The Ontario Securities Commission

OSC Bulletin

February 15, 2008

Volume 31, Issue 7

(2008), 31 OSCB

The Ontario Securities Commission administers the
Securities Act of Ontario (R.S.O. 1990, c. S.5) and the
Commodity Futures Act of Ontario (R.S.O. 1990, c. C.20)

The Ontario Securities Commission
Cadillac Fairview Tower
Suite 1903, Box 55
20 Queen Street West
Toronto, Ontario
M5H 3S8

416-593-8314 or Toll Free 1-877-785-1555

Published under the authority of the Commission by:
Carswell
One Corporate Plaza
2075 Kennedy Road
Toronto, Ontario
M1T 3V4

416-609-3800 or 1-800-387-5164

Contact Centre - Inquiries, Complaints:	Fax: 416-593-8122
Market Regulation Branch:	Fax: 416-595-8940
Compliance and Registrant Regulation Branch	
- Compliance:	Fax: 416-593-8240
- Registrant Regulation:	Fax: 416-593-8283
Corporate Finance Branch	
- Team 1:	Fax: 416-593-8244
- Team 2:	Fax: 416-593-3683
- Team 3:	Fax: 416-593-8252
- Insider Reporting:	Fax: 416-593-3666
- Mergers and Acquisitions:	Fax: 416-593-8177
Enforcement Branch:	Fax: 416-593-8321
Executive Offices:	Fax: 416-593-8241
General Counsel's Office:	Fax: 416-593-3681
Office of the Secretary:	Fax: 416-593-2318

The OSC Bulletin is published weekly by Carswell, under the authority of the Ontario Securities Commission.

Subscriptions are available from Carswell at the price of $549 per year.

Subscription prices include first class postage to Canadian addresses. Outside Canada, these airmail postage charges apply on a current subscription:

U.S.	$175
Outside North America	$400

Single issues of the printed Bulletin are available at $20 per copy as long as supplies are available.

Carswell also offers every issue of the Bulletin, from 1994 onwards, fully searchable on *SecuritiesSource*™, Canada's pre-eminent web-based securities resource. *SecuritiesSource*™ also features comprehensive securities legislation, expert analysis, precedents and a weekly Newsletter. For more information on *SecuritiesSource*™, as well as ordering information, please go to:

http://www.westlawecarswell.com/SecuritiesSource/News/default.htm

or call Carswell Customer Relations at 1-800-387-5164 (416-609-3800 Toronto & Outside of Canada).

Claims from *bona fide* subscribers for missing issues will be honoured by Carswell up to one month from publication date.

Space is available in the Ontario Securities Commission Bulletin for advertisements. The publisher will accept advertising aimed at the securities industry or financial community in Canada. Advertisements are limited to tombstone announcements and professional business card announcements by members of, and suppliers to, the financial services industry.

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise without the prior written permission of the publisher.

The publisher is not engaged in rendering legal, accounting or other professional advice. If legal advice or other expert assistance is required, the services of a competent professional should be sought.

© Copyright 2008 Ontario Securities Commission
ISSN 0226-9325
Except Chapter 7 ©CDS INC.

One Corporate Plaza
2075 Kennedy Road
Toronto, Ontario
M1T 3V4

Customer Relations
Toronto 1-416-609-3800
Elsewhere in Canada/U.S. 1-800-387-5164
World wide Web: http://www.carswell.com
Email: carswell.orders@thomson.com

Table of Contents

Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

FEBRUARY 15, 2008

CURRENT PROCEEDINGS

BEFORE

ONTARIO SECURITIES COMMISSION

- -

Unless otherwise indicated in the date column, all hearings will take place at the following location:

The Harry S. Bray Hearing Room
Ontario Securities Commission
Cadillac Fairview Tower
Suite 1700, Box 55
20 Queen Street West
Toronto, Ontario
M5H 3S8

Telephone: 416-597-0681 Telecopier: 416-593-8348

CDS **TDX 76**

Late Mail depository on the 19th Floor until 6:00 p.m.

- -

THE COMMISSIONERS

W. David Wilson, Chair	—	WDW
James E. A. Turner, Vice Chair	—	JEAT
Lawrence E. Ritchie, Vice Chair	—	LER
Paul K. Bates	—	PKB
Harold P. Hands	—	HPH
Margot C. Howard	—	MCH
Kevin J. Kelly	—	KJK
David L. Knight, FCA	—	DLK
Patrick J. LeSage	—	PJL
Carol S. Perry	—	CSP
Robert L. Shirriff, Q.C.	—	RLS
Suresh Thakrar, FIBC	—	ST
Wendell S. Wigle, Q.C.	—	WSW

SCHEDULED OSC HEARINGS

February 15, 2008 10:00 a.m.	**Land Banc of Canada Inc., LBC Midland I Corporation, Fresno Securities Inc., Richard Jason Dolan, Marco Lorenti and Stephen Zeff Freedman** s. 127 H. Craig in attendance for Staff Panel: PJL/ST
February 19, 2008 2:30 p.m.	**Jose Castaneda** s. 127 and 127.1 H. Craig in attendance for Staff Panel: WSW/ST
February 21, 2008 10:30 a.m.	**Hacik Istanbul** M. Vaillancourt in attendance for Staff Panel: WSW/DLK
February 26, 2008 10:00 a.m.	**MRS Sciences Inc. (formerly Morningside Capital Corp.), Americo DeRosa, Ronald Sherman, Edward Emmons and Ivan Cavric** s. 127 & 127(1) D. Ferris in attendance for Staff Panel: TBA
February 27, 2008 10:00 a.m.	**John Alexander Cornwall, Kathryn A. Cook, David Simpson, Jerome Stanislaus Xavier, CGC Financial Services Inc. and First Financial Services** s. 127 and 127.1 S. Horgan in attendance for Staff Panel: RLS/DLK/MCH

March 4, 2008
2:30 p.m.
Sunwide Finance Inc., Sun Wide Group, Sun Wide Group Financial Insurers & Underwriters, Wi-Fi Framework Corporation, Bryan Bowles, Steven Johnson, Frank R. Kaplan and George Sutton

s. 127

C. Price in attendance for Staff

Panel: JEAT/MCH

March 5, 2008
10:00 a.m.
Swift Trade Inc. and Peter Beck

s. 127

S. Horgan in attendance for Staff

Panel: JEAT

March 6, 2008
10:00 a.m.
David Berry

s. 21.7

J. Superina in attendance for Staff

Panel: LER/JEAT

March 25, 2008
10:00 a.m.
Xi Biofuels Inc., Biomaxx Systems Inc., Ronald David Crowe and Vernon P. Smith

s. 127

M. Vaillancourt in attendance for Staff

Panel: JEAT

March 25, 2008
10:00 a.m.
Xiiva Holdings Inc. carrying on Business as Xiiva Holdings Inc., Xi Energy Company, Xi Energy and Xi Biofuels

s. 127(1) & 127(5)

