducted a prospectus offering in Canada, nor has it established or maintained a listing on a Canadian marketplace or exchange. The Applicant voluntarily delisted its Shares from the TSX on or about February 12, 2013. Since then none of the Applicant’s securities are or have been listed, traded or quoted on a marketplace in Canada as defined in National Instrument 21-101 *Marketplace Operation* and the Applicant does not intend to have its securities listed, traded or quoted on such a marketplace in Canada.

No prejudice for Canadian investors

13. On April 3, 2014, the Applicant provided advance notice to Canadian resident securityholders in a news release that it had applied to the Commission for a decision that it is not a reporting issuer in Canada and, if that decision is made, the issuer will no longer be a reporting issuer in any jurisdiction of Canada.
14. The Applicant files continuous disclosure reports under UK securities laws and is listed on AIM in the UK. The Applicant is not in default of any of the requirements of AIM or applicable securities UK law.
15. All disclosure required to be made by the Applicant under applicable UK securities laws and AIM requirements is publicly available to all of the Applicant’s securityholders through the Applicant’s website at www.marianaresources.com.
16. The Applicant undertakes that it will concurrently deliver to its Canadian registered securityholders, all disclosure the Applicant is required to deliver to its non-Canadian registered securityholders under applicable UK securities law and AIM requirements.

AND UPON the Commission being satisfied that it would not be prejudicial to the public interest.

IT IS HEREBY ORDERED pursuant to subclause 1(10)(a)(ii) of the Act that, for the purposes of Ontario securities law, the Applicant is not a reporting issuer.

DATED this 27th day of May, 2014.

"James Turner"
Commissioner
Ontario Securities Commission

"Wesley Scott"
Commissioner
Ontario Securities Commission

2.2.6 Newer Technologies Limited et al. – ss. 127(1), 127.1

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

AND

**IN THE MATTER OF
NEWER TECHNOLOGIES LIMITED, RYAN PICKERING AND RODGER FREY**

**ORDER
(Subsection 127(1) and section 127.1)**

WHEREAS on December 4, 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 December 4, 2012 in respect of Newer Technologies Limited, Ryan Pickering and Rodger Frey (collectively, the “Respondents”);

AND WHEREAS the Respondents were served with the Notice of Hearing and Statement of Allegations on December 5, 2012;

AND WHEREAS the Notice of Hearing provided that a hearing would be held at the temporary hearing rooms of the Commission on January 11, 2013;

AND WHEREAS at the first attendance on January 11, 2013, Staff and counsel for Newer Technologies Limited and Ryan Pickering attended before the Commission;

AND WHEREAS Rodger Frey did not appear, however Staff indicated that Rodger Frey had contacted Staff to notify them that he was aware of the attendance but would not be present;

AND WHEREAS Staff requested that a confidential pre-hearing conference be scheduled, and counsel agreed;

AND WHEREAS the Commission ordered that a confidential pre-hearing conference take place on March 18, 2013 at 9:00 a.m.;

AND WHEREAS at the confidential pre-hearing conference on March 18, 2013, Staff and counsel for Newer Technologies Limited and Ryan Pickering, and counsel for Rodger Frey, attended and Staff requested that a further confidential pre-hearing conference be scheduled, and counsel agreed;

AND WHEREAS the Commission ordered that a confidential pre-hearing conference take place on July 9, 2013 at 10:00 a.m.;

AND WHEREAS at the confidential pre-hearing conference on July 9, 2013, Staff and counsel for Newer Technologies Limited and Ryan Pickering, and counsel for Rodger Frey, attended and Staff requested that dates for the hearing on the merits be scheduled, and counsel agreed, and the Commission ordered that a confidential pre-hearing conference take place on January 30, 2014 at 10:00 a.m. and the hearing on the merits in this matter commence on March 17, 2014 at 10:00 a.m. and continue on March 18, 19, 20, 21, 24, and 26, 2014 at 10:00 a.m.;

AND WHEREAS on January 24, 2014, on the consent of the parties, the Commission ordered that the date of January 30, 2014 at 10:00 a.m. set for the confidential pre-hearing conference be vacated;

AND WHEREAS on January 30, 2014, Staff and counsel for Newer Technologies Limited and Ryan Pickering, and counsel for Rodger Frey, attended before the Commission by telephone conference to address a request by Newer Technologies Limited and Ryan Pickering to adjourn the commencement of the hearing on the merits to dates mutually agreeable to all the parties, and the Commission heard submissions of the parties. On the consent of all parties, the Commission ordered that:

1. The dates of March 17, 18, 19, 20, 21, 24, and 26, 2014 set for the hearing on the merits be vacated;
2. The hearing on the merits in this matter will commence on September 8, 2014, and will continue thereafter on September 10, 11, 12, and 15, 2014; and

3. A pre-hearing conference will be held on June 2, 2014 at 10:00 a.m.;

AND WHEREAS at the confidential pre-hearing conference on June 2, 2014, Staff and counsel for Newer Technologies Limited and Ryan Pickering, and counsel for Rodger Frey, attended, and Staff requested that a further confidential pre-hearing conference be scheduled, and counsel agreed;

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

IT IS HEREBY ORDERED that:

1. A pre-hearing conference will be held on August 13, 2014 at 12:00 p.m.; and
2. By the August 13, 2014 pre-hearing conference, the parties shall have served every other party with:
 - a. Witness lists and witness summaries; and
 - b. A draft index of documents for a proposed joint hearing brief.

DATED at Toronto this 2nd day of June, 2014.

“Alan J. Lenczner”

2.2.7 Frederick Lawrence Marlatt, also known as Frederick Lawrence Mitschele and Michael Wallace Minor

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

AND

IN THE MATTER OF
FREDERICK LAWRENCE MARLATT,
also known as FREDERICK LAWRENCE MITSCHELE
and MICHAEL WALLACE MINOR

ORDER

WHEREAS on December 11, 2013, the Ontario Securities Commission (the "**Commission**") issued a Notice of Hearing pursuant to sections 127(1) and 127(10) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "**Act**") in respect of Frederick Lawrence Marlatt, also known as Frederick Lawrence Mitschele ("**Mitschele**"), and Michael Wallace Minor ("**Minor**") (together, the "**Respondents**");

AND WHEREAS on December 11, 2013, Staff of the Commission ("**Staff**") filed a Statement of Allegations in respect of the same matter;

AND WHEREAS on January 17, 2014, Staff appeared before the Commission and brought an application to convert this matter to a written hearing (the "**First Appearance**");

AND WHEREAS on January 17, 2014, Staff filed an affidavit of service sworn January 8, 2014 by Lee Crann, a Law Clerk with the Commission, which documented steps taken by Staff to serve the Respondents with the Notice of Hearing, Statement of Allegations and Staff's disclosure materials, and made submissions to the Commission;

AND WHEREAS the Respondents did not attend the First Appearance;

AND WHEREAS on January 17, 2014, the Commission ordered the hearing adjourned to February 13, 2014 at 2:00 p.m. (the "**January 17 Order**") to permit the Respondents time to object to Staff's application to convert this matter to a written hearing, and for Staff to provide the Respondents with information concerning the Legal Assistance Program;

AND WHEREAS on February 13, 2014, Staff filed an affidavit sworn February 13, 2014 by Lee Crann, a Law Clerk with the Commission, confirming service on the Respondents of the January 17 Order, an amended Notice of Hearing dated January 22, 2014 and an amended Statement of Allegations dated January 21, 2014, and the provision of information concerning the Legal Assistance Program on the Respondents;

AND WHEREAS on February 13, 2013, the Commission heard an application by Staff to convert this matter to a written hearing, in accordance with Rule 11.5 of the Ontario Securities Commission *Rules of Procedure* (2012), 35 O.S.C.B. 10071, and section 5.1 of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22, as amended (the "**Second Appearance**");

AND WHEREAS the Respondents did not attend the Second Appearance;

AND WHEREAS on February 13, 2014, the Commission ordered;

- (a) Staff's application to proceed by way of written hearing is granted;
- (b) Staff's materials in respect of the written hearing shall be filed on or before February 24, 2014;
- (c) Staff are relieved from the requirement to provide the Respondents with any authorities upon which Staff relies that are contained within the Commission's Book of Authorities, and where Staff relies on any such authority, Staff shall provide the Respondents with written instructions on how to locate the Commission's Book of Authorities;
- (d) The Respondents' responding materials, if any, shall be served and filed no later than March 17, 2014 (the "**Responding Materials**"); and
- (e) Staff's reply materials, if any, shall be served and filed no later than March 24, 2014;

AND WHEREAS the Respondents did not file any Responding Materials;

AND WHEREAS the Respondents are subject to an order dated July 18, 2013 made by the British Columbia Securities Commission (the “**BCSC Order**”) that imposes sanctions, conditions, restrictions or requirements on them within the meaning of paragraph 4 of subsection 127(10) of the *Act*;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this order pursuant to subsections 127(1) and 127(10) of the *Act*;

IT IS HEREBY ORDERED THAT:

(a) upon Mitschele:

- i. pursuant to paragraph 2 of subsection 127(1) of the *Act*, that trading in any securities or derivatives by Mitschele cease until July 18, 2018 except that Mitschele may trade for his own account through a registrant, if he gives the registrant a copy of the BCSC Order and a copy of this Order of the Commission in this proceeding;
- ii. pursuant to paragraph 7 of subsection 127(1) of the *Act*, that Mitschele resign one or more positions that he holds as a director or officer of an issuer, other than Photo Violation Technologies Corp. (“**PVT2**”) and any issuer all the securities of which are owned beneficially by him or members of his family;
- iii. pursuant to paragraph 8 of subsection 127(1) of the *Act*, that Mitschele is prohibited from becoming or acting as a director or officer of any issuer until July 18, 2018 other than PVT2 and any issuer all the securities of which are owned beneficially by him or members of his immediate family;

(b) upon Minor:

- i. pursuant to paragraph 2 of subsection 127(1) of the *Act*, that trading in any securities or derivatives by Minor cease until July 18, 2018, except that Minor may trade for his own account through a registrant, if he gives the registrant a copy of the BCSC Order and a copy of this order of the Commission in this proceeding;
- ii. pursuant to paragraph 7 of subsection 127(1) of the *Act*, that Minor resign one or more positions that he holds as a director or officer of an issuer other than One World Media (“**OWM**”), One World Smart Solutions (“**OWSS**”) and any issuer all the securities of which are owned beneficially by him or members of his immediate family;
- iii. pursuant to paragraph 8 of subsection 127(1) of the *Act*, that Minor is prohibited from becoming or acting as a director or officer of any issuer until July 18, 2018 other than OWM, OWSS, and any issuer all the securities of which are owned beneficially by him or members of his immediate family.

