



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 (the “Act”)**

- and -

**IN THE MATTER OF
CERTAIN DIRECTORS, OFFICERS AND INSIDERS OF
ARGUS CORPORATION LIMITED
(BEING THE INDIVIDUALS AND ENTITIES LISTED
IN SCHEDULE “A” HERETO)**

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

Staff of the Ontario Securities Commission make the following allegations:

1. Argus Corporation Limited (“Argus”) is incorporated under the *Canada Business Corporations Act* and is a reporting issuer in the Province of Ontario.
2. Each of the individuals and entities listed in Schedule “A” (individually, a “Respondent” and collectively, the “Respondents”) is, or was, at some time since the end of the period covered by the last financial statements filed by Argus, namely December 31, 2003, a director, officer or insider of Argus and during that time had, or may have had, access to material information with respect to Argus that has not been generally disclosed.
3. Argus has failed to file its interim statements (and interim Management’s Discussion & Analysis related thereto) for the three-month period ended March 31, 2004 as required to be filed under Ontario securities law on or before May 15, 2004.
4. Hollinger Inc. (“Hollinger”) is the principal subsidiary of Argus. Hollinger is a reporting issuer in Ontario. On April 5, 2004, Hollinger filed a material change report disclosing that it had entered into an agency agreement in respect of a proposed offering and sale of up to 20,096,919 subscription receipts (the “Subscription Receipts”) of Hollinger at a price of CDN\$10.50 per Subscription Receipt for gross proceeds of CDN\$211 million (the “Subscription Receipt Offering”). On April 7, 2004, Hollinger issued and filed a press release and material change report announcing the closing of the offering of Subscription Receipts. As described in the above-mentioned material change reports, the gross proceeds from the sale of the Subscription Receipts will be held in escrow for a certain period following the closing of the Subscription Receipt Offering, pending the satisfaction of certain escrow conditions.
5. Hollinger International Inc. (“HLR”) is the principal subsidiary of Hollinger. HLR is a reporting issuer in the Province of Ontario. HLR is currently engaged in a strategic

process as described in the material change report filed by HLR on November 27, 2003 (the "Strategic Process"). The Strategic Process has been commenced by the board of directors of HLR and is being conducted through HLR's financial advisor, Lazard Frères & Co. LLC, to pursue a range of alternative strategic transactions for HLR. The Strategic Process may involve the sale or reorganization of all or a part of HLR's business and other possible transactions by means that may include asset sales, share sales or a merger, amalgamation, arrangement, business combination or other reorganization.

6. It would be prejudicial to the public interest to allow the Respondents to trade in the securities of Argus, except as described below, until such time as all disclosure required by Ontario securities law has been made by Argus.
7. It is therefore in the public interest that an order be issued that all trading, whether direct or indirect, by the Respondents in the securities of Argus, with the exception of
 - a. any trade in securities of Argus contemplated by, or in connection with, the Subscription Receipt Offering; and
 - b. any trade in securities of Argus contemplated by or in connection with any transaction directly or indirectly resulting or arising from the Strategic Process;

shall cease until two full business days following the receipt by the Commission of all filings Argus is required to make pursuant to Ontario securities law.

DATED at Toronto, this 25th day of May, 2004.

Schedule "A"

509645 N.B. Inc.
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2753421 Canada Limited
Amiel Black, Barbara
Atkinson, Peter Y.
Black, Conrad M. of Crossharbour (Lord)
Boulton, J. A.
Burt, The Hon. Richard
Carroll, Paul A.
Colson, Daniel W.
Conrad Black Capital Corporation
Creasey, Frederick A.
Cruickshank, John
Deedes, Jeremy
Delorme, Monique
Dimma, William A.
Dodd, J. David
Duckworth, Claire F.
Healy, Paul B.
Kissinger, The Hon. Henry A.
Lane, Peter K.
Loye, Linda
Maida, Joan
McCarthy, Helen
McKeag, The Honourable W. John
Meitar, Shmuel
O'Donnell-Kennan, Niamh
Paris, Gordon
Perle, The Hon. Richard N.
Porter, Anna
Radler, F. David
The Ravelston Corporation Limited
Riley, Ronald T.
Rohmer, Richard, OC, QC

Ross, Sherrie L.
Samila, Tatiana
Savage, Graham
Seitz, The Hon. Raymond G.H.
Smith, Robert T.
Stevenson, Mark
Thompson, The Hon. James R.
Van Horn, James R.
Walker, Gordon W.
White, Peter G.