



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

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

- AND -

**IN THE MATTER OF
URANIUM308 RESOURCES INC., MICHAEL FRIEDMAN, GEORGE
SCHWARTZ, PETER ROBINSON, and SHAFI KHAN**

**ORDER
(Section 127)**

WHEREAS on February 20, 2009, the Ontario Securities Commission (the "Commission") issued a temporary cease trade order pursuant to subsections 127(1) and 127(5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") ordering: that all trading in securities by Uranium308 Resources Inc. ("U308 Inc.") shall cease and that all trading in Uranium308 Resources Inc. securities shall cease; that all trading in securities by Uranium308 Resources Plc. ("U308 Plc.") shall cease and that all trading in Uranium308 Resources Plc. securities shall cease; that all trading in securities by Innovative Gifting Inc. ("IGI") shall cease; and, that Michael Friedman ("Friedman"), Peter Robinson ("Robinson"), George Schwartz ("Schwartz"), and Alan Marsh Shuman ("Shuman") cease trading in all securities (the "Temporary Order");

AND WHEREAS, on February 20, 2009, the Commission ordered that the Temporary Order shall expire on the 15th day after its making unless extended by order of the Commission;

AND WHEREAS on February 23, 2009 the Commission issued a Notice of Hearing to consider, among other things, the extension of the Temporary Order, to be held on March 6, 2009 at 10:00 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 Temporary Order until the conclusion of the hearing, or until such further time as considered necessary by the Commission;

AND WHEREAS on March 6, July 10, November 30, 2009 and on February 3, 2010, hearings were held before the Commission and the Commission ordered that the Temporary Order be extended;

AND WHEREAS on February 3, 2010, the Commission ordered that the Temporary Order be extended until March 8, 2010 and the hearing with respect to the matter be adjourned to March 5, 2010;

AND WHEREAS on March 2, 2010, the Commission issued a Notice of Hearing to consider, *inter alia*, whether to make orders, pursuant to sections 37, 127, and 127.1, against U308 Inc., Friedman, Schwartz, Robinson and Shafi Khan (“Khan”) (collectively the “Respondents”);

AND WHEREAS on March 2, 2010, Staff of the Commission issued a Statement of Allegations against the Respondents;

AND WHEREAS Staff served the Respondents with the Notice of Hearing dated March 2, 2010 and Staff’s Statement of Allegations dated March 2, 2010. Service by Staff was evidenced by the Affidavit of Service of Joanne Wadden, sworn on March 4, 2010, which was filed with the Commission;

AND WHEREAS on March 5, 2010, the Commission ordered that the Temporary Order be extended until April 13, 2010 and the hearing with respect to the matter be adjourned to April 12, 2010;

AND WHEREAS on March 5, 2010, counsel for Staff advised the Commission that Staff were not seeking to extend the Temporary Order against Shuman and the Commission did not extend the Temporary Order against Shuman;

AND WHEREAS on April 12, 2010, counsel for Staff, Khan, and counsel for Friedman appeared before the Commission. Counsel for Robinson was not present but he had provided information to counsel for Staff which was relayed to the Commission. Schwartz was also not present but he had provided information to counsel for Staff which was relayed to the Commission;

AND WHEREAS on April 12, 2010, counsel for Staff requested the extension of the Temporary Order as against U308 Inc., Friedman, Schwartz, Robinson, and U308 Plc.;

AND WHEREAS on April 12, 2010, counsel for Staff provided counsel for Friedman and Khan with Staff's initial disclosure in this matter. Counsel for Staff advised the Commission that Staff's initial disclosure was also prepared and available for the other respondents to pick up from Staff;

AND WHEREAS on April 12, 2010, the Commission was of the opinion that it was in the public interest to order that, pursuant to subsection 127(8) of the Act, the Temporary Order is extended as against U308 Inc., Friedman, Schwartz, Robinson, and U308 Plc. to July 2, 2010 and that the hearing with respect to the Notice of Hearing dated March 2, 2010 and with respect to the Temporary Order is adjourned to June 30, 2010, at 10:00 a.m. at which time a pre-hearing conference will be held;