Dated at Toronto this 2nd day of June, 2014.

“Mary G. Condon”

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Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions, Orders and Rulings

3.1.1 Frederick Lawrence Marlatt, also known as Frederick Lawrence Mitschele and Michael Wallace Minor – ss. 127(1), 127(10)

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

AND

IN THE MATTER OF
FREDERICK LAWRENCE MARLATT,
also known as FREDERICK LAWRENCE MITSCHLE
and MICHAEL WALLACE MINOR

REASONS AND DECISION
(Sections 127(1) and 127(10) of the Securities Act)

Decision: June 2, 2014

Panel: Mary G. Condon – Vice Chair

Appearances: Donna E. Campbell – For Staff of the Commission
Alexandra Matushenko, Student-at-Law

– No one appeared for the Respondents

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- I. **OVERVIEW**

[1] This was a hearing conducted in writing before the Ontario Securities Commission (the "**Commission** or **OSC**") pursuant to subsections 127(1) and 127(10) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "**Act**") to consider whether it is in the public interest to make an order imposing sanctions against Frederick Lawrence Marlatt, also known as Frederick Lawrence Mitschele ("**Mitschele**"), and Michael Wallace Minor ("**Minor**" and together with Mitschele, the "**Respondents**").

[2] A notice of hearing (the "**Notice of Hearing**") in this matter was issued by the Commission on December 11, 2013 in relation to a statement of allegations (the "**Statement of Allegations**") filed by Staff of the Commission ("**Staff**") on December 11, 2013.

[3] The first appearance (the “**First Appearance**”) on the matter was held on January 17, 2014. I adjourned the First Appearance to February 13, 2014. I also ordered that Staff provide the Respondents with information concerning the Legal Assistance Program, and confirm to the Respondents that Staff’s application, if granted, will convert this matter to a written hearing (*Frederick Lawrence Marlatt, also known as Frederick Lawrence Mitschele and Michael Wallace Minor* (2014), 37 OSCB 1021 (the “**January 17 Order**”)). The January 17 Order also required the Respondents to advise of any objections they have to Staff’s application to proceed by way of written hearing by February 5, 2014.

[4] On February 13, 2014, the Commission heard an application by Staff to convert this matter to a written hearing (the “**Application Hearing**”) in accordance with Rule 11.5 of the Commission’s *Rules of Procedure* (2012), 35 O.S.C.B. 10071 (“**Rules of Procedure**”), and subsection 5.1(2) of the *Statutory Powers Procedures Act*, R.S.O. 1990, c. S. 22, as amended (the “**SPPA**”). The Respondents did not appear at the Application Hearing, despite being served with the Notice of Hearing, Statement of Allegations and disclosure (the “**Materials**”), the January 17 Order and New Materials (as defined below).

[5] At the Application Hearing, Staff filed an Affidavit of Service of Lee Crann, sworn January 8, 2014 (the “**January 8 Affidavit**”), as exhibit 1, confirming service of the Materials on the Respondents. Staff also filed an Affidavit of Service of Lee Crann, sworn February 13, 2014 (the “**February 13 Affidavit**”), as exhibit 2, confirming service of the January 17 Order on the Respondents as well as an amended Notice of Hearing dated January 22, 2014 (the “**Amended Notice of Hearing**”) and an amended Statement of Allegations dated January 21, 2014 (the “**Amended Statement of Allegations**” and together with the Amended Notice of Hearing, the “**New Materials**”).

[6] Staff provided written submissions, a hearing brief and a brief of authorities. The Respondents did not file any responding materials. I am satisfied that the Respondents were served with notice of the Application Hearing. Pursuant to Rule 7.1 of the Commission’s *Rules of Procedure* and subsection 7(2) of the *SPPA*, I may proceed in the absence of the Respondents.

[7] Staff relies on paragraph 4 of subsection 127(10) of the *Act*, which permits the Commission to make an order under subsection 127(1) of the *Act* in respect of a person or company who is subject to an order made by a securities regulatory authority, derivatives regulatory authority or financial regulatory authority, in any jurisdiction, that imposes sanctions, conditions, restrictions or requirements on the person or company.

[8] I granted Staff’s application to proceed by way of written hearing and set a schedule for submission of materials by the parties (*Frederick Lawrence Marlatt, also known as Frederick Lawrence Mitschele and Michael Wallace Minor* (2014), 37 OSCB 1801 (the “**February 13 Order**”)).

[9] These are my reasons and decision with respect to the sanctions sought by Staff in this matter.

[10] On July 16, 2012 a panel of the British Columbia Securities Commission (the “**BCSC Panel**”) made findings that the Respondents engaged in, and/or authorized, permitted and acquiesced in unregistered trading, contrary to section 34(1) of the *British Columbia Securities Act*, RSBC 1996, c. 418 (the “**BC Act**”), and the illegal distribution of securities, contrary to section 61(1) of the *BC Act*. (*Photo Violation Technologies Corp., Frederick Lawrence Marlatt, also known as Frederick Lawrence Mitschele and Michael Wallace Minor, and Michael Wallace Minor, and Michael Garfield Timothy Minor, also known as Tim Minor*. 2012 BCSECCOM 284 (the “**BCSC Findings**”)) The Respondents appeared at the hearing. The Respondents were not represented by counsel.

[11] Specifically, the BCSC Panel found the following:

- (a) Minor traded in securities without being registered to do so, contrary to section 34(1) of the *BC Act*, and distributed those securities without filing a prospectus, contrary to section 61(1) of the *BC Act* when he distributed \$3.2 million in PVT securities in the absence of exemptions from the registration and prospectus requirements;
- (b) PVT traded in securities without being registered to do so, contrary to section 34(1) of the *BC Act* and distributed those securities without filing a prospectus, contrary to section 61(1) of the *BC Act*, when it distributed PVT securities for proceeds of \$3,571,604 to 272 investors in purported reliance on exemptions from the registration and prospectus requirements that were not available; and
- (c) Mitschele, when he authorized, permitted and acquiesced in PVT’s contraventions, also contravened sections 34(1) and 61(1) under section 168.2 of the *BC Act*.

(BCSC Finding *supra*, at para. 50)

[12] The Respondents are subject to an order made by the BCSC dated July 18, 2013 that imposes sanctions, conditions, restrictions or requirements on them within the meaning of paragraph 4 of subsection 127(10) of the *Act*. (*Photo Violation*

Technologies Corp., Frederick Lawrence Marlatt, also known as Frederick Lawrence Mitschele and Michael Wallance Minor, and Michael Wallace Minor, and Michael Garfield Timothy Minor, also known as Tim Minor: 2012 BCSECCOM 276 ("the **BCSC Order**")

II. SANCTIONS OF THE BRITISH COLUMBIA SECURITIES COMMISSION

The BCSC Sanctions

[13] The BCSC Order imposes the following sanctions, conditions, restrictions or requirements:

(a) upon Mitschele:

- (i) pursuant to section 161(1)(b) of the *BC Act*, that Mitschele cease trading securities or exchange contracts for a period of 5 years, except that he may trade for his own account through a registrant, if he gives the registrant a copy of BCSC Order;
- (ii) pursuant to section 161(1)(d)(i) of the *BC Act*, that Mitschele resign from any position he holds as a director or officer of any issuer, other than Photo Violation Technologies Corp. 2 ("**PVT2**"), and any issuer all the securities of which are owned beneficially by him or members of his family;
- (iii) pursuant to section 161(1)(d)(ii) of the *BC Act*, that Mitschele is prohibited for 5 years from acting as a director or officer of any issuer, other than PVT2 and any issuer all the securities of which are owned beneficially by him or members of his immediate family;
- (iv) pursuant to section 161(1)(d)(iv) of the *BC Act*, that Mitschele is prohibited for 5 years from acting in a management or consultative capacity in connection with activities in the securities market;
- (v) pursuant to section 161(1)(d)(v) of the *BC Act*, that Mitschele is prohibited for 5 years from engaging in investor relations activities; and
- (vi) notwithstanding paragraphs (i), (iv) and (v), Mitschele may engage in conduct, including advertisement, solicitation, and negotiation, for the purpose of obtaining financing for PVT2's business, provided that he seeks an appropriate variation order from the BCSC before selling securities;

(b) upon Minor:

- (i) pursuant to section 161(1)(b) of the *BC Act*, that Minor cease trading, securities and or exchange contracts for a period of 5 years, except that he may trade for his own account through a registrant, if he gives the registrant a copy of the BCSC Order [sic];
- (ii) pursuant to section 161(1)(d)(i) of the *BC Act*, that Minor resign from any position he holds as a director or officer of any issuer, other than One World Media ("**OWM**"), One World Smart Solutions ("**OWSS**"), and any issuer all the securities of which are owned beneficially by him or members of his immediate family;
- (iii) pursuant to section 161(1)(d)(ii) of the *BC Act*, that Minor is prohibited for 5 years from acting as a director or officer of any issuer, other than OWM, OWSS, and any issuer all the securities of which are owned beneficially by him or members of his immediate family;
- (iv) pursuant to section 161(1)(d)(iv) of the *BC Act*, that Minor is prohibited for 5 years from acting in a management or consultative capacity in connection with activities in the securities market; and
- (v) pursuant to section 161(1)(d)(v) of the *BC Act*, that Minor is prohibited for 5 years from engaging in investor relations activities (BCSC Order, *supra* at para. 29)

III. SUBMISSIONS OF THE PARTIES

Staff's Submissions

[14] Staff submit that the sanctions imposed in the BCSC Order are proportionately appropriate to the misconduct of the Respondents, and serve as both specific and general deterrence. Staff further submit that a protective order imposing conditions

on the Respondents substantially similar to those imposed by the BCSC Order are required to protect Ontario investors and Ontario's capital markets from similar misconduct by the Respondents.

