



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

P.O. Box 55, 19th Floor
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Toronto ON M5H 3S8

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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 SKYLINE APARTMENT REAL ESTATE INVESTMENT TRUST,
SKYLINE INCORPORATED, and SKYLINE ASSET MANAGEMENT INC.**

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

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

1. Between February 2007 up to and including March 27, 2010 (the "Material Time"), the Respondents engaged in unregistered trading and illegal distribution of securities in breach of the *Securities Act*, R.S.O. 1990, c.S.5, as amended (the "Act") and in a manner that was contrary to the public interest.
2. During the Material Time, the Respondents sold units of the Skyline Apartment Real Estate Investment Trust in circumstances where the accredited investor exemption was improperly relied upon, where there was insufficient information for the Respondents to determine if the investors qualified as accredited investors, or where the requirements for other exemptions from prospectus and registration requirements found in National Instrument 45-106 were not met.
3. Staff reserve the right to make such other allegations as Staff may advise and the Commission may permit.

Dated at Toronto this 16th day of March, 2011