M. Vaillancourt in attendance for Staff

Panel: JEAT

March 28, 2008
10:00 a.m.
Hollinger Inc., Conrad M. Black, F. David Radler, John A. Boultbee and Peter Y. Atkinson

s.127

J. Superina in attendance for Staff

Panel: LER/MCH

March 28, 2008
10:00 a.m.
Sulja Bros. Building Supplies, Ltd. (Nevada), Sulja Bros. Building Supplies Ltd., Kore International Management Inc., Petar Vucicevich and Andrew DeVries

s. 127 & 127.1

J. S. Angus in attendance for Staff

Panel: JEAT/ST

March 28, 2008
11:00 a.m.
Saxon Financial Services, Saxon Consultants, Ltd., International Monetary Services, FXBridge Technology, Meisner Corporation, Merchant Capital Markets, S.A., Merchant Capital Markets, MerchantMarx et al

s. 127(1) & (5)

S. Horgan in attendance for Staff

Panel: JEAT/CSP

March 31, 2008
10:00 a.m.
Rex Diamond Mining Corporation, Serge Muller and Benoit Holemans

s. 127 & 127(1)

J. Corelli in attendance for Staff

Panel: WSW/DLK/KJK

March 31, 2008
10:00 a.m.
Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Ciavarella and Michael Mitton

s. 127

H. Craig in attendance for Staff

Panel: TBA

March 31, 2008
2:00 p.m.
Shallow Oil & Gas Inc., Eric O'Brien, Abel Da Silva, Gurdip Singh Gahunia aka Michael Gahunia and Abraham Herbert Grossman aka Allen Grossman

s. 127(7) and 127(8)

M. Boswell in attendance for Staff

Panel: JEAT

April 2, 2008 10:00 a.m.	**Peter Sabourin, W. Jeffrey Haver, Greg Irwin, Patrick Keaveney, Shane Smith, Andrew Lloyd, Sandra Delahaye, Sabourin and Sun Inc., Sabourin and Sun (BVI) Inc., Sabourin and Sun Group of Companies Inc., Camdeton Trading Ltd. and Camdeton Trading S.A.** s. 127 and 127.1 Y. Chisholm in attendance for Staff Panel: TBA
April 7, 2008 2:30 p.m.	**Juniper Fund Management Corporation, Juniper Income Fund, Juniper Equity Growth Fund and Roy Brown (a.k.a. Roy Brown-Rodrigues)** s.127 and 127.1 D. Ferris in attendance for Staff Panel: LER/ST
April 15, 2008 2:30 p.m.	**FactorCorp Inc., FactorCorp Financial Inc. and Mark Twerdun** s. 127 M. Mackewn in attendance for Staff Panel: TBA
May 5, 2008 10:00 a.m.	**John Illidge, Patricia McLean, David Cathcart, Stafford Kelley and Devendranauth Misir** S. 127 & 127.1 I. Smith in attendance for Staff Panel: TBA
May 5, 2008 10:00 a.m.	**Norshield Asset Management (Canada) Ltd., Olympus United Group Inc., John Xanthoudakis, Dale Smith and Peter Kefalas** s.127 P. Foy in attendance for Staff Panel: WSW/DLK
May 27, 2008 2:30 p.m.	**Borealis International Inc., Synergy Group (2000) Inc., Integrated Business Concepts Inc., Canavista Corporate Services Inc., Canavista Financial Center Inc., Shane Smith, Andrew Lloyd, Paul Lloyd, Vince Villanti, Larry Haliday, Jean Breau, Joy Statham, David Prentice, Len Zielke, John Stephan, Ray Murphy, Alexander Poole, Derek Grigor and Earl Switenky** s. 127 and 127.1 Y. Chisholm in attendance for Staff Panel: WSW/DLK
June 24, 2008 2:30 p.m.	**David Watson, Nathan Rogers, Amy Giles, John Sparrow, Leasesmart, Inc., Advanced Growing Systems, Inc., The Bighub.com, Inc., Pharm Control Ltd., Universal Seismic Associates Inc., Pocketop Corporation, Asia Telecom Ltd., International Energy Ltd., Cambridge Resources Corporation, Nutrione Corporation and Select American Transfer Co.** s. 127 and 127.1 P. Foy in attendance for Staff Panel: JEAT/ST
June 24, 2008	**Stanton De Freitas** s. 127 and 127.1 P. Foy in attendance for Staff Panel: JEAT/ST
July 14, 2008 10:00 a.m.	**Merax Resource Management Ltd. carrying on business as Crown Capital Partners, Richard Mellon and Alex Elin** s. 127 H. Craig in attendance for Staff Panel: TBA

November 3, 2008
10:00 a.m.

Rene Pardo, Gary Usling, Lewis Taylor Sr., Lewis Taylor Jr., Jared Taylor, Colin Taylor and 1248136 Ontario Limited

s. 127

E. Cole in attendance for Staff

Panel: TBA

TBA

Yama Abdullah Yaqeen

s. 8(2)

J. Superina in attendance for Staff

Panel: TBA

TBA

Microsourceonline Inc., Michael Peter Anzelmo, Vito Curalli, Jaime S. Lobo, Sumit Majumdar and Jeffrey David Mandell

s. 127

J. Waechter in attendance for Staff

Panel: TBA

TBA

Frank Dunn, Douglas Beatty, Michael Gollogly

s.127

K. Daniels in attendance for Staff

Panel: TBA

TBA

Shane Suman and Monie Rahman

s. 127 & 127(1)

K. Daniels in attendance for Staff

Panel: TBA

TBA

Limelight Entertainment Inc., Carlos A. Da Silva, David C. Campbell, Jacob Moore and Joseph Daniels

s. 127 and 127.1

D. Ferris in attendance for Staff

Panel: JEAT/ST

TBA

Imagin Diagnostic Centres Inc., Patrick J. Rooney, Cynthia Jordan, Allan McCaffrey, Michael Shumacher, Christopher Smith, Melvyn Harris and Michael Zelyony

s. 127 and 127.1

H. Craig in attendance for Staff

Panel: TBA

ADJOURNED SINE DIE

Global Privacy Management Trust and Robert Cranston

Andrew Keith Lech

S. B. McLaughlin

Livent Inc., Garth H. Drabinsky, Myron I. Gottlieb, Gordon Eckstein, Robert Topol

Andrew Stuart Netherwood Rankin

Portus Alternative Asset Management Inc., Portus Asset Management Inc., Boaz Manor, Michael Mendelson, Michael Labanowich and John Ogg

Maitland Capital Ltd., Allen Grossman, Hanouch Ulfan, Leonard Waddingham, Ron Garner, Gord Valde, Marianne Hyacinthe, Diana Cassidy, Ron Catone, Steven Lanys, Roger McKenzie, Tom Mezinski, William Rouse and Jason Snow

Euston Capital Corporation and George Schwartz

Al-Tar Energy Corp., Alberta Energy Corp., Eric O'Brien, Bill Daniels, Bill Jakes, John Andrews, Julian Sylvester, Michael N. Whale, James S. Lushington, Ian W. Small, Tim Burton and Jim Hennesy

Global Partners Capital, WS Net Solution, Inc., Hau Wai Cheung, Christine Pan, Gurdip Singh Gahunia

1.1.2 CSA Concept Paper 52-402 - Possible Changes to Securities Rules Relating to International Financial Reporting Standards

CSA CONCEPT PAPER 52-402

POSSIBLE CHANGES TO SECURITIES RULES RELATING TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

Introduction

Staff of the Canadian Securities Administrators (the CSA or we) are publishing this concept paper to set out possible changes to securities rules on acceptable accounting principles for financial reporting and to solicit from market participants comments on those possible changes. The possible changes relate to the changeover in Canada to International Financial Reporting Standards (IFRS) which are issued by the International Accounting Standards Board (IASB).