[15] Staff provided a list of 24 Ontario investors with their submissions. This list was filed by BCSC Staff as an exhibit during the BCSC proceedings as evidence to suggest that the Respondents were soliciting investors in Ontario. Accordingly, Staff respectfully submit that it is in the public interest to protect Ontario investors from the Respondents by preventing or limiting their participation in Ontario's capital markets.

[16] Staff submit that it is in the public interest for the Commission to exercise its inter-jurisdictional enforcement authority under subsection 127(10) of the *Act* to protect Ontario investors and Ontario's capital markets from potential misconduct by Mitschele and Minor and that sanctions substantially similar to those imposed by the BCSC Order be imposed on the Respondents.

[17] Staff submit that the following sanctions be imposed on the Respondents:

- (a) upon Mitschele:
 - i. pursuant to paragraph 2 of subsection 127(1) of the *Act*, that Mitschele cease trading securities or exchange contracts until July 18, 2018, except that Mitschele may trade for his own account through a registrant, if he gives the registrant a copy of the BCSC Order and a copy of the order of the Commission in this proceeding;
 - ii. pursuant to paragraph 7 of subsection 127(1) of the *Act*, that Mitschele resign from any position he holds as a director or officer of any issuer, other than Photo Violation Technologies Corp. ("**PVT2**") and any issuer all the securities of which are owned beneficially by him or members of his family;
 - iii. pursuant to paragraph 8 of subsection 127(1) of the *Act*, that Mitschele is prohibited until July 18, 2018 from becoming or acting as a director or officer of any issuer, other than PVT2 and any issuer all the securities of which are owned beneficially by him or members of his immediate family;
- (b) upon Minor:
 - i. pursuant to paragraph 2 of subsection 127(1) of the *Act*, that Minor cease trading securities and/or exchange contracts until July 18, 2018, except that Minor may trade for his own account through a registrant, if he gives the registrant a copy of the BCSC Order and a copy of the order of the Commission in this proceeding;
 - ii. pursuant to paragraph 7 of subsection 127(1) of the *Act*, that Minor resign from any position he holds as a director or officer of any issuer, other than One World Media ("**OWM**"), One World Smart Solutions ("**OWSS**") and any issuer all the securities of which are owned beneficially by him or members of his immediate family; and
 - iii. pursuant to paragraph 8 of subsection 127(1) of the *Act*, that Minor is prohibited until July 18, 2018 from becoming or acting as a director or officer of any issuer, other than OWM and OWSS and any issuer all the securities of which are owned beneficially by him or members of his immediate family.

Respondents' Submissions

[18] The Respondents did not appear and did not make any submissions in this proceeding.

[19] On February 3, 2014, through his counsel, Minor consented to a reciprocal order that mirrors the non-monetary sanctions contained in the BCSC Order.

IV. ANALYSIS

A. Inter-jurisdictional Enforcement

[20] The pre-conditions to be met for an inter-jurisdictional order are articulated in paragraphs 1 through 5 of subsection 127(10) of the *Act*:

1. The person or company has been convicted in any jurisdiction of an offence arising from a transaction, business or course of conduct related to securities or derivatives.

2. The person or company has been convicted in any jurisdiction of an offence under a law respecting the buying or selling of securities or derivatives.
3. The person or company has been found by a court in any jurisdiction to have contravened the laws of the jurisdiction respecting the buying or selling of securities or derivatives.
4. The person or company is subject to an order made by a securities regulatory authority, derivatives regulatory authority or financial regulatory authority, in any jurisdiction, that imposes sanctions, conditions, restrictions or requirements on the person or company.
5. The person or company has agreed with a securities regulatory authority, derivatives regulatory authority or financial regulatory authority, in any jurisdiction, to be made subject to sanctions, conditions, restrictions or requirements.

(*Securities Act*, R.S.O. 1990, c. S.5, s. 127(10))

[21] The Commission held in *Elliott (Re)* (2009), 23 OSCB 6931 (“*Re Elliott*”) that subsection 127(10) “allows the Commission to consider any convictions or orders made against an individual in other jurisdictions, when deciding whether or not to make an order under subsection 127(1) or (5) in the public interest.” (*Re Elliott* at para. 24)

[22] Pursuant to the BCSC Order, the Respondents are subject to sanctions, conditions, restrictions or requirements within the meaning of paragraph 4 of subsection 127(10) of the *Act*. Accordingly, based on the BCSC Order, the Commission may make one or more orders under subsection 127(1) of the *Act*, if in its opinion it is in the public interest to do so.

[23] In *Re Euston Capital Corp.* (2009), 32 O.S.C.B. 6313 (“*Euston Capital*”), the Commission concluded that subsection 127(10) of the *Act* can be the grounds for an order in the public interest under subsection 127(1) of the *Act*, based on a decision and order made in another jurisdiction:

... we conclude that we can make an order against the Respondents pursuant to our public interest jurisdiction under section 127 of the *Act* on the basis of decisions and orders made in other jurisdictions, if we find it necessary in order to protect investors in Ontario and the integrity of Ontario’s capital markets.

(*Euston Capital*, *supra*, at para. 46)

[24] While a panel may rely on the findings of the other jurisdiction, it must then satisfy itself that an order for sanctions is necessary to protect the public interest in Ontario:

The applicability of subsection 127(10) to the BCSC Order and the Settlement Agreement does not automatically lead to the conclusion that this Panel must make an order similar to that made by the BCSC against Elliott. Rather, we must first consider whether or not sanctions are necessary to protect the public interest, before exercising any powers granted to us under subsections 127(1) and (5), and second, if necessary, consider what the appropriate sanctions should be.

(*Re Elliott*, *supra* at para. 27)

[25] The Commission has relied on the findings made in other jurisdictions, and has not required a nexus to Ontario, when considering imposing a reciprocal order. However, while a nexus to Ontario is not a necessary pre-condition to the Commission’s jurisdiction to make an order in the public interest, it is a factor that may be considered by the Commission in determining whether to make such an order. (*Euston*, *supra* at para. 42 citing *Re Biller* (2005), 28 O.S.C.B. 10131 at para. 32; *Reeves (Re)* (2012), 35 OSCB 5140 at para. 8)

[26] The principles that guide the Commission in exercising its public interest jurisdiction are reflected in *Committee for Equal Treatment of Asbestos Minority Shareholders v. Ontario (Securities Commission)* 2001 SCC 37 (“*Asbestos*”) where the Supreme Court of Canada (“**Supreme Court**”) considered the nature of section 127:

[I]t is important to recognize that s. 127 is a regulatory provision. In this regard, I agree with Laskin J.A. that “[t]he purpose of the Commission’s public interest jurisdiction is neither remedial nor punitive; it is protective and preventive

... [t]he purpose of an order under s. 127 is to restrain future conduct that is likely to be prejudicial to the public interest in fair and efficient capital markets. The role of the OSC under s. 127 is to protect the public interest by removing from the capital markets those whose past conduct is so

abusive as to warrant apprehension of future conduct detrimental to the integrity of the capital markets."

(*Asbestos*, at paras. 42-43, citing *Re Mithras Management Ltd.* (1990), 13 OSCB. 1600)

B. The Commission's Discretion to Determine Sanctions

[27] I may make an order against the Respondents under section 127 of the *Act* based on the BCSC Findings and BCSC Order if I find it necessary in order to protect investors in Ontario and the integrity of Ontario's capital markets.

[28] The BCSC Order imposed significant sanctions on the Respondents. As previously indicated, Staff submit that the Commission should exercise its discretion to impose sanctions substantially similar to those imposed in the BCSC Order to the extent possible under the *Act*.

[29] The Supreme Court has affirmed that the Commission may make an order under section 127 of the *Act* for the purposes of deterrence, stating that "it is reasonable to view general deterrence as an appropriate, and perhaps necessary, consideration in making orders that are both protective and preventative." (*Cartaway Resources Corp.*, 2004 SCC 26 (CanLII) at para. 60 ("*Cartaway*"))

[30] The Supreme Court emphasised that deterrence may be specific to the individual or general to deter the public at large. The Supreme Court held that "[i]n both cases, deterrence is prospective in orientation and aims at preventing future conduct." (*Cartaway*, *supra* at para. 52)

[31] The Commission has held that, in determining appropriate sanctions in settling a proceeding before the Commission, it is necessary "to take into account circumstances that are appropriate to the particular respondents. This requires us to be satisfied that proposed sanctions are proportionately [*sic*] appropriate with respect to the circumstances facing the particular respondents." (*M.C.J.C. Holdings (Re)* (2002), 25 OSCB 1133 at p. 1134 ("*M.C.J.C. Holdings*")) The Commission must also ensure that the sanctions imposed in each case are proportionate to the circumstances and the conduct of each respondent. (*Coventree Inc.*, *Geoffrey Cornish and Dean Tai (Re)* (2012) 35 O.S.C.B. 119 at para. 46)

