



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

P.O. Box 55, 19th Floor
20 Queen Street West
Toronto ON M5H 3S8

CP 55, 19^e étage
20, rue queen ouest
Toronto ON M5H 3S8

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

- AND -

**IN THE MATTER OF
MOMENTAS CORPORATION, HOWARD RASH,
ALEXANDER FUNT AND SUZANNE MORRISON**

**ORDER
SECTION 127(1) & 127(5)**

WHEREAS on the 9th day of June, 2005, the Ontario Securities Commission (the "Commission") ordered, pursuant to paragraph 2 of subsection 127(1) of the *Securities Act*, R.S.O. 1990, C.s.5, as amended (the "*Act*"), that all trading by Momentas Corporation and its officers, directors, employees and/or agents in securities of Momentas shall cease (the "Temporary Order");

AND WHEREAS the Commission further ordered as part of the Temporary Order that, pursuant to paragraph 2 of subsection 127(1) of the *Act*, all trading in any securities by Rash, Funt and Morrison shall cease;

AND WHEREAS the Commission further ordered as part of the Temporary Order that, pursuant to paragraph 3 of subsection 127(1) of the *Act*, any exemptions contained in Ontario securities law do not apply to Momentas, Rash, Funt and Morrison;

AND WHEREAS the Commission further ordered as part of the Temporary Order that, pursuant to paragraph 6 of subsection 127(1) of the *Act* that the Temporary Order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by the Commission;

AND WHEREAS on the 24th day of June, 2005, the Commission issued a Notice of Hearing pursuant to subsection 127(1) and section 127.1 of the *Act* and an accompanying Statement of Allegations;

AND WHEREAS on the 24th day of June, 2005, Momentas, Rash, Funt and Morrison consented to and the Commission ordered an extension of the Temporary Order until July 8, 2005;

AND WHEREAS on the 8th day of July, 2005, Rash, Funt and Morrison consented to and the Commission ordered an extension of the Temporary Order as it relates to them until the conclusion of the hearing of this matter, with the following exceptions:

- (a) each of Rash, Funt and Morrison shall be permitted to trade securities for his or her own account(s) through a registered dealer pursuant to paragraph 10 of subsection 35(1) of the *Act*;
- (b) each of Rash, Funt and Morrison shall be permitted to trade in mutual fund units and securities described in paragraphs 1 and 2 of subsection 35(2) of the *Act*; and
- (c) each of Rash, Funt and Morrison shall be permitted to trade in securities for their registered retirement savings plan or registered retirement income fund pursuant to section 2.11 of Rule 45-501.

AND WHEREAS on the 8th day of July, 2005 Momentas consented to and the Commission ordered that Momentas cease trading in any securities, including securities of Momentas, until July 14, 2005, subject to the following:

- (a) Momentas shall be permitted to offset or eliminate any open positions in Forex currency contracts and in equities in accounts held by Momentas in order to prevent losses, on the condition that Momentas shall provide to Commission staff:
 - (i) particulars of all foreign currency trading accounts and brokerage accounts held by Momentas prior to the offsetting or elimination of any such open positions; and
 - (ii) daily reports on the status of and holdings in those accounts.

AND WHEREAS on the 8th day of July, 2005, the Commission further ordered that the hearing to consider whether to further extend the Temporary Order and Order dated July 8, 2005 as against Momentas be adjourned until July 14, 2005 at 10:00 a.m.

AND WHEREAS it appears on the evidence in the hearing to extend the Temporary Order and the Order dated July 8, 2005 that Momentas is a market intermediary;

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

IT IS ORDERED that pursuant to paragraphs 2 and 3 of subsection 127(1) of the Act all trading by Momentas shall cease, including trading in equities and in foreign currencies, and all exemptions contained in Ontario securities laws shall not apply to Momentas until the earlier of the conclusion of the Hearing in this matter or the date upon which Momentas becomes registered with the Commission as a Limited Market Dealer and any of its officers, directors, and/or employees involved in the sale of securities of Momentas to the public become registered in accordance with Ontario securities law, with the following exceptions:

- (a) Momentas shall be permitted to trade securities beneficially owned by it through a registered dealer for the purpose of continuing to test and develop its automated equity trading system known as “ARF”, on the condition that reports of all such trades are delivered to Staff within 5 days of each trade; and
- (b) Momentas shall be permitted to offset or eliminate any open positions in foreign currency exchange contracts, on the condition that Momentas shall provide to Commission staff weekly reports on the status of and holdings in those accounts until those positions have been closed.

Dated at Toronto this 14th day of July, 2005.

“Paul M. Moore”

Paul M. Moore

“Wendell S. Wigle”

Wendell S. Wigle

“Carol S. Perry”

Carol S. Perry