CSA rules currently refer to Canadian GAAP (generally accepted accounting principles), which are established by the Canadian Accounting Standards Board (AcSB) and published in the CICA Handbook. Following a period of public consultation, the AcSB has adopted a strategic plan to move financial reporting for Canadian publicly accountable enterprises to IFRS as issued by the IASB. The AcSB's implementation plan proposes a mandatory changeover from existing Canadian GAAP to IFRS for years beginning on or after January 1, 2011. The appendix provides a discussion, prepared by the Chair of the AcSB, of the rationale for the strategic and implementation plans.

National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency* (NI 52-107) sets out acceptable accounting principles for financial reporting under securities legislation by domestic issuers[1], foreign issuers, registrants and other market participants. Under existing NI 52-107, a domestic issuer must use Canadian GAAP with the exception that an SEC registrant has the option to use US GAAP. Under existing NI 52-107, only foreign issuers can use IFRS.

Given the AcSB's strategic plan, as well as recent developments in the US relating to acceptance of financial statements prepared in accordance with IFRS, we are considering possible amendments to NI 52-107 and are involved in other activities relating to the changeover to IFRS including:

- monitoring progress of the AcSB's implementation plan and market participants' preparations for the changeover
- identifying and developing necessary changes to CSA rules, policies and guidance that were developed on the basis that domestic issuers and registrants must use either existing Canadian GAAP or, in the case of SEC issuers, US GAAP
- developing guidance for issuers' disclosure of their transition to IFRS for filings during the years 2008 through 2010

This paper does not address all possible changes to securities rules relating to the changeover to IFRS, but focuses on three issues we think demand immediate attention. In the future, we may request comments on additional changes.

The three possible changes to securities rules addressed in this paper are:

1. Use of IFRS by domestic issuers before January 1, 2011,
2. Use of US GAAP by domestic issuers, and
3. Reference to "IFRS as issued by the International Accounting Standards Board" (IFRS-IASB) instead of "Canadian GAAP".

1. Use of IFRS by domestic issuers before January 1, 2011

The AcSB's strategic plan proposes mandatory changeover to IFRS for publicly accountable enterprises for financial years beginning on or after January 1, 2011.[2] However, some issuers might want to prepare their financial statements in accordance with IFRS for periods beginning prior to the changeover date. Issuers likely to consider doing this include the following:

[1] The term "domestic issuer" in this paper refers to a reporting issuer that is not a "foreign issuer" as defined in NI 52-107 Most domestic issuers are incorporated or organized in a Canadian jurisdiction.

[2] The AcSB has indicated it will confirm, or otherwise vary, the mandatory changeover date no later than March 31, 2008, as a result of its progress review.

- domestic issuers that are subsidiaries of entities based in a foreign jurisdiction that requires compliance with IFRS
- domestic issuers with significant foreign operations in jurisdictions where the operating subsidiaries must prepare financial statements in accordance with IFRS
- domestic issuers that are also SEC registrants and could therefore take advantage of the recently introduced opportunity to file IFRS financial statements with the SEC without a reconciliation to US GAAP[3]
- Canadian entities considering doing an IPO in both Canada and the US prior to the mandatory changeover date in Canada

A number of key factors, discussed below, are relevant in considering whether we should allow domestic issuers to adopt IFRS earlier than the mandatory changeover date.

a) readiness of preparers, investors, auditors, analysts and regulators

It appears that in-depth IFRS knowledge in Canada is just starting to develop. We expect that, over the next few years, market participants will face some IFRS education and resource challenges. The question is whether some issuers can adequately address those challenges before the mandatory changeover date. We expect that an issuer contemplating the possibility of adopting IFRS before 2011 would carefully assess the readiness of its staff, board of directors, audit committee, auditors, investors and other market participants to deal with the change.

b) comparability of financial statements

Under existing securities rules in Canada, a domestic issuer must file financial statements prepared in accordance with Canadian GAAP or, if the issuer is an SEC issuer, in accordance with US GAAP. Allowing early adoption of IFRS would introduce a third set of standards for domestic issuers for a limited period (until the mandatory changeover date), and therefore reduce the comparability of financial statements in our market. The extent of this disruption would be affected by the extent and timing of early adoption of IFRS.

c) experience in applying IFRS

Many countries have used IFRS for a few years only and several of the individual standards within IFRS are relatively new. Application practices continue to develop. Some interested parties have suggested that Canada should not adopt IFRS until application practices are further developed.

d) financial statement preparation costs

A domestic issuer that is a subsidiary of an entity based in a foreign jurisdiction, has significant foreign operations, or wants to avoid US GAAP reconciliation requirements might significantly reduce its costs of preparing financial statements and other filings if it could file in Canada earlier than 2011 financial statements prepared in accordance with IFRS.

e) impact on overall transition to IFRS in Canada

The overall transition to IFRS in Canada may be smoother if some issuers adopt IFRS before the mandatory changeover date. Issuers, investors, analysts and educators might increase their knowledge of IFRS earlier than they would if all domestic issuers had to wait until the mandatory changeover date. Issuers and investors could learn about IFRS and their impact on financial reporting from early adopters' disclosure. As well, early adoption by some reporting issuers may ease, albeit to a limited extent, the demand for IFRS expertise in 2010 and 2011.

f) changes to IFRS expected before the changeover date

Significant changes to IFRS during an early-adoption period would reduce the benefits of early adoption described in sections d) and e) above. In November 2007, AcSB staff estimated that 26 of the existing 37 individual standards within IFRS-IASB will remain essentially unchanged from their form as of January 1, 2007 and that, of the eleven standards expected to change, five will be amended only in respect of narrow aspects of the requirements.[4]

---

[3] Following its announced intention on November 15, 2007, the SEC released on December 21, 2007 a rule to allow foreign private issuers to file financial statements prepared in accordance with IFRS-IASB without having to reconcile those financial statements to US GAAP.

[4] Per November 19, 2007 AcSB publication "Publicly Accountable Enterprises – the Road to IFRSs."

Tentative conclusion

CSA staff think that, on balance, the factors support permitting early adoption. Therefore, CSA staff's tentative conclusion is that we should allow a domestic issuer to adopt IFRS-IASB for a financial year beginning on or after January 1, 2009.

Question 1 Do you agree we should allow a domestic issuer to adopt IFRS-IASB for a financial year beginning on or after January 1, 2009? If not, why?

Question 2 Are there additional factors, not discussed in this paper, to consider in deciding whether to allow a domestic issuer to adopt IFRS-IASB before 2011?