Findings of the BCSC

[32] The BCSC Panel found that the Respondents breached two cornerstones of the regulatory framework of the BC *Act*: engaging in unregistered trading and illegal distribution of securities. The Respondents raised approximately \$3.6 million from 272 investors by trading and distributing PVT securities. In doing so, the Respondents relied upon two exemptions in National Instrument 45-106 *Prospectus and Registration Exemptions* ("*NI 45-106*"); (i) the accredited investor exemption at sections 2.3(1) and (2), and (ii) the family, friends or business associates exemption at sections 2.5(1) and (2). The BCSC Panel concluded that majority of the exemptions the Respondents relied upon were not available to the Respondents. (BCSC Order at para. 11; BCSC Findings at paras. 46 - 48, 50)

[33] The BCSC Panel also found that the: "... [I]nvestors, as a group, have suffered significant harm: PVT is bankrupt and there is little likelihood that these investors will recover the \$3.6 million they invested." (BCSC Order at para. 12)

Mitigating Factors

[34] As mitigating considerations, the BCSC Panel acknowledged the considerable steps taken by Mitschele and Minor to bring PVT into compliance by engaging a lawyer to assist in compliance and that they had "made good faith efforts" on behalf of PVT to obtain the necessary advice to ensure compliance with the BC *Act*. The BCSC Panel further noted that the Respondents were not enriched through their activities in PVT, since "they each lost significant sums as a result of their involvement." (BCSC Order, *supra* at paras. 13, 23 and 27)

[35] The BCSC Panel also found that the absence of any prior disciplinary history for either Respondent, and Minor's admission at the commencement of the BCSC proceedings that he raised \$3.2 million in PVT securities, were additional mitigating factors which reduced the time required for the BCSC hearing. (BCSC Order, *supra* at paras. 20-21)

[36] The BCSC Panel permitted limited participation in the capital markets by each of the Respondents. They required that such participation occur through a registrant, provided that the registrant was given a copy of the BCSC Order. In *Nielsen (Re)* (2013), 36 OSCB 3600, a recent decision of the OSC in which a reciprocal order was issued, the respondent Nielsen was also permitted limited participation in the capital markets through a registrant, provided that a copy of the originating jurisdiction's order and a copy of the Commission's Order were given to the registrant.

C. Should an Order for Sanctions be Imposed in Ontario?

[37] When exercising the public interest jurisdiction under section 127 of the *Act*, I must consider the purposes of the *Act*. Those purposes, set out in section 1.1 of the *Act*, are:

- (a) to provide protection to investors from unfair, improper or fraudulent practices; and
- (b) to foster fair and efficient capital markets and confidence in capital markets.

[38] In pursuing these purposes, I must have regard for the fundamental principles described in section 2.1 of the *Act*. That section provides that one of the primary means for achieving the purposes of the *Act* is to restrict fraudulent and unfair market practices and procedures. I shall, among other things, treat as a fundamental principle that: “[t]he integration of capital markets is supported and promoted by the sound and responsible harmonization and co-ordination of securities regulation regimes.” *Securities Act*, *supra* at subsection 2.1(5)

[39] I find that it is necessary to order sanctions against the Respondents in the public interest to protect Ontario investors and the integrity of Ontario’s capital markets. Moreover, I have the authority to make a public interest order under subsections 127(1) and 127(10) of the *Act*, based on the BCSC Findings and the BCSC Order.

D. The Appropriate Sanctions

[40] In determining the nature and duration of the appropriate sanctions, I must consider all of the relevant facts and circumstances before me. Previous decisions of the Commission have considered a list of factors. The factors I consider most relevant in this case are:

- (a) the seriousness of the conduct and the breaches of the BC *Act*;
- (b) the level of a respondent’s activity in the marketplace;
- (c) whether or not the sanctions imposed may serve to deter not only the Respondents but any like-minded people from engaging in similar abuses of the Ontario capital markets;
- (d) the effect any sanctions may have on the ability of the Respondents to participate without check in the capital markets; and
- (e) any mitigating factors.

(*Re Belteco Holdings Inc.* (1998), 21 O.S.C.B. 7743 at 7746; *M.C.J.C. Holdings*, *supra*.)

[41] The following facts and circumstances are particularly relevant in determining the sanctions that should be ordered against the Respondents:

- (a) the Respondents were found by a panel of the BCSC to have breached British Columbia securities law;
- (b) the conduct for which the Respondents were sanctioned in the BCSC Order would constitute contraventions of Ontario securities law if they had occurred in Ontario, including contraventions of subsections 38(3), 53(1) and 126.1(b) of the *Act*;
- (c) the proposed sanctions are consistent with the sanctions imposed in the BCSC Order to the extent possible under the *Act*; and
- (d) the proposed sanctions are prospective in nature, and would impact the Respondents only if they attempted to participate in the capital markets of Ontario.

[42] No mitigating factors or circumstances were brought to my attention. I find that the BCSC Order imposes significant sanctions on the Respondents and that the Commission should exercise its discretion to impose sanctions consistent with those imposed by the BCSC Order to the extent possible under the *Act*.

[43] A protective order imposing market conduct restrictions on the Respondents that are substantially similar to those imposed by the BCSC Order are required to protect Ontario investors and Ontario capital markets from similar misconduct by the Respondents.

[44] Based on the foregoing, I have concluded that it is in the public interest to make an order under subsection 127(1) of the *Act*. In imposing sanctions, I rely on the BCSC Order.

V. CONCLUSION

[45] Accordingly, I find it is in the public interest to issue the following orders:

- (a) upon Mitschele:
 - i. pursuant to paragraph 2 of subsection 127(1) of the *Act*, that trading in any securities or derivatives by Mitschele cease until July 18, 2018, except that Mitschele may trade for his own account through a registrant, if he gives the registrant a copy of the BCSC Order and a copy of the Order of the Commission in this proceeding;
 - ii. pursuant to paragraph 7 of subsection 127(1) of the *Act*, that Mitschele resign one or more positions that he holds as a director or officer of an issuer, other than PVT2 and any issuer all the securities of which are owned beneficially by him or members of his family;
 - iii. pursuant to paragraph 8 of subsection 127(1) of the *Act*, that Mitschele is prohibited from becoming or acting as a director or officer of any issuer until July 18, 2018 other than PVT2 and any issuer all the securities of which are owned beneficially by him or members of his immediate family;
- (b) upon Minor:
 - i. pursuant to paragraph 2 of subsection 127(1) of the *Act*, that trading in any securities or derivatives by Minor cease until July 18, 2018, except that Minor may trade for his own account through a registrant, if he gives the registrant a copy of the BCSC Order and a copy of the order of the Commission in this proceeding;
 - ii. pursuant to paragraph 7 of subsection 127(1) of the *Act*, that Minor resign one or more positions that he holds as a director or officer of an issuer other than OWM, OWSS and any issuer all the securities of which are owned beneficially by him or members of his immediate family;
 - iii. pursuant to paragraph 8 of subsection 127(1) of the *Act*, that Minor is prohibited from becoming or acting as a director or officer of any issuer until July 18, 2018 other than OWM, OWSS, and any issuer all the securities of which are owned beneficially by him or members of his immediate family.

Dated at Toronto this 2nd day of June, 2014.

“Mary G. Condon”

Chapter 4

Cease Trading Orders

4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Revoke
American Natural Energy Corporation	22 May 14	3 June 14	3 June 14	
Boost Capital Corp.	8 Aug 13	19 August 13	19 August 13	30 May 14
Greenstar Agricultural Corporation	3 June 14	16 June 14		
Nord Resources Corporation	21 May 14	2 June 14	2 June 14	
Touchstone Gold Limited	30 May 14	11 June 14		
Tranzeo Wireless Technologies Inc.	13 May 13		24 May 13	2 June 14

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
Family Memorials Inc.	2 May 14	14 May 14	14 May 14	2 June 14	

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
Carpathian Gold Inc.	4 April 14	16 April 14	16 April 14		
Family Memorial Inc.	2 May 14	14 May 14	14 May 14	2 June 14	
Greenstar Agricultural Corporation	5 May 14	16 May 14	16 May 14		3 June 14
Matica Graphite Inc.	12 May 14	23 May 14	23 May 14		
Pacific Vector Holdings Inc.	8 May 14	20 May 14	20 May 14		
Red Tiger Mining Inc.	2 May 14	14 May 14	14 May 14		
Sendero Mining Corp.	5 May 14	16 May 14	16 May 14		
Sonomax Technologies Inc.	9 May 14	21 May 14	21 May 14		

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Chapter 7

Insider Reporting

This chapter is available in the print version of the OSC Bulletin, as well as as in Carswell's internet service SecuritiesSource (see www.carswell.com).

This chapter contains a weekly summary of insider transactions of Ontario reporting issuers in the System for Electronic Disclosure by Insiders (SEDI). The weekly summary contains insider transactions reported during the seven days ending Sunday at 11:59 pm.

To obtain Insider Reporting information, please visit the SEDI website (www.sedi.ca).

Chapter 8

Notice of Exempt Financings

REPORT OF TRADES SUBMITTED ON FORMS 45-106F1 AND 45-501F1

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price (\$)	No. of Securities Distributed
04/22/2014	17	Acheson Commercial Corner RRSP Inc. - Bonds	583,000.00	N/A
03/21/2014	13	Acheson Commercial Corner RRSP Inc. - Bonds	541,000.00	N/A
03/31/2014	140	Ginkgo Mortgage Investment Corporation - Preferred Shares	2,084,324.84	208,432.48
01/28/2013 to 03/21/2013	2	Manulife Canadian Real Estate Investment Fund - Units	3,000,000.00	233,391.42
03/31/2014	7	Secure Capital MIC Inc. - Preferred Shares	373,900.00	373,900.00
03/31/2014	3	The Solidity Group Mortgage Investment Corporation - Common Shares	405,237.00	405,237.00
01/24/2014 to 01/30/2014	2	Trez Capital Prime Trust - Trust Units	100,400.00	10,040.00
02/21/2014 to 02/25/2014	2	Trez Capital Prime Trust - Trust Units	165,000.00	16,500.00
01/02/2014 to 01/07/2014	3	Trez Capital Prime Trust - Trust Units	148,800.00	14,880.00
01/13/2014 to 01/22/2014	3	Trez Capital Prime Trust - Trust Units	297,000.00	29,700.00
03/31/2014	1	Value Partners Group Inc. - Common Shares	19,999.44	18,518.00

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:

Americas Petrogas Inc.
Principal Regulator - Alberta

Type and Date:

Amended and Restated Preliminary Short Form Prospectus
dated May 27, 2014

NP 11-202 Receipt dated May 27, 2014

Offering Price and Description:

\$14,999,999.00 - 16,666,666 Units

Price: \$0.90 per Unit

Underwriter(s) or Distributor(s):

MACKIE RESEARCH CAPITAL CORPORATION
RBC DOMINION SECURITIES INC.
TD SECURITIES INC.
CORMARK SECURITIES INC.

