

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

- AND -

**IN THE MATTER OF FIRST FEDERAL CAPITAL (CANADA) CORPORATION  
and MONTE MORRIS FRIESNER**

**AMENDED STATEMENT OF ALLEGATIONS OF STAFF OF THE  
ONTARIO SECURITIES COMMISSION**

Staff of the Ontario Securities Commission ("Staff") make the following allegations:

1. First Federal Capital (Canada) Corporation (AFirst Federal®) was incorporated under the laws of Ontario on January 7, 1999.
2. Monte Morris Friesner (MFriesner®) is a resident of Toronto, Ontario. Friesner is a director and is the president and chief executive officer of First Federal.
3. First Federal operated a web site at [www.firstfederalcanada.com](http://www.firstfederalcanada.com) (the "Web site") which solicited potential investors to invest in Asset Securitization Management Portfolios (the "trading programs").
4. The Web site advertised that First Federal administrated, created and managed the trading programs and that First Federal could not "perceive any circumstances in which the Investor receives a return of less than 20% per annum". It further advertised that "[t]he Investors' assets are guaranteed..." and invited visitors to the Web site to contact First Federal to obtain copies of further information regarding the trading programs.
5. Neither First Federal nor Friesner, is or has ever been, registered in any capacity under Ontario securities law.
6. The activities of First Federal and Friesner in connection with the trading programs constitute trading in securities without registration, contrary to Ontario securities law.
7. The trading programs offered by First Federal and Friesner constitute a distribution of

securities for which no prospectus was issued and no exemption was available, contrary to Ontario securities law.

8. Friesner authorized, permitted or acquiesced in First Federal's conduct in connection with the trading programs.

**Conduct Contrary To the Public Interest**

9. The conduct of the respondents as described above contravened Ontario securities law and was contrary to the public interest.
10. Staff reserves the right to make such further and other allegations as Staff may submit and the Commission may permit.

Dated at Toronto this 15<sup>th</sup> day of November, 2002.