AND WHEREAS on June 30, 2010, the Commission was of the opinion that it was in the public interest to order that, pursuant to subsection 127(8) of the Act, the Temporary Order is extended as against U308 Inc., Friedman, Schwartz, Robinson, and U308 Plc. until the completion of the hearing on the merits in this matter;

AND WHEREAS on June 30, 2010, the pre-hearing conference was commenced and the parties present made submissions to the Commission;

AND WHEREAS on June 30, 2010, the Commission adjourned the pre-hearing conference to continue on July 22, 2010 at 10:00 a.m.;

AND WHEREAS on July 22, 2010, the pre-hearing conference continued and Khan and Schwartz were present at the pre-hearing conference. A student-at-law with the office of counsel for Robinson was also present. Counsel for Friedman and U308 Inc. was not able to attend on July 22, 2010, but Staff advised the Commission of the reason for their non-attendance;

AND WHEREAS on July 22, 2010, the Commission was of the opinion that it was in the public interest to order that the hearing with respect to this matter is adjourned to August 30, 2010, at 10 a.m. at which time the pre-hearing conference would be continued;

AND WHEREAS on August 30, 2010, the pre-hearing conference continued and the following persons were in attendance: Khan; counsel for Robinson; and counsel for Friedman and U308 Inc. Schwartz was not able to attend but Staff advised the Commission of the reason for his non-attendance. The parties present made submissions to the Commission;

AND WHEREAS on August 30, 2010, the Commission was of the opinion that it was in the public interest to order that the hearing with respect to this matter is adjourned to October 12, 2010, at 2:30 p.m. at which time the pre-hearing conference would be continued;

AND WHEREAS on October 8, 2010, the Commission approved a Settlement Agreement entered into between Staff , U308 Inc. and Michael Friedman. On October 8, 2010, the Commission issued an order, pursuant to sections 37 and 127(1) of the Act, against U308 Inc. and Friedman;

AND WHEREAS on October 12, 2010, the pre-hearing conference continued and the following persons were in attendance: Khan; counsel for Robinson; and Schwartz. The parties present made submissions to the Commission;

AND WHEREAS the Commission ordered that the hearing on the merits with respect to this matter commence on April 4, 2011 at 10 a.m. and continue on April 6, 7, 11, 12, 13, 14, 15, 18 and 20, 2011 (the "Hearing Dates");

AND WHEREAS on November 5, 2010, the Commission approved a Settlement Agreement entered into between Staff and Robinson;

AND WHEREAS on December 13, 2010, Schwartz and Victor York (“York”), who is a respondent in a related proceeding before the Commission, *York Rio Resources Inc. et. al* (the “Applicants”), together brought a motion for dismissal or adjournment of the proceedings against them (the “Dismissal or Adjournment Motion”);

AND WHEREAS the Dismissal or Adjournment Motion was denied by way of an endorsement of the Commission dated December 15, 2010;

AND WHEREAS on March 23, 2011, Staff laid charges pursuant to section 122 of the Act against Schwartz in the Ontario Court of Justice;

AND WHEREAS pursuant to the Information regarding the charges laid against Schwartz, Schwartz is to make his first appearance in the Ontario Court of Justice in answer to these charges on April 11, 2011 at 9:00 a.m.;

AND WHEREAS by letter dated March 29, 2011, on consent of Schwartz and Khan, Staff requested that the Hearing Dates be vacated and that the hearing on the merits with respect to this matter be adjourned to dates to be fixed by the Office of the Secretary;

AND WHEREAS Staff submit that it is in the public interest to adjourn the Hearing Dates in light of the proceeding initiated by Staff under section 122 of the Act;

AND WHEREAS Staff advised the Commission that all the parties consented to the adjournment of the Hearing Dates;

AND WHEREAS Staff requested that the Secretary’s Office provide available dates to set this matter down starting in May, 2011;

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

IT IS ORDERED that the Hearing Dates with respect to this matter are vacated and the hearing on the merits is adjourned to dates to be provided by the Secretary's Office and agreed to by the parties.

DATED at Toronto this 30th day of March, 2011.

"Vern Krishna"

"Edward P. Kerwin"

Vern Krishna

Edward P. Kerwin