Promoter(s):

-

Project #2211696

Issuer Name:

Bank of Montreal
Principal Regulator - Ontario

Type and Date:

Preliminary Base Shelf Prospectus dated May 30, 2014

NP 11-202 Receipt dated May 30, 2014

Offering Price and Description:

\$2,000,000,000.00

Medium Term Notes (Principal At Risk Notes)

Underwriter(s) or Distributor(s):

BMO NESBITT BURNS INC.
DESJARDINS SECURITIES INC.
HSBC SECURITIES (CANADA) INC.
DUNDEE SECURITIES LTD.

Promoter(s):

-

Project #2217842

Issuer Name:

Brand Leaders Plus Income Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Long Form Prospectus dated May 29, 2014

NP 11-202 Receipt dated May 29, 2014

Offering Price and Description:

Maximum \$* - * Units

Price: \$10.00 per Class A Unit and US\$10.00 per Class U
Unit

Minimum Purchase: 200 Class A Unit or Class U Units

Underwriter(s) or Distributor(s):

CIBC WORLD MARKETS INC.
BMO NESBITT BURNS INC.
SCOTIA CAPITAL INC.
NATIONAL BANK FINANCIAL INC.
CANACCORD GENUITY CORP.
DESJARDINS SECURITIES INC.
GMP SECURITIES L.P.
RAYMOND JAMES LTD.
DUNDEE SECURITIES LTD.
GLOBAL SECURITIES CORPORATION
INDUSTRIAL ALLIANCE SECURITIES INC.
MACKIE RESEARCH CAPITAL CORPORATION

Promoter(s):

Harvest Portfolios Group Inc.

Project #2216774

Issuer Name:

Chemtrade Logistics Income Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated May 26, 2014

NP 11-202 Receipt dated May 26, 2014

Offering Price and Description:

\$110,000,000.00 - 5.25% Convertible Unsecured
Subordinated Debentures

Price: \$1,000 per Debenture

Underwriter(s) or Distributor(s):

BMO NESBITT BURNS INC.
SCOTIA CAPITAL INC.
TD SECURITIES INC.
CIBC WORLD MARKETS INC.
NATIONAL BANK FINANCIAL INC.
RBC DOMINION SECURITIES INC.
RAYMOND JAMES LTD.

Promoter(s):

-

Project #2214064

Issuer Name:

CI G5|20 2039 Q3 Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectus dated May 30, 2014
NP 11-202 Receipt dated May 30, 2014

Offering Price and Description:

Class A, F and O Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

CI Investments Inc.
Project #2218610

Issuer Name:

CI G5|20i 2034 Q3 Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectus dated May 30, 2014
NP 11-202 Receipt dated May 30, 2014

Offering Price and Description:

Class A, F and O Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

CI Investments Inc.
Project #2218578

Issuer Name:

First Trust Multi-Asset Global Income Index ETF
Principal Regulator - Ontario

Type and Date:

Preliminary Long Form Prospectus dated May 28, 2014
NP 11-202 Receipt dated May 29, 2014

Offering Price and Description:

Common Units and Advisor Class Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

FT PORTFOLIOS CANADA CO.
Project #2215815

Issuer Name:

Global Infrastructure Dividend Fund
Principal Regulator - Alberta

Type and Date:

Preliminary Long Form Prospectus dated May 29, 2014
NP 11-202 Receipt dated May 30, 2014

Offering Price and Description:

\$• maximum; • units maximum;

Price: \$10.00 per Unit, Minimum Purchase: 100 Units

Underwriter(s) or Distributor(s):

CIBC WORLD MARKETS INC.
RBC DOMINION SECURITIES INC.
SCOTIA CAPITAL INC.
BMO NESBITT BURNS INC.
NATIONAL BANK FINANCIAL INC.
TD SECURITIES INC.

GMP SECURITIES L.P.

CANACCORD GENUITY CORP.

RAYMOND JAMES LTD.

MIDDLEFIELD CAPITAL CORPORATION

DUNDEE SECURITIES LTD.

MACKIE RESEARCH CAPITAL CORPORATION

MANULIFE SECURITIES INCORPORATED

Promoter(s):

MIDDLEFIELD LIMITED

Project #2218934

Issuer Name:

High Arctic Energy Services Inc.
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated May 27, 2014
NP 11-202 Receipt dated May 27, 2014

Offering Price and Description:

5,051,000 Subscription Receipts each representing the
right to receive one Common Share

Price: \$4.95 per Subscription Receipt

Underwriter(s) or Distributor(s):

National Bank Financial Inc.

PI Financial Corp.

Altacorp Capital Inc.

Lightyear Capital Inc.

Promoter(s):

-

Project #2212595

Issuer Name:

High Rock Canadian High Yield Bond Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Long Form Prospectus dated May 30, 2014
NP 11-202 Receipt dated May 30, 2014

Offering Price and Description:

Maximum: \$100,000,000 - Class A Units and Class F Units
Price: \$10.00 per Unit

Minimum Purchase: \$1,000 (100 Units)

Underwriter(s) or Distributor(s):

Scotia Capital Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
TD Securities Inc.
National Bank Financial Inc.
Acumen Capital Finance Partners Limited
Canaccord Genuity Corp.
GMP Securities L.P.
Raymond James Ltd.
Burgeonvest Bick Securities Limited
Desjardins Securities, Inc.
Dundee Securities Ltd.
Manulife Securities Incorporated

Promoter(s):

SCOTIA MANAGED COMPANIES ADMINISTRATION
INC.

Project #2217932

Issuer Name:

Honey Badger Exploration Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated May 28, 2014
NP 11-202 Receipt dated May 29, 2014

Offering Price and Description:

Minimum Offering: \$2,500,000.00
Maximum Offering: \$7,500,000.00

Up to * Units

Price: \$0.05 per Unit

and

Up to * Flow-Through Units

Price: \$0.05 per FT Unit

Underwriter(s) or Distributor(s):

SECUTOR CAPITAL MANAGEMENT CORPORATION

Promoter(s):

-

Project #2215627

Issuer Name:

Invesco Canadian Balanced Fund
Invesco European Growth Class
Trimark Global Balanced Class
Trimark Global Balanced Fund
Trimark Global Dividend Class
Trimark Global Endeavour Fund
Trimark Income Growth Fund
Trimark Select Balanced Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectuses dated May 27, 2014
NP 11-202 Receipt dated May 28, 2014

Offering Price and Description:

Series F4, Series F6, Series P, Series PF, Series PF4 and
Series PF6

Underwriter(s) or Distributor(s):

-

Promoter(s):

Invesco Canada Ltd.

Project #2214939

Issuer Name:

Ivanhoe Mines Ltd.
Principal Regulator - British Columbia

Type and Date:

Preliminary Short Form Prospectus dated May 26, 2014
NP 11-202 Receipt dated May 26, 2014

Offering Price and Description:

\$125,001,000 - 83,334,000 Units

Price: \$1.50 per Unit

Underwriter(s) or Distributor(s):

BMO NESBITT BURNS INC.
CIBC WORLD MARKETS INC.
MACQUARIE CAPITAL MARKETS CANADA LTD.
RBC DOMINION SECURITIES INC.
MERRILL LYNCH CANADA INC.
GMP SECURITIES L.P.
RAYMOND JAMES LTD.

Promoter(s):

-

Project #2212013

Issuer Name:

LoneStar West Inc.
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated May 27, 2014
NP 11-202 Receipt dated May 27, 2014

Offering Price and Description:

\$20,001,300 - 6,061,000 Common Shares

Price: \$3.30 per Common Share

Underwriter(s) or Distributor(s):

NATIONAL BANK FINANCIAL INC.
CLARUS SECURITIES INC.
INDUSTRIAL ALLIANCE SECURITIES INC.

Promoter(s):

-

Project #2214738

Issuer Name:

Manulife U.S. Regional Bank Trust
Principal Regulator - Ontario

Type and Date:

Preliminary Long Form Prospectus dated May 27, 2014
NP 11-202 Receipt dated May 29, 2014

Offering Price and Description:

Maximum: \$ * _ * Units
Price: \$10.00 per Class A Unit and US\$10.00 per Class U Unit

Underwriter(s) or Distributor(s):

RBC DOMINION SECURITIES INC.
CIBC WORLD MARKETS INC.
SCOTIA CAPITAL INC.
TD SECURITIES INC.
BMO NESBITT BURNS INC.
NATIONAL BANK FINANCIAL INC.
GMP SECURITIES L.P.
MANULIFE SECURITIES INCORPORATED
RAYMOND JAMES LIMITED
CANACCORD GENUITY CORP.
DESJARDINS SECURITIES INC.
DUNDEE SECURITIES INC.
MACKIE RESEARCH CAPITAL CORPORATION

Promoter(s):

MANULIFE ASSET MANAGEMENT LIMITED
Project #2216277

Issuer Name:

National Bank of Canada
Principal Regulator - Quebec

Type and Date:

Preliminary Base Shelf Prospectus dated May 30, 2014
NP 11-202 Receipt dated May 30, 2014

Offering Price and Description:

CAD\$3,500,000,000
Medium Term Notes – Debt Securities (Unsubordinated Indebtedness)

Underwriter(s) or Distributor(s):

National Bank Financial Inc.
CIBC World Markets Inc.
Laurentian Bank Securities Inc.
Desjardins Securities Inc.
RBC Dominion Securities Inc.