2. Use of US GAAP by domestic issuers

NI 52-107 currently permits SEC issuers (including domestic issuers that are SEC registrants) to file with Canadian securities regulators financial statements prepared using US GAAP. The plan to converge Canadian GAAP to IFRS by 2011 and the SEC's recent decision to allow foreign private issuers to file financial statements prepared in accordance with IFRS-IASB without reconciliation to US GAAP raise a question about the appropriateness of the existing provisions in NI 52-107 relating to US GAAP. Specifically, should we retain or remove the existing option for a domestic issuer that is also a SEC issuer to prepare its financial statements using US GAAP? Further, some have argued we should allow all domestic issuers the option of using US GAAP. We have identified various factors relevant to this decision.

a) acceptance of IFRS in the Canadian market

The CSA supports the goal of a single set of high-quality accounting standards that are accepted and applied globally, namely IFRS-IASB. We think our rules should promote broad adoption of IFRS-IASB in Canada. Retaining an option for domestic issuers to file financial statements prepared in accordance with US GAAP could undermine this goal.

b) costs and complexity of multiple standards

Issuers, investors, and advisors in Canada currently must deal with both Canadian GAAP and US GAAP financial information. As discussed earlier in this paper, allowing domestic issuers to choose among two or three sets of standards for preparing their financial statements reduces the comparability of financial statements in our market, and increases costs and complexity for market participants.

c) SEC's acceptance of IFRS-IASB

A key rationale for the CSA's introduction in 2004 of the option for a domestic issuer that is also a SEC issuer to use US GAAP was the cost and burden of preparing both Canadian GAAP and US GAAP financial statements. That rationale has been largely eliminated by the SEC's recent decision to allow foreign private issuers to file financial statements prepared in accordance with IFRS-IASB without reconciliation to US GAAP.

d) future role of US GAAP in Canada

Despite the SEC's recent decision to no longer require US GAAP reconciliation of a foreign private issuer's financial statements prepared in accordance with IFRS-IASB, some domestic issuers who currently use US GAAP might want to continue doing so for other reasons, including comparability to competitors who use US GAAP.

e) uncertainty about IFRS

We are aware that some issuers, particularly in certain industries, are concerned about the uncertainty of IFRS implementation and the content of future standards within IFRS. These issuers might prefer to continue with or change to US GAAP rather than adopt IFRS. However, any possible advantages of continuing with or changing to US GAAP should be weighed against uncertainty about the content of future standards within US GAAP and the possible acceptance by the SEC from US issuers of financial statements prepared in accordance with IFRS, matters that are currently the subject of extensive debate in the US.

Tentative conclusion

CSA staff believe that, on balance, the factors discussed above support eliminating our current provisions relating to the use of US GAAP by domestic issuers. Specifically, CSA staff's tentative conclusion is that we should not allow a domestic issuer to use US GAAP for a financial year beginning on or after January 1, 2009, with the exception that a domestic issuer filing US GAAP financial statements in Canada for its most recent financial year ending on or before December 31, 2008, could continue doing so for five years (i.e. 2009 to 2013).

Question 3 Do you agree we should not allow a SEC issuer to use US GAAP for financial years beginning on or after January 1, 2009, with the exception that a SEC issuer filing US GAAP financial statements in Canada for its most recent financial year ending on or before December 31, 2008, could continue doing so until 2013? If not, why do you disagree, and how, if at all, would you modify existing rules?

Question 4 Are there additional factors, not discussed in this paper, to consider in deciding whether to allow a SEC issuer to use US GAAP?

Question 5 Is the proposed transitional period of five years from 2009 to 2013 appropriate?

3. Reference to "IFRS-IASB" instead of "Canadian GAAP"

The AcSB's strategic plan proposes to import IFRS into Canadian GAAP and continue using the term "Canadian GAAP". The strategic plan indicates that this approach to terminology is necessary because many federal, provincial, and territorial laws, regulatory rules and other such requirements specifically refer to Canadian GAAP. The strategic plan says that despite this practical issue, the ultimate objective is for enterprises to be able to report compliance with IFRS.

CSA staff believe it may be possible to implement prior to 2011 a change in securities rules to refer to IFRS rather than Canadian GAAP, even without all other laws and requirements in Canada having been changed. In considering the possibility of referring in securities rules to IFRS-IASB rather than Canadian GAAP, CSA staff identified three issues discussed below.

a) transparency of the relationship between Canadian GAAP and IFRS-IASB

If, after the mandatory changeover date, reporting issuers' financial statements refer to Canadian GAAP only, many market participants, both within and outside Canada, might not understand that Canadian GAAP requires full compliance with IFRS-IASB.

b) jurisdictional modifications to IFRS

As we implement a changeover to IFRS in Canada, we can learn from other countries' experiences. In particular, some countries have adopted their own "version" of IFRS containing limited or extensive modifications from IFRS as issued by the IASB.

Continued use of the term Canadian GAAP might unintentionally give the impression that Canada is adopting a jurisdiction specific version of IFRS. Development of jurisdictional modifications to IFRS detracts from the ultimate objective of a single set of high-quality accounting standards that are accepted and applied globally. The Technical Committee of the International Organization of Securities Commissions (IOSCO) and others, including SEC staff, have expressed concern about a proliferation of references to "IFRS as adopted in a particular jurisdiction". The SEC's recent elimination of GAAP reconciliation requirements for foreign private issuers applies to financial statements prepared in accordance with IFRS-IASB only.

c) French translation of IFRS-IASB

The IASB issues IFRS-IASB in English only. The International Accounting Standards Committee Foundation has published French translations of a significant portion of IFRS-IASB. However, before changing securities rules to require a domestic issuer to prepare its financial statements in accordance with IFRS-IASB, we must ensure the timely availability on an ongoing basis of an appropriate French translation of IFRS-IASB.

Tentative conclusion

Based on the objective of transparency and concerns about jurisdictional modifications to IFRS, we prefer reference in securities rules to IFRS-IASB rather than Canadian GAAP. We are also hopeful that the French translation issue will be appropriately resolved. Based on these views, CSA staff's tentative conclusion is that we should require a domestic issuer to prepare its financial statements in accordance with IFRS-IASB and require an audit report on such annual financial statements to refer to IFRS-IASB. Under this approach, an issuer could disclose that its financial statements comply with both IFRS-IASB and Canadian GAAP, but we propose that NI 52-107 refer to IFRS-IASB only.

Question 6 Do you agree that we should require a domestic issuer to prepare its financial statements in accordance with IFRS-IASB and require an audit report on such annual financial statements to refer to IFRS-IASB? If not, why?

Question 7 Are there additional factors, not discussed in this paper, to consider in deciding whether securities rules should refer to IFRS-IASB rather than Canadian GAAP?

Conclusion and next steps

The CSA supports the goal of a single set of high-quality accounting standards that are accepted and applied globally. We believe the possible changes to securities rules in Canada described in this paper relating to early adoption of IFRS, removal of the US GAAP option for domestic issuers and reference to IFRS-IASB are appropriate in light of that goal. We expect that these changes, if implemented, would affect many market participants in Canada. Therefore, we invite you to participate in the process of developing the changes by providing us your comments on the issues set out in this paper. Please refer to instructions below on submitting comments.

Following a broadly based consultation concerning the issues raised in this concept paper, CSA staff will consider what, if any changes to NI 52-107 should be proposed. CSA staff will also consider the best way to implement, if appropriate, an option for domestic issuers to use IFRS before the mandatory changeover – either through changing NI 52-107 or through exemptive relief. We plan to publish for comment in mid 2008 any proposed changes to NI 52-107 with a view to implementing final changes in time for application to financial statements beginning on or after January 1, 2009.

Submitting comments

We invite you to send us your comments on the issues identified in this concept paper in electronic form. Please send them in writing on or before April 13, 2008.

Please address your comment letter to the CSA members listed below in care of Carla-Marie Hait, Chief Accountant, Corporate Finance, British Columbia Securities Commission and Sylvie Anctil-Bavas, Chef comptable, Autorité des marchés financiers.

We cannot keep submissions confidential because securities legislation in certain provinces requires us to publish a summary of written comments received during the comment period.

Questions

Please refer your questions to any of the following people:

Carla-Marie Hait
Chief Accountant, Corporate Finance
British Columbia Securities Commission
(604) 899-6726 or (800) 373-6393 (if calling from B.C. or Alberta)
chait@bcsc.bc.ca

Fred Snell
Chief Accountant
Alberta Securities Commission
(403) 297-6553
fred.snell@seccom.ab.ca

John Carchrae
Chief Accountant
Ontario Securities Commission
(416) 593-8221
jcarchrae@osc.gov.on.ca

Marion Kirsh
Associate Chief Accountant
Ontario Securities Commission
(416) 593-8282
mkirsh@osc.gov.on.ca

Sylvie Anctil-Bavas
Chef comptable
Autorité des marchés financiers
(514) 395-0337 ext.4291
sylvie.anctil-bavas@lautorite.qc.ca

February 15, 2008

Appendix

The Case for Changeover to International Financial Reporting Standards

by Paul Cherry, FCA, Chair of the Canadian Accounting Standards Board

International Financial Reporting Standards (IFRS) will soon become the basis of reporting for public companies in Canada. The Canadian Accounting Standards Board (AcSB) announced this change in January 2006, after two years of extensive consultation and public discussions across this country. The changeover date is January 1, 2011. The strategy is supported by a well-developed, comprehensive implementation plan (see www.acsbcanada.org).

Why change? Canada cannot stand in isolation from the growing acceptance of a common financial reporting language. Capital markets have gone global and Canada's share is less than 4%. If every country speaks a different accounting language, investors have difficulty comparing companies and investors ultimately bear the costs of translation. A global accounting language is the best solution for both public companies and investors.

In 1998, the Task Force on Standard Setting comprehensively examined the future direction of standard setting in Canada. It endorsed the objective of a single set of global accounting standards and, as an intermediate step, harmonization with US standards.

Why IFRS? Since 1998, views have changed. The overwhelming consensus view is that US GAAP is not a viable proposition in Canada, especially with our extensive junior capital markets. At the same time, IFRS has now progressed to the point where it can serve as the single set of global standards. The consensus is that the standards are comprehensive, robust and capable of consistent interpretation and application. Many in Canada and abroad have been urging their adoption in the major capital markets.

With businesses increasingly making decisions in a global context, the move to IFRS will place Canada with more than 100 other countries, including the United Kingdom and other European Union nations, as well as Australia, that have already made the move. Japan, China, India, Brazil, South Korea and Israel, to name a few, are now in the process of converging with IFRS.

Even the United States is signaling acceptance of IFRS. Foreign SEC registrants reporting using IFRS are no longer required to reconcile their financial statements to US GAAP – a significant cost saving. In addition, there is a formal agreement and work program to converge US GAAP and IFRS, and significant progress has already been made. Most recently, the United States is considering whether to adopt IFRS for its domestic issuers.

The AcSB believes that IFRS will provide more opportunities for Canadian businesses and investors in those businesses by reducing the cost of capital, increasing access to international capital markets and reducing costs by eliminating the need for reconciliations. By making the decision now to adopt IFRS, Canada is in a better position to influence the future evolution of IFRS and thereby avoid excessive reliance on detailed rules. The AcSB believes that the long-term benefits of a changeover to IFRS outweigh any short-term challenges. IFRS will provide a sound basis for high quality, clear and consistent reporting that serves investors' needs.

1.3 News Releases

1.3.1 Canadian Securities Regulators Release Concept Paper Relating to International Financial Reporting Standards

FOR IMMEDIATE RELEASE
February 13, 2008

CANADIAN SECURITIES REGULATORS RELEASE CONCEPT PAPER RELATING TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

Toronto - The Canadian Securities Administrators (CSA) is inviting public comment on its newly released CSA Concept Paper 52-402, discussing issues relating to proposed amendments to securities rules on acceptable accounting principles for financial reporting in light of Canada's adoption of International Financial Reporting Standards (IFRS).

The Accounting Standards Board (AcSB) proposes to move financial reporting for all Canadian publicly accountable enterprises to IFRS by January 1, 2011. As CSA rules refer to Canadian generally accepted accounting principles established by the AcSB, the CSA is considering the need for amendments to National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency*. The CSA is seeking feedback on three main issues:

- Use of IFRS by domestic issuers before January 1, 2011;
- Use of US GAAP by domestic issuers; and
- Reference to IFRS instead of Canadian GAAP in CSA securities rules.

"The move to a single financial reporting standard is occurring on a global basis," said Jean St-Gelais, Chair of the CSA and President & Chief Executive Officer of the Autorité des marchés financiers (Québec). "Securities regulators in Canada are committed to understanding and meeting the needs of Canadian investors, advisors, reporting issuers and auditors as this global shift occurs."

The concept paper and request for comments are available on various CSA members' websites.

The CSA, the council of the securities regulators of Canada's provinces and territories, co-ordinates and harmonizes regulation for the Canadian capital markets.

For more information:

Laurie Gillett
Ontario Securities Commission
416-595-8913

Barbara Shourounis
Saskatchewan Financial Services Commission
306-787-5842

Frédéric Alberro
Autorité de
s marchés financiers
514-940-2176

Andrew Poon
British Columbia Securities Commission
604-899-6880

Nicholas A. Pittas
Nova Scotia Securities Commission
902-424-6859

Mark Dickey
Alberta Securities Commission
403-297-4481

Bob Bouchard
Manitoba Securities Commission
204-945-2555

Jane Gillies
New Brunswick Securities Commission
506 643-7745

Marc Gallant
Prince Edward Island
Office of the Attorney General
902-368-4552

Doug Connolly
Financial Services Regulation Division
Newfoundland and Labrador
709-729-2594

Louis Arki
Nunavut Securities Registry
867-975-6587

Donald MacDougall
Securities Registry
Northwest Territories
867-920-8984

Yukon Securities Registry
Fred Pretorius
867-667-5225

1.4 Notices from the Office of the Secretary

1.4.1 Hacik Istanbul

FOR IMMEDIATE RELEASE
February 8, 2008

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

AND

IN THE MATTER OF
HACIK ISTANBUL

TORONTO – The Ontario Securities Commission will hold a hearing to consider the Application made by Hacik Istanbul for a review of a Director's Decision dated August 10, 2007.

The hearing will be held on February 21, 2008 at 10:30 a.m. on the 17th floor of the Commission's offices located at 20 Queen Street West, Toronto.

A copy of the Application is available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

For media inquiries: Wendy Dey
Director, Communications
& Public Affairs
416-593-8120

Laurie Gillett
Manager, Public Affairs
416-595-8913

Carolyn Shaw-Rimmington
Assistant Manager,
Public Affairs
416-593-2361

For investor inquiries: OSC Contact Centre
416-593-8314
1-877-785-1555 (Toll Free)

1.4.2 David Berry

FOR IMMEDIATE RELEASE
February 8, 2008

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

AND

IN THE MATTER OF
DAVID BERRY

TORONTO – The Ontario Securities Commission will hold a hearing to consider the Application made by David Berry for a review of a Market Regulations Services Inc. decision dated November 8, 2007.

The hearing will be held on March 6, 2008 at 10:00 a.m. on the 17th floor of the Commission's offices located at 20 Queen Street West, Toronto.

A copy of the Application is available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

For media inquiries: Wendy Dey
Director, Communications
& Public Affairs
416-593-8120

Laurie Gillett
Manager, Public Affairs
416-595-8913

Carolyn Shaw-Rimmington
Assistant Manager,
Public Affairs
416-593-2361

For investor inquiries: OSC Contact Centre
416-593-8314
1-877-785-1555 (Toll Free)

1.4.3 Limelight Entertainments Inc. et al.

FOR IMMEDIATE RELEASE
February 13, 2008

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

AND

IN THE MATTER OF
LIMELIGHT ENTERTAINMENT INC.,
CARLOS A. DA SILVA, DAVID C. CAMPBELL,
JACOB MOORE AND JOSEPH DANIELS

TORONTO – Following a hearing held on October 1, 2007 the Commission issued its Reasons and Decision in the above noted matter today.

A copy of the Reasons and Decision dated February 12, 2008 is available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

For media inquiries: Wendy Dey
Director, Communications
& Public Affairs
416-593-8120

Laurie Gillett
Manager, Public Affairs
416-595-8913

Carolyn Shaw-Rimmington
Assistant Manager,
Public Affairs
416-593-2361

For investor inquiries: OSC Contact Centre
416-593-8314
1-877-785-1555 (Toll Free)

1.4.4 Norshield Asset Management (Canada) Ltd. et al.

FOR IMMEDIATE RELEASE
February 13, 2008

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

AND

IN THE MATTER OF
NORSHIELD ASSET MANAGEMENT (CANADA) LTD.,
OLYMPUS UNITED GROUP INC.,
JOHN XANTHOUDAKIS, DALE SMITH AND
PETER KEFALAS

TORONTO – On February 7, 2008, the Commission issued an Order that the motion that was to be heard by the Commission on February 7 and 8, 2008 is adjourned to a date to be arranged through the Office of the Secretary of the Commission, but no later than March 26, 2008 at 10:00 a.m.

A copy of the Order dated February 7, 2008 is available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

For media inquiries: Wendy Dey
Director, Communications
& Public Affairs
416-593-8120

Laurie Gillett
Manager, Public Affairs
416-595-8913

Carolyn Shaw-Rimmington
Assistant Manager,
Public Affairs
416-593-2361

For investor inquiries: OSC Contact Centre
416-593-8314
1-877-785-1555 (Toll Free)

This page intentionally left blank

Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Sherwood Copper Corporation - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Offeror needs relief from the requirement that all holders of the same class of securities must be offered identical consideration – under the take-over bid, Canadian resident securityholders will receive shares of Offeror – shareholders resident in US and other foreign jurisdictions will receive substantially the same value as Canadian securityholders, but in the form of cash based on the proceeds from the sale of their shares – number of shares held by US and foreign residents is *de minimis*.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 97(1), 104(2).

January 29, 2008

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO, QUEBEC, NOVA SCOTIA, NEW BRUNSWICK, AND NEWFOUNDLAND AND LABRADOR
(the Jurisdictions)

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF
SHERWOOD COPPER CORPORATION
(the Filer)

MRRS DECISION DOCUMENT

Background

1 The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) for an exemption from the requirement in the Legislation to offer identical consideration to all holders of the same class of securities subject to a take-over bid (the Identical Consideration Requirement) in connection with the proposed take-over bid to be made by the Filer for all of the issued and outstanding common shares (the Keltic Shares) of Western Keltic Mines Inc. (Keltic) (the Requested Relief).

Under the Mutual Reliance Review System for Exemptive Relief Applications:

(a) the British Columbia Securities Commission is the principal regulator for this application; and

(b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

2 Defined terms in National Instrument 14-101 *Definitions* have the same meaning in this decision unless they are defined differently in this decision.

Representations

3 This decision is based on the following facts represented by the Filer:

1. the Filer is a corporation existing under the *Canada Business Corporations Act*; the registered and Canadian head office of the Filer is located in Vancouver, British Columbia;

2. the Filer is a reporting issuer, or equivalent, in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland and is not in default of any requirements of the applicable securities legislation of any such jurisdiction in which it is a reporting issuer;

3. the common shares of the Filer (the Sherwood Shares) are listed and posted for trading on the TSX Venture Exchange;

4. Keltic is a corporation continued under the *Business Corporations Act* (British Columbia); the registered and head office of Keltic is located in Vancouver, British Columbia;

5. Keltic is a reporting issuer in British Columbia and Alberta;

6. the Keltic Shares are listed and posted for trading on the TSX Venture Exchange;

7. on November 26, 2007, the Filer issued a press release announcing its intention to make an offer (the Offer) to acquire all of the issued and outstanding Keltic Shares on the basis of 0.08 of a Sherwood Share of the Filer for each one Keltic Share;

8. because the Sherwood Shares issuable pursuant to the Offer to the US Shareholders have not been registered under the United States Act of 1933, as amended (the 1933 Act), and are not eligible for sale under the securities laws of a substantial number of states in the United States without registration, the offer, sale and delivery of such Sherwood Shares to US Shareholders without further action by the Filer would constitute a violation of United States securities laws;

9. Rule 802 under the 1933 Act (Rule 802) provides an exemption from the registration requirements of the 1933 Act for offers and sales in any exchange offer for a class of securities of a foreign private issuer or in any exchange of securities for the securities of a foreign private issuer in any business combination if the holders of the foreign subject company resident in the United States hold no more than 10% of the securities that are the subject of the exchange offer or business combination; Rule 802 provides that for the purposes of this calculation, securities held by persons who hold more than 10% of the subject securities are to be excluded, as are securities held by the offeror; in order for this exemption to apply, holders resident in the United States must participate in the exchange offer or business combination on terms at least as favourable as those offered to the other holders of the subject securities, subject to an exception which allows the offeror to offer cash consideration to securityholders resident in states of the United States that do not have an applicable state "blue sky" exemption from the registration or qualification requirements of state securities laws;

10. based on public disclosure reviewed by the Filer, Keltic is a "foreign private issuer" within the meaning of Rule 405 of Regulation C under the 1933 Act; furthermore, based on public disclosure contained in Keltic's management information circular filed with the Canadian securities regulators on May 14, 2007, there are no persons that hold more than 10% of the Keltic Shares; to the knowledge of the Filer, after reasonable inquiry, approximately 8.18% of the issued and outstanding Keltic Shares on a non-diluted basis are beneficially held by the holders of Keltic Shares (Keltic Shareholders) who are resident in the United States (US Shareholders);

11. therefore, to the knowledge of the Filer, after reasonable inquiry, the 10% ownership condition and the other conditions of Rule 802 have been met and the offer and sale of the Keltic Shares is exempt from the registration requirements of the 1933 Act;

12. there is no general exemption from state "blue sky" laws that coordinates with Rule 802; as a result, the securities laws of a significant number of states would prohibit delivery of the Sherwood Shares to US Shareholders without registration of the Sherwood Shares to be issued to US Shareholders resident in such states unless such holders are otherwise exempt investors under the laws of such states; the Multi-Jurisdictional Disclosure System does not provide relief from the registration or qualification requirements of United States state securities laws;

13. registration under the 1933 Act and applicable state securities laws of the Sherwood Shares deliverable to US Shareholders would be costly and burdensome to the Filer;

14. for US Shareholders (and Keltic Shareholders who appear to the Filer or to the depositary (the Depositary) designated under the Offer to be US Shareholders) who are resident in one of the subject states with no available registration exemption, the Filer proposes to deliver to the Depositary the Sherwood Shares that those US Shareholders would otherwise be entitled to receive under the Offer, and an agent of nominee of the Depositary will then sell (or cause to be sold) the Sherwood Shares on behalf of those US Shareholders through the facilities of the TSX Venture Exchange; as soon as possible after the completion of the sale, the Depositary or

selling agent will deliver to each such holder their respective pro rata share of the cash proceeds of sale, less commissions and applicable withholding taxes;

15. to the extent that any of the Keltic Shareholders are in jurisdictions which do not permit the Sherwood Shares to be delivered without registration or qualification under the laws of their own jurisdiction (Foreign Shareholders), the Filer may utilize a mechanism similar to the one described in paragraph 14 above, modified as necessary to comply with the laws of such foreign jurisdiction;

16. any sale of Sherwood Shares described in paragraphs 14 and 15 above will be completed as soon as practicable after the date on which the Filer takes up the Keltic Shares tendered by the US Shareholders or Foreign Shareholders under the Offer and will be done in a manner intended to maximize the consideration to be received from the sale by the applicable US Shareholders or Foreign Shareholders and minimize any adverse impact of the sale on the market for the Sherwood Shares;

17. the take-over bid circular to be prepared by the Filer and sent to all Keltic Shareholders will disclose the procedure described in paragraph 14 above to be followed by US Shareholders who tender their Keltic Shares to the Offer; and

18. except to the extent that relief from the Identical Consideration Requirement is granted, the Offer will otherwise be made in compliance with the requirements under the Legislation governing take-over bids.

Decision

4 Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met.

The decision of the Decision Makers under the Legislation is that, in connection with the Offer, the Requested Relief is granted so that US Shareholders and Foreign Shareholders who would otherwise receive Sherwood Shares under the Offer instead receive cash proceeds from the sale of those Sherwood Shares in accordance with the procedures set out in paragraph 14 and 15 above.

"Martin Eady", CA
Director, Corporate Finance
British Columbia Securities Commission

2.1.2 Stone 2007 Flow-Through GP Inc. and Stone 2007 Flow-Through Limited Partnership - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – exemption granted to flow-through limited partnership from the requirement in National Instrument 81-106 Investment Fund Continuous Disclosure to file an annual information form - flow-through limited partnership that has a short lifespan and does not have a readily available secondary market.

Rules Cited

National Instrument 81-106 Investment Fund Continuous Disclosure, ss. 9.2, 17.1.

February 5, 2008

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO, QUEBEC, NEW BRUNSWICK, NOVA SCOTIA, NEWFOUNDLAND AND LABRADOR, NORTHWEST TERRITORIES, YUKON TERRITORY AND NUNAVUT
(the "Jurisdictions")

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF
STONE 2007 FLOW-THROUGH GP INC.
(the "General Partner")

AND

IN THE MATTER OF
STONE 2007 FLOW-THROUGH LIMITED PARTNERSHIP
(the "Partnership")

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the "**Decision Maker**") in each of the Jurisdictions has received an application from the Partnership for a decision under the securities legislation of the Jurisdictions (the "**Legislation**") exempting the Partnership from the requirement in section 9.2 of National Instrument 81-106 *Investment Fund Continuous Disclosure* ("**NI 81-106**") to file an annual information form (the "**Requested Relief**").

Under the Mutual Reliance Review System (**MRRS**) for Exemptive Relief Applications:

(a) the Ontario Securities Commission is the principal regulator for this application; and

(b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

Defined terms contained in National Instrument 14-101 *Definitions* have the same meaning in this decision unless they are defined in this decision.

Representations

This decision is based on the following facts represented by the General Partner:

General Partner

1. The General Partner is a corporation formed under the laws of Ontario. The principal office of the General Partner is located in Toronto, Ontario.

2. Stone Asset Management Limited, the Investment Advisor to the General Partner, is the only shareholder of the General Partner.

3. The General Partner has exclusive authority to manage the operations and affairs of the Partnership, to make all decisions regarding the business of the Partnership and to bind the Partnership. As a result, the General Partner has the general authority to apply on behalf of the Partnership for the Requested Relief.

Partnership

4. The Partnership was formed on November 8, 2006 pursuant to the provisions of the *Limited Partnerships Act* (Ontario). The head office of the Partnership is located in Toronto, Ontario.

5. The primary investment objective of the Partnership is to invest in flow-through shares ("**Flow-Through Shares**") of resource issuers ("**Resource Issuers**") engaged primarily in oil and gas and mineral exploration in Canada with a view to the preservation of capital and achieving capital appreciation of the Partnership's investments.

6. The Partnership received a receipt dated January 30, 2007, issued under MRRS by the Ontario Securities Commission on behalf of each of the provincial and territorial regulators with respect to its (final) prospectus dated January 29, 2007 (the "**Prospectus**") offering for sale up to 3,000,000 limited partnership units (the "**Units**") at a price of $25.00 per Unit. The Partnership is a reporting issuer in each of the Jurisdictions. No additional Units of the Partnership have been or will be issued.

7. The Units have not been and will not be listed or quoted for trading on any stock exchange or market. The Units are also not redeemable by the Limited Partners.

8. It is the current intention of the Partnership, as described in the Prospectus, to transfer its assets (the "**Rollover Transaction**") to Stone & Co. Corporate Funds Limited, an open-ended mutual fund corporation incorporated under the laws of Canada, ("**SCCFL**"), on or about January 9, 2009 on a tax deferred, rollover basis in exchange for redeemable series A Stone & Co. Resource Plus Class shares (the "**Resource Plus Class Shares**") of SCCFL (the "**Stone Resource Fund**"). Within 60 days following the Rollover Transaction, the Resource Plus Class Shares that the Partnership will receive in consideration for the transfer of the Partnership's assets will be distributed to the Limited Partners together with any cash remaining in the Partnership on a *pro rata* tax-deferred basis and the affairs of the Partnership will be wound-up. In the event that it is not possible for the Partnership to complete the Rollover Transaction, it is the current intention of the Partnership to dissolve and distribute its net assets *pro rata* to its Limited Partners no later than July 31, 2009 or such later date as may be approved by the Limited Partners by extraordinary resolution.

9. Since its formation, the Partnership's activities have been limited to (i) completing the issue of the Units under the Prospectus, (ii) investing its available funds in Flow-Through Shares of Resource Issuers, and (iii) incurring expenses as described in the Prospectus.

10. Given the limited range of business activities to be conducted by the Partnership, the short duration of its existence and the nature of the investment of the Limited Partners, the preparation and distribution of an annual information form by the Partnership will not be of any benefit to the limited partners and may impose a material financial burden on the Partnership. Upon the occurrence of any material change to the Partnership, the Limited Partners will receive all relevant information from the material change report the Partnership is required to file with the Decision Makers.

Decision

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met.

The decision of the Decision Makers under the Legislation is that the Requested Relief is granted.

"Vera Nunes"
Assistant Manager, Investment Funds Branch

2.1.3 NexGen Financial Limited Partnership et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Exemptive relief granted to a mutual fund allowing a 63-day extension of the prospectus lapse date – Extension of lapse date granted to facilitate consolidation of mutual fund's prospectus with prospectus of other mutual funds under common management.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5 as am., s. 62(5).

February 5, 2008

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, ONTARIO
AND QUEBEC
(the "Jurisdictions")

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF
NEXGEN FINANCIAL LIMITED PARTNERSHIP
("NexGen")

AND

IN THE MATTER OF
NEXGEN GLOBAL VALUE REGISTERED FUND
NEXGEN GLOBAL VALUE TAX MANAGED FUND
(collectively the "Global Funds")

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the "**Decision Maker**") in each of the Jurisdictions has received an application from NexGen on behalf of the Global Funds for a decision under the securities legislation of the Jurisdictions (the "**Legislation**") that the time limits for the renewal of the simplified prospectus of the Global Funds dated March 6, 2007 (the "**Prospectus**") be extended to those time limits that would be applicable if the lapse date of the Prospectus was May 9, 2008 (the "**Requested Relief**").

Under the Mutual Reliance Review System for Exemptive Relief Applications:

(a) the Ontario Securities Commission is the principal regulator for this application, and

(b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

Defined terms contained in National Instrument 14-101 Definitions have the same meaning in this decision unless they are defined in this decision.

Representations

This decision is based on the following facts represented by NexGen:

1. NexGen is the manager of the Global Funds.

2. The Global Funds are currently qualified for distribution in the Jurisdictions under the Prospectus which lapses on March 6, 2008.

3. The Global Funds are reporting issuers under the Legislation. The Global Funds are not in default of any of the requirements of the Legislation.

4. NexGen is also the manager of the remaining NexGen funds (the "**Other Funds**") offered under a prospectus whose lapse date is May 9, 2008.

5. In order to reduce the cost of renewing the Prospectus for the Global Funds and reduce ongoing printing and related filing costs, NexGen wishes to combine the Prospectus for the Global Funds with the prospectus of the Other Funds.

6. If the Requested Relief was not granted it would be necessary to renew the Prospectus twice within a short period of time in order to consolidate the Prospectus with the prospectus of the Other Funds.

7. Since March 6, 2007, the date of the Prospectus of the Global Funds, no undisclosed material change has occurred and no amendments have been made to the Prospectus. Accordingly, the Prospectus provides accurate information regarding the Global Funds. The extension requested will not affect the currency or accuracy of the information contained in the Prospectus, and accordingly, will not be prejudicial to the public interest.

Decision

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met.

The decision of the Decision Makers under the Legislation is that the Requested Relief is granted.

"Vera Nunes"
Assistant Manager, Investment Funds Branch
Ontario Securities Commission

2.1.4 Berkana Energy Corp. - s. 1(10)(b)

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – application for an order that the issuer is not a reporting issuer.

Ontario Statutes

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10)(b).

Citation: Berkana Energy Corp., 2008 ABASC 63

February 7, 2008

Burstall Winger LLP
1600 Dome Tower
333 - 7 Avenue SW
Calgary, AB T2P 2Z1

Attention: Sabina Shah

Dear Madam:

Re: Berkana Energy Corp. (the Applicant) - Application to Cease to be a Reporting Issuer under the securities legislation of Alberta, Saskatchewan and Ontario (the Jurisdictions)

The Applicant has applied to the local securities regulatory authority or regulator (the **Decision Maker**) in each of the Jurisdictions for a decision under the securities legislation (the **Legislation**) of the Jurisdictions to be deemed to have ceased to be a reporting issuer in the Jurisdictions.

As the Applicant has represented to the Decision Makers that:

1. the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by less than 15 security holders in each of the jurisdictions in Canada and less than 51 security holders in total in Canada;

2. no securities of the Applicant are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*;

3. the Applicant is applying for relief to cease to be a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer; and

4. the Applicant is not in default of any of its obligations under the Legislation as a reporting issuer,

each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met and orders that the Applicant is deemed to have ceased to be a reporting issuer in the Jurisdictions.

Relief requested granted on the 7th day of February, 2008.

"Blaine Young"
Associate Director, Corporate Finance
Alberta Securities Commission

2.1.5 0805346 B.C. Ltd. (formerly Northern Orion Resources Inc.) - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – application for an order that the issuer is not a reporting issuer.

Ontario Statutes

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10).

January 23, 2008

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA, SASKATCHEWAN, MANITOBA,
ONTARIO, QUÉBEC, NEW BRUNSWICK,
NOVA SCOTIA, AND NEWFOUNDLAND
AND LABRADOR (THE "JURISDICTIONS")

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF
0805346 B.C. LTD. (THE "FILER")
(FORMERLY NORTHERN ORION RESOURCES INC.
("NORTHERN ORION"))

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the "Decision Maker") in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the "Legislation") to not be a reporting issuer in the Jurisdictions in accordance with the Legislation (the "Requested Relief").

Under the Mutual Reliance Review System for Exemptive Relief Applications:

(a) the Ontario Securities Commission is the principal regulator for this application, and

(b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

Defined terms contained in National Instrument 14-101 – *Definitions* have the same meaning in this decision unless they are defined in this decision.

Representations

This decision is based on the following facts represented by the Filer:

1. Northern Orion, the predecessor to the Filer, was formed under the *Business Corporations Act* (British Columbia) ("BCA") on April 30, 1986, and was the subject of a court approved plan of arrangement (the "Arrangement") pursuant to which all of the issued and outstanding shares of the Northern Orion were acquired by Yamana Gold Inc. ("Yamana") on October 13, 2007 at 12:01 a.m. (the "Effective Time").

2. The authorized capital of the Northern Orion consisted of 900,000,000 shares divided into 700,000,000 common shares ("Common Shares"), 100,000,000 first preference shares and 100,000,000 second preference shares. Immediately prior to the Effective Time, there were 154,103,861 Common Shares issued and outstanding and no first preference shares or second preference shares issued and outstanding.

3. Northern Orion also had two series of common share purchase warrants outstanding, series A warrants expiring on May 29, 2008 (the "Series A Warrants") and series B warrants expiring on February 17, 2010 (the Series B Warrants and together with the Series A Warrants, the "Warrants"). Immediately prior to the Effective Time, there were 39,445,150 Series A Warrants issued and outstanding and 17,125,000 Series B Warrants issued and outstanding.

4. Pursuant to the Arrangement, at the Effective Time, each outstanding Warrant of Northern Orion became exercisable to acquire 0.543 of a Yamana common share and