



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
GOLD-QUEST INTERNATIONAL, 1725587 ONTARIO INC. carrying on business as
HEALTH AND HARMONEY, HARMONEY CLUB INC., DONALD IAIN BUCHANAN,
LISA BUCHANAN and SANDRA GALE**

**ORDER
(Subsection 127(1))**

WHEREAS the proceeding in this matter was commenced by a Statement of Allegations dated March 12, 2009 and a Notice of Hearing dated March 13, 2009;

AND WHEREAS following a hearing on the merits to address the allegations against the respondents Donald Iain Buchanan (“Buchanan”) and Lisa Buchanan only, the Ontario Securities Commission (the “Commission”) issued its Reasons and Decision on November 25, 2010;

AND WHEREAS we are of the opinion that it is in the public interest to make the following orders against Buchanan and Lisa Buchanan pursuant to subsection 127(1) of the Act;

IT IS ORDERED THAT:

1. With respect to Buchanan:

- (a) pursuant to clause 2 of subsection 127(1) of the Act, Buchanan is prohibited from trading in securities permanently, except that he may trade securities for the account of any registered retirement savings plans and/or any registered retirement income

funds (as defined in the *Income Tax Act* (Canada)) in which he and/or his spouse have sole legal and beneficial ownership, provided that:

- (i) the securities traded are listed and posted for trading on the Toronto Stock Exchange, the New York Stock Exchange or NASDAQ (or their successor exchanges) or are issued by a mutual fund that is a reporting issuer;
 - (ii) he does not own legally or beneficially (in the aggregate, together with his spouse) more than one percent of the outstanding securities of the class or series of the class in question; and
 - (iii) he carries out any permitted trading through a registered dealer (which dealer must be given a copy of this order) and through accounts opened in his name only (and he must close any trading accounts that are not in his name only);
- (b) pursuant to clause 2.1 of subsection 127(1) of the Act, Buchanan is prohibited from acquiring securities permanently, except that he may trade securities for the account of any registered retirement savings plans and/or any registered retirement income funds (as defined in the *Income Tax Act* (Canada)) in which he and/or his spouse have sole legal and beneficial ownership, on and subject to the conditions referred to in paragraphs 1(a)(i) to (iii) of this order;
- (c) pursuant to clause 3 of subsection 127(1) of the Act, exemptions in Ontario securities law (as defined in the Act) do not apply to Buchanan permanently, except as necessary to permit the trading authorized under paragraphs 1(a) or (b) of this order;
- (d) pursuant to clause 6 of subsection 127(1) of the Act, Buchanan is reprimanded;
- (e) pursuant to clauses 7, 8.1 and 8.3 of subsection 127(1) of the Act, Buchanan is ordered to resign any positions he holds as a director or officer of any issuer, registrant or investment fund manager;

- (f) pursuant to clauses 8, 8.2 and 8.4 of subsection 127(1) of the Act, Buchanan is prohibited permanently from becoming or acting as a director or officer of any issuer, registrant or investment fund manager;
- (g) pursuant to clause 10 of subsection 127(1) of the Act, Buchanan shall disgorge to the Commission \$352,000 obtained as a result of his non-compliance with Ontario securities law;
- (h) pursuant to clause 9 of subsection 127(1) of the Act, Buchanan shall pay to the Commission an administrative penalty of \$300,000 as a result of his non-compliance with Ontario securities law; and
- (i) the amounts referred to in each of paragraphs 1(g) and (h) of this order shall be allocated by the Commission to or for the benefit of third parties, including Ontario investors who lost money as a result of investing in the Gold Quest International and Harmony Club Inc. securities that were addressed in this proceeding, as permitted by subsection 3.4(2)(b) of the Act; and

2. With respect to Lisa Buchanan:

- (a) pursuant to clause 2 of subsection 127(1) of the Act, Lisa Buchanan is prohibited from trading in securities permanently, except that she may trade securities for the account of any registered retirement savings plans and/or any registered retirement income funds (as defined in the *Income Tax Act* (Canada)) in which she and/or her spouse have sole legal and beneficial ownership, provided that:
 - (i) the securities traded are listed and posted for trading on the Toronto Stock Exchange, the New York Stock Exchange or NASDAQ (or their successor exchanges) or are issued by a mutual fund that is a reporting issuer;
 - (ii) she does not own legally or beneficially (in the aggregate, together with her spouse) more than one percent of the outstanding securities of the class or series of the class in question; and

- (iii) she carries out any permitted trading through a registered dealer (which dealer must be given a copy of this order) and through accounts opened in her name only (and she must close any trading accounts that are not in her name only);
- (b) pursuant to clause 2.1 of subsection 127(1) of the Act, Lisa Buchanan is prohibited from acquiring securities permanently, except that she may trade securities for the account of any registered retirement savings plans and/or any registered retirement income funds (as defined in the *Income Tax Act* (Canada)) in which she and/or her spouse have sole legal and beneficial ownership on and subject to the conditions referred to in paragraph 2(a)(i) to (iii) of this order;
- (c) pursuant to clause 3 of subsection 127(1) of the Act, exemptions in Ontario securities law (as defined in the Act) do not apply to Lisa Buchanan permanently, except as necessary to permit the trading authorized under paragraphs 2(a) or (b) of this order; and
- (d) pursuant to clause 6 of subsection 127(1) of the Act, Lisa Buchanan is reprimanded.

Dated at Toronto this 26th day of November, 2010.

“James E. A. Turner”

James E. A. Turner

“Carol S. Perry”

Carol S. Perry

“Sinan O. Akdeniz”

Sinan O. Akdeniz