Promoter(s):

-

Project #2218590

Issuer Name:

NewGrowth Corp.
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated May 23, 2014
NP 11-202 Receipt dated May 26, 2014

Offering Price and Description:

Maximum: \$ * - * Class B Preferred Shares, Series 3 and Class A Capital Shares
Price: \$ * per Preferred Share and \$ * per Class A Capital Share

Underwriter(s) or Distributor(s):

Scotia Capital Inc.
CIBC World Markets Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Canaccord Genuity Corp.
GMP Securities L.P.
Raymond James Ltd.
Burgenvest Bick Securities Limited
Desjardins Securities Inc.
Mackie Research Capital Corporation
Manulife Securities Incorporated

Promoter(s):

Scotia Managed Companies Administration Inc.
Project #2214002

Issuer Name:

O'Leary Tactical Income Fund
Principal Regulator - Quebec

Type and Date:

Preliminary Simplified Prospectus dated May 22, 2014
NP 11-202 Receipt dated May 27, 2014

Offering Price and Description:

Series A (USD) and Series F (USD)

Underwriter(s) or Distributor(s):

-

Promoter(s):

O'Leary Funds Management Inc.
Project #2213325

Issuer Name:

Pender Corporate Bond Fund
Pender US All Cap Equity Fund
Pender Value Fund
Principal Regulator - British Columbia

Type and Date:

Preliminary Simplified Prospectuses dated May 27, 2014
NP 11-202 Receipt dated May 28, 2014

Offering Price and Description:

Class H and Class I Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

PENDERFUND CAPITAL MANAGEMENT LTD.
Project #2215053

Issuer Name:

Petro-Victory Energy Corp.
Principal Regulator - Alberta

Type and Date:

Preliminary Long Form Prospectus dated May 26, 2014
NP 11-202 Receipt dated May 27, 2014

Offering Price and Description:

Minimum: CDN\$25,000,000 - * Common Shares
Maximum: CDN\$30,000,000 - * Common Shares
Price: CDN\$ * per Common Share

Underwriter(s) or Distributor(s):

Canaccord Genuity Corp.
GMP Securities L.P.
CIBC World Markets Inc.

Promoter(s):

Richard F. Gonzalez

Project #2214369

Issuer Name:

Russell Diversified Monthly Income Class Portfolio
Russell Fixed Income Pool
Russell Global Infrastructure Pool
Russell Income Essentials Class Portfolio
Russell Income Essentials Portfolio
Russell Multi-Asset Growth & Income
Russell Multi-Asset Growth & Income Class
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectuses dated May 29, 2014
NP 11-202 Receipt dated May 30, 2014

Offering Price and Description:

Series P and O-7 Units and Series O-7 Shares

Underwriter(s) or Distributor(s):

Russell Investments Canada Limited

Promoter(s):

Russell Investments Canada Limited

Project #2218699

Issuer Name:

Sprott Global Agriculture Fund
Sprott Global Infrastructure Fund
Sprott Real Asset Class
Sprott Timber Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectuses dated May 29, 2014
NP 11-202 Receipt dated May 30, 2014

Offering Price and Description:

Series A, Series F, Series I and Series L Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2217269

Issuer Name:

Starlight U.S. Multi-Family (No. 3) Core Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Long Form Prospectus dated May 29, 2014
NP 11-202 Receipt dated May 30, 2014

Offering Price and Description:

Minimum offering US\$27,000,000 - Maximum:
US\$60,000,000 of

Class A Units and/or Class U Units and/or Class D Units
and/or Class F Units and/or Class C Units

Price: C\$10.00 per Class A Unit

US\$10.00 per Class U Unit

C\$10.00 per Class D Unit

C\$10.00 per Class F Unit

C\$10.00 per Class C Unit

Underwriter(s) or Distributor(s):

CIBC WORLD MARKETS INC.
NATIONAL BANK FINANCIAL INC.
SCOTIA CAPITAL INC.

BMO NESBITT BURNS INC.

RAYMOND JAMES LTD.

DUNDEE SECURITIES LTD.

GMP SECURITIES L.P.

CANACCORD GENUITY CORP.

DESJARDINS SECURITIES INC.

Promoter(s):

STARLIGHT INVESTMENTS LTD.

Project #2217646

Issuer Name:

The Toronto-Dominion Bank

Type and Date:

Preliminary Base Shelf Prospectus dated May 28, 2014
Receipted on May 29, 2014

Offering Price and Description:

U.S. \$20,000,000,000.00

Senior Debt Securities

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2215972

Issuer Name:

American Hotel Income Properties REIT LP
Principal Regulator - British Columbia

Type and Date:

Final Short Form Prospectus dated May 29, 2014
NP 11-202 Receipt dated May 29, 2014

Offering Price and Description:

Cdn\$45,001,800
4,348,000 Units
Price: Cdn\$10.35 per Offered Unit

Underwriter(s) or Distributor(s):

CANACCORD GENUITY CORP.
NATIONAL BANK FINANCIAL INC.
CIBC WORLD MARKETS INC.
TD SECURITIES INC.
HAYWOOD SECURITIES INC.
SCOTIA CAPITAL INC.
DUNDEE SECURITIES LTD.

Promoter(s):

-

Project #2210815

Issuer Name:

Artek Exploration Ltd.
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated May 27, 2014
NP 11-202 Receipt dated May 27, 2014

Offering Price and Description:

\$33,005,000.00
8,050,000 Common Shares
\$10,014,480 1,987,000 Flow Through Shares
Price: \$4.10 per Common Share \$5.04 per Flow Through Share

Underwriter(s) or Distributor(s):

Peters & Co. Limited
Cormark Securities Inc.
National Bank Financial Inc.
Clarus Securities Inc.
GMP Securities L.P.
Raymond James Ltd.
FirstEnergy Capital Corp.
Dundee Securities Ltd.

Promoter(s):

-

Project #2208847

Issuer Name:

Canexus Corporation
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated May 27, 2014
NP 11-202 Receipt dated May 27, 2014

Offering Price and Description:

Maximum: US\$60,000,000 of
Class A Units and/or Class U Units and/or Class D Units
and/or Class F Units and/or Class C Units

Underwriter(s) or Distributor(s):

CIBC WORLD MARKETS INC.
NATIONAL BANK FINANCIAL INC.
SCOTIA CAPITAL INC.
TD SECURITIES INC.
BMO NESBITT BURNS INC.
HSBC SECURITIES (CANADA) INC.
RAYMOND JAMES LTD.
ACUMEN CAPITAL FINANCE PARTNERS LIMITED

Promoter(s):

-

Project #2208639

Issuer Name:

Series A, B, D, E, F, H and I Units of:
Capital Group Canadian Focused Equity Fund (Canada)
(formerly Capital International - Growth and Income)
Capital Group Emerging Markets Total Opportunities Fund
(Canada)
(formerly Capital International - Emerging Markets Total Opportunities)
Capital Group Global Equity Fund (Canada)
(formerly Capital International - Global Equity)
Capital Group International Equity Fund (Canada)
(formerly Capital International - International Equity)
Capital Group U.S. Equity Fund (Canada)
(formerly Capital International - U.S. Equity)
Series A, B, E, F, H and I Units of:
Capital Group Canadian Core Plus Fixed Income Fund
(Canada)
(formerly Capital International - Canadian Core Plus Fixed Income)
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectuses dated May 23, 2014
NP 11-202 Receipt dated May 29, 2014

Offering Price and Description:

Series A, B, D, E, F, H and I Units @ Net Asset Value

Underwriter(s) or Distributor(s):

-

Promoter(s):

CAPITAL INTERNATIONAL ASSET MANAGEMENT
(CANADA), INC.
Project #2193899

Issuer Name:

Counsel Global Real Estate
(Series A, D, E, F, I and P securities)
Principal Regulator - Ontario

Type and Date:

Amendment #2 dated May 15, 2014 to the Simplified
Prospectus and Annual Information Form dated November
1, 2013

NP 11-202 Receipt dated May 27, 2014

Offering Price and Description:

Series A, D, E, F, I and P securities

Underwriter(s) or Distributor(s):

-

Promoter(s):

Counsel Portfolio Services Inc.

Project #2114238

Issuer Name:

Counsel Global Fixed Income
Counsel Global Trend Strategy
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectuses dated May 23, 2014

NP 11-202 Receipt dated May 26, 2014

Offering Price and Description:

Series A, D, E, I and P Securities @ Net Asset Value

Underwriter(s) or Distributor(s):

-

Promoter(s):

Counsel Portfolio Services Inc.

Project #2197079

Issuer Name:

Dynamic Preferred Yield Class (Series A, E, F, FH, FI, H
and I shares)
Dynamic Emerging Markets Class (Series A, F, I, IP and
OP shares)
Principal Regulator - Ontario

Type and Date:

Amendment No. 3 dated May 15, 2014 to Simplified
Prospectuses of the above Issuers dated November 29,
2013 and Amendment No. 4 dated May 15, 2014 to the
Annual Information Form dated November 29, 2013

NP 11-202 Receipt dated May 29, 2014

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

1832 Asset Management L.P.

GCIC Ltd.

1832 Asset Management L. P.

Promoter(s):

1832 Asset Management L.P.

Project #2113472

Issuer Name:

Dynamic Alternative Investments Private Pool Class
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectus dated May 28, 2014
NP 11-202 Receipt dated May 29, 2014

Offering Price and Description:

Series F, FH and O Shares @ Net Asset Value

Underwriter(s) or Distributor(s):

1832 Asset Management L.P.

Promoter(s):

1832 Asset Management L.P.

Project #2192635

Issuer Name:

Euro Banc Capital Securities Trust
Principal Regulator - Ontario

Type and Date:

Final Long Form Prospectus dated May 28, 2014
NP 11-202 Receipt dated May 30, 2014

Offering Price and Description:

Maximum: \$125,000,000 - 12,500,000 Units @ \$10.00 per
Unit

Underwriter(s) or Distributor(s):

BMO Nesbitt Burns Inc.

Scotia Capital Inc.

CIBC World Markets Inc.

RBC Dominion Securities Inc.

TD Securities Inc.

GMP Securities L.P.

National Bank Financial Inc.

Canaccord Genuity Corp.

Raymond James Ltd.

Burgenvest Bick Securities Limited

Desjardins Securities Inc.

Dundee Securities Ltd.

Mackie Research Capital Corporation

Manulife Securities Inc.

Promoter(s):

Aston Hill Capital Markets Inc.

Project #2159643

Issuer Name:

Goldman Sachs U.S. Income Builder Trust
Principal Regulator - Ontario

Type and Date:

Final Long Form Prospectus dated May 26, 2014
NP 11-202 Receipt dated May 28, 2014

Offering Price and Description:

Maximum: \$250,000,000.00 - 25,000,000 Class A Units
and/or Class U Units @ \$10.00 @ \$10.00 per Unit

Underwriter(s) or Distributor(s):

RBC Dominion Securities Inc.
CIBC World Markets Inc.
TD Securities Inc.
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
GMP Securities L.P.
Raymond James Ltd.
Canaccord Genuity Corp.
Desjardins Securities Inc.
Industrial Alliance Securities Inc.
Mackie Research Capital Corporation
Manulife Securities Incorporated

Promoter(s):

Brompton Funds Limited
Project #2199285

Issuer Name:

iCo Therapeutics Inc.
Principal Regulator - British Columbia

Type and Date:

Final Base Shelf Prospectus dated May 29, 2014
NP 11-202 Receipt dated May 29, 2014

Offering Price and Description:

\$50,000,000.00
Common Shares
Warrants
Units
Subscription Receipts

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2209561

Issuer Name:

Hudson's Bay Company
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated May 26, 2014
NP 11-202 Receipt dated May 26, 2014

Offering Price and Description:

\$140,086,000.00
7,870,000 Common Shares
Price: \$17.80 per Offered Share

Underwriter(s) or Distributor(s):

CIBC WORLD MARKETS INC.
RBC DOMINION SECURITIES INC.
BMO NESBITT BURNS INC.
TD SECURITIES INC.
MERRILL LYNCH CANADA INC.
SCOTIA CAPITAL INC.
CANACCORD GENUITY CORP.
NATIONAL BANK FINANCIAL INC.

Promoter(s):

-

Project #2207891

Issuer Name:

(Common Units and Advisor Class Units) unless otherwise noted of:

iShares International Fundamental Index ETF
iShares Japan Fundamental Index ETF (CAD-Hedged)
iShares US Fundamental Index ETF (also Non-hedged Common Units and Non-hedged Advisor Class Units)
iShares Emerging Markets Fundamental Index ETF
iShares Canadian Fundamental Index ETF
iShares S&P/TSX Canadian Dividend Aristocrats Index ETF
iShares S&P/TSX Canadian Preferred Share Index ETF
iShares US Dividend Growers Index ETF (CAD-Hedged)
iShares Global Monthly Dividend Index ETF (CAD-Hedged)
iShares Global Real Estate Index ETF
iShares Global Infrastructure Index ETF
iShares Oil Sands Index ETF
iShares S&P/TSX Global Mining Index ETF
iShares Global Water Index ETF
iShares BRIC Index ETF
iShares China All-Cap Index ETF
iShares Global Agriculture Index ETF
iShares Balanced Income CorePortfolio™ Index ETF
iShares Balanced Growth CorePortfolio™ Index ETF
iShares High Quality Canadian Bond Index ETF
iShares 1-5 Year Laddered Corporate Bond Index ETF
iShares 1-10 Year Laddered Corporate Bond Index ETF
iShares Advantaged U.S. High Yield Bond Index ETF (CAD-Hedged)
iShares 1-5 Year Laddered Government Bond Index ETF
iShares 1-10 Year Laddered Government Bond Index ETF
iShares Convertible Bond Index ETF
Principal Regulator - Ontario

Type and Date:

Final Long Form Prospectus dated May 28, 2014
NP 11-202 Receipt dated May 30, 2014

Offering Price and Description:

Common units, Advisor Class units, Non-hedged Common Units and Non-hedged Advisor Class Units

Underwriter(s) or Distributor(s):

BlackRock Asset Management Canada Limited
BlackRock Investments Canada Inc.

Promoter(s):

-

Project #2196483

Issuer Name:

(Units of the following Series Regular Front End Load, Regular F, High Net Worth Front End Load, High Net Worth F, Ultra High Net Worth Front End Load and Institutional Front End Load, Deferred Load and Low Load) of:
NexGen Canadian Cash Fund (formerly NexGen Canadian Cash Registered Fund)
NexGen Canadian Bond Fund (formerly NexGen Canadian Bond Registered Fund)
NexGen Corporate Bond Fund (formerly NexGen Corporate Bond Registered Fund)
NexGen Canadian Diversified Income Registered Fund
NexGen Turtle Canadian Balanced Registered Fund
NexGen Intrinsic Balanced Registered Fund (formerly NexGen Canadian Balanced Growth Registered Fund)
NexGen Canadian Dividend Registered Fund (formerly NexGen Canadian Dividend and Income Registered Fund)
NexGen Turtle Canadian Equity Registered Fund
NexGen North American Large Cap Registered Fund
NexGen Intrinsic Growth Registered Fund
NexGen U.S. Dividend Plus Registered Fund
NexGen U.S. Growth Registered Fund
NexGen Global Equity Registered Fund
(Units of the following series Regular Front End Load, Regular F and Institutional Front End Load and Deferred Load and Low Load series) of:
NexGen Canadian Preferred Share Registered Fund (Shares of the Series) of:
NexGen Canadian Cash Tax Managed Fund (Shares of the Series of Return of Capital 40 Class and Dividend Tax Credit 40 Class) of:
NexGen Canadian Bond Tax Managed Fund (Shares of the Series of Capital Gains Class, Return of Capital 40 Class, Dividend Tax Credit 40 Class and Compound Growth Class) of:
NexGen Corporate Bond Tax Managed Fund
NexGen Turtle Canadian Balanced Tax Managed Fund
NexGen Turtle Canadian Equity Tax Managed Fund
NexGen Intrinsic Growth Tax Managed Fund
NexGen U.S. Dividend Plus Tax Managed Fund
NexGen U.S. Growth Tax Managed Fund
NexGen Global Equity Tax Managed Fund (Shares of the Series of Capital Gains Class, Return of Capital Class, Dividend Tax Credit Class and Compound Growth Class*) of:
NexGen Canadian Bond Tax Managed Fund
NexGen Canadian Diversified Income Tax Managed Fund
NexGen Intrinsic Balanced Tax Managed Fund (formerly NexGen Canadian Balanced Growth Tax Managed Fund)
NexGen Canadian Dividend Tax Managed Fund (formerly NexGen Canadian Dividend and Income Tax Managed Fund)
NexGen North American Large Cap Tax Managed Fund (Shares of the Preferred Series of Capital Gains Class, Return of Capital Class, Dividend Tax Credit Class and Compound Growth Class*) of:
NexGen Canadian Preferred Share Tax Managed Fund of
NexGen Investment Corporation

*Canadian Patent Pending

Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectuses dated May 28, 2014

NP 11-202 Receipt dated May 30, 2014

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

NexGen Financial Limited Partnership

NexGen Financial Limited Partnership

Promoter(s):

NexGen Financial Limited Partnership

Project #2189306

Issuer Name:

PineBridge Investment Grade Preferred Securities Fund

Principal Regulator - Ontario

Type and Date:

Final Long Form Prospectus dated May 28, 2014

NP 11-202 Receipt dated May 30, 2014

Offering Price and Description:

Maximum 4,000,000.00 Units @ \$25 = \$100,000,000

Minimum 800,000.00 Units @ \$25 = \$20,000,000

Underwriter(s) or Distributor(s):

BMO Nesbitt Burns Inc.

CIBC World Markets Inc.

Scotia Capital Inc.

National Bank Financial Inc.

TD Securities Inc.

Canaccord Genuity Corp.

GMP Securities L.P.

Raymond James Ltd.

Desjardins Securities Inc.

Mackie Research Capital Corporation

Manulife Securities Incorporated

Burginvest Bick Securities Limited

Dundee Securities Limited

Industrial Alliance Securities Inc.

Laurentian Bank Securities Inc.

Promoter(s):

BMO Nesbitt Burns Inc.

Project #2199301

Issuer Name:

Series A, Series A2, Series F and Series G Units (as indicated) of

Portland Advantage Fund (Series A, F and G)

Portland Canadian Balanced Fund (Series A, F and G)

Portland Canadian Focused Fund (Series A, F and G)

Portland Global Banks Fund (Series A, A2, F and G)

Portland Global Dividend Fund (formerly Copernican International Premium Dividend Fund)

(Series A, A2, F and G)

Portland Global Income Fund (Series A, A2, F and G)

Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectuses dated May 26, 2014

NP 11-202 Receipt dated May 29, 2014

Offering Price and Description:

Series A, Series A2, Series F and Series G Units @ Net Asset Value

Underwriter(s) or Distributor(s):

Mandeville Private Client Inc.

Mandeville Wealth Services Inc.

Portland Private Wealth Services Inc.

Promoter(s):

Portland Investment Counsel Inc.

Project #2194831

Issuer Name:

Regal Lifestyle Communities Inc.

Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated May 29, 2014

NP 11-202 Receipt dated May 29, 2014

Offering Price and Description:

\$27,004,500.00

3,530,000 Common Shares

Price: \$7.65 per Common Share

Underwriter(s) or Distributor(s):

CIBC WORLD MARKETS INC.

TD SECURITIES INC.

BMO NESBITT BURNS INC.

RBC DOMINION SECURITIES INC.

SCOTIA CAPITAL INC.

NATIONAL BANK FINANCIAL INC.

DUNDEE SECURITIES LTD.

RAYMOND JAMES LTD.

Promoter(s):

SIMON NYILASSY

MORAY TAWSE

Project #2211975

Issuer Name:

Sprott Silver Bullion Fund
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectus dated May 27, 2014
NP 11-202 Receipt dated May 29, 2014

Offering Price and Description:

Series A, Series F and Series I Units @ Net Asset Value

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2194666

Issuer Name:

Summit Industrial Income REIT
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated May 29, 2014
NP 11-202 Receipt dated May 29, 2014

Offering Price and Description:

\$25,056,000.00

4,320,000 Units

Price \$5.80 per Unit

Underwriter(s) or Distributor(s):

BMO NESBITT BURNS INC.
CIBC WORLD MARKETS INC.
RBC DOMINION SECURITIES INC.
SCOTIA CAPITAL INC.
TD SECURITIES INC.
CANACCORD GENUITY CORP.
NATIONAL BANK FINANCIAL INC.
DESJARDINS SECURITIES INC.
DUNDEE SECURITIES LTD.

Promoter(s):

-

Project #2210654

Issuer Name:

TerraVest Capital Inc.
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated May 28, 2014
NP 11-202 Receipt dated May 28, 2014

Offering Price and Description:

\$20,001,900.00

3,279,000 Common Shares

PRICE: \$6.10 PER OFFERED SHARE

Underwriter(s) or Distributor(s):

NATIONAL BANK FINANCIAL INC.
CORMARK SECURITIES INC.
CIBC WORLD MARKETS INC.
RAYMOND JAMES LTD.
TD SECURITIES INC.
GMP SECURITIES L.P.
HSBC SECURITIES (CANADA) INC.
LAURENTIAN BANK SECURITIES INC.

Promoter(s):

-

Project #2209462

Issuer Name:

Stem Cell Therapeutics Corp.
Principal Regulator - Ontario

Type and Date:

Final Base Shelf Prospectus dated May 26, 2014
NP 11-202 Receipt dated May 27, 2014

Offering Price and Description:

\$50,000,000.00

Common Shares

First Preferred Shares

Warrants

Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2208403

Issuer Name:

TitanStar Properties Inc.

Principal Jurisdiction - British Columbia

Type and Date:

Preliminary Short Form Prospectus dated February 24, 2014

Amended and Restated Preliminary Short Form Prospectus dated March 4, 2014

Withdrawn on May 28, 2014

Offering Price and Description:

Minimum \$20,000,000 - * Subscription Receipts

Maximum \$45,000,000 - * Subscription Receipts

Price: \$ * per Subscription Receipt

Underwriter(s) or Distributor(s):

Mackie Research Capital Corporation

National Bank Financial Inc.

Desjardins Securities Inc.

GMP Securities L.P.

Burgeonvest Bick Securities Ltd.

Haywood Securities Inc.

All Group Financial Services Inc.

MGI Securities Inc.

Promoter(s):

-

Project #2166739

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Amalgamation	Arrow Capital Management Inc. and Blumont Capital Corporation To: Blumont Capital Corporation	Exempt market Dealer, Portfolio Manager, Investment Fund Manager and Commodity Trading Manager and Mutual Fund Dealer	April 1, 2014
Name Change	Banque Nationale Investissements inc./National Bank Investments Inc.	From: National Bank Investments Inc./Banque Nationale Inestissements inc. To: Banque Nationale Investissements inc./National Bank Investments Inc.	May 15, 2014
Voluntary Surrender	QFS Asset Management, Inc.	Commodity Trading Manager	May 27, 2014
Voluntary Surrender	Stone & Co. Corporate Funds Limited	Restricted Dealer	May 28, 2014
Voluntary Surrender	CMS Investment Resources (Canada), Inc.	Exempt Market Dealer	May 30, 2014
New Registration	Bolton Capital Inc.	Exempt Market Dealer, Portfolio Manager and Investment Fund Manager	May 30, 2014
Voluntary Surrender	Artio Global Management LLC	Exempt Market Dealer, Portfolio Manager and Commodity Trading Manager	May 30, 2014
New Registration	Stephenson & Company Capital Management Inc.	Exempt Market Dealer, Portfolio Manager and Investment Fund Manager	June 2, 2014

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Other Information

25.1 Consents**25.1.1 Legend Gold Corp. – s. 4(b) of the Regulation****Headnote**

Consent given to an offering corporation under the Business Corporation Act (Ontario) to continue under the Business Corporations Act (British Columbia).

Statutes Cited

Business Corporations Act, R.S.O. 1990, c. B.16, as am., s. 181.

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

Regulations Cited

Regulation made under the Business Corporations Act, O. Reg. 289/00, as am., s. 4(b).

**IN THE MATTER OF
R.R.O 1990, REGULATION 289/00, AS AMENDED
(the “Regulation”) MADE UNDER
THE BUSINESS CORPORATIONS ACT (ONTARIO),
R.S.O. 1990, c.B.16, AS AMENDED (the “OBCA”)**

AND

**IN THE MATTER OF
LEGEND GOLD CORP.**

**CONSENT
(Subsection 4(b) of the Regulation)**

UPON the application (the “**Application**”) of Legend Gold Corp. (the “**Applicant**”) to the Ontario Securities Commission (the “**Commission**”) requesting the consent from the Commission, pursuant to subsection 4(b) of the Regulation, for the Applicant to continue in another jurisdiction pursuant to Section 181 of the OBCA (the “**Continuance**”);

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

AND UPON the Applicant having represented to the Commission that:

1. The Applicant is a corporation existing under the provisions of the OBCA and was formed by Articles of Incorporation pursuant to the OBCA on May 8, 1997.
2. The Applicant’s registered office is located at Suite 400, 350 Bay Street, Toronto, Ontario M5H 2S6.

3. The Applicant’s authorized share capital consists of an unlimited number of common shares (the “**Common Shares**”) of which 47,263,358 Common Shares are issued and outstanding as at May 20, 2014. All of the issued and outstanding Common Shares are listed for trading on the TSX Venture Exchange under the symbol “LGN”.
4. The Applicant proposes to make an application to the Director under the OBCA pursuant to section 181 of the OBCA (the “**Application for Continuance**”) for authorization to continue as a company under the *Business Corporations Act* (British Columbia) (the “**BCBCA**”). Following the Continuance, the Applicant’s registered office will be located in Vancouver, British Columbia.
5. Pursuant to Subsection 4(b) of the Regulation, an application for authorization to continue in another jurisdiction under Section 181 of the OBCA must, in the case of an “offering corporation” (as the term is defined in the OBCA), be accompanied by a consent from the Commission.
6. The Applicant is an “offering corporation” under the OBCA and is a reporting issuer within the meaning of the *Securities Act* (Ontario) (the “**Act**”). The Applicant is also a reporting issuer under the securities legislations of each of the provinces of Alberta and British Columbia.
7. The Applicant is not in default of any of the provisions of the OBCA, the Act and the securities legislation of all other jurisdictions in which it is a reporting issuer, and the regulations and rules made thereunder (collectively, the “**Legislation**”).
8. The Applicant is not a party to any proceeding or, to the best of its knowledge, information and belief, pending proceeding under the Legislation.
9. The holders of Common Shares of the Applicant (the “**Shareholders**”) were asked to consider and, if thought fit, pass a special resolution authorizing the Continuance at the May 20, 2014 annual and special meeting of the Shareholders (the “**Meeting**”).
10. A summary of the material provisions respecting the proposed Continuance was provided to the shareholders of the Applicant in the management information circular of the Applicant dated April 9, 2014 (the “**Circular**”) in respect of the Meeting. The Circular was mailed on April 15, 2014 to shareholders of record at the close of business on April 9, 2014, was filed on April 15, 2014 on the System for Electronic Document Analysis and

Retrieval and included full disclosure of the reasons for, and the implications of, the proposed Continuance and a summary of the material differences between the OBCA and the BCBCA.

"Wesley Scott"
Commissioner
Ontario Securities Commission

11. In accordance with the OBCA and the Applicant's constating documents, the special resolution of shareholders (the "**Continuance Resolution**") to be obtained at the Meeting in connection with the proposed Continuance required the approval of not less than two-thirds of the aggregate votes cast by the shareholders present in person or represented by proxy at the Meeting. Each of the Shareholders was entitled to one vote for each Common Share held.
12. On September 5, 2013, the Applicant acquired Corado Resources Corp. ("**Corado**") by way of a three-cornered amalgamation among the Applicant, a wholly-owned subsidiary of the Applicant and Corado pursuant to a combination agreement dated June 6, 2013 (the "**Acquisition**"). Corado was a corporation governed by the BCBCA. Following the Acquisition, the Applicant moved its head office to Vancouver, British Columbia. The Applicant believes that certain aspects of the BCBCA will better facilitate the Applicant's business and affairs than the OBCA.
13. The Applicant's shareholders had the right to dissent with respect to the proposed Continuance pursuant to Section 185 of the OBCA, and the Circular disclosed full particulars of this right in accordance with applicable law.
14. The Continuance Resolution was approved at the Meeting by 99.99% of the aggregate votes cast by the Shareholders at the Meeting.
15. Following the Continuance, the Applicant intends to remain a reporting issuer in Ontario, Alberta and British Columbia.
16. The material rights, duties and obligations of a corporation governed by the BCBCA are substantially similar to those of a corporation governed by the OBCA.

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

THE COMMISSION HEREBY CONSENTS, to the continuance of the Applicant as a corporation under the BCBCA.

DATED at Toronto, Ontario this 27th day of May, 2014.

"James Turner"
Commissioner
Ontario Securities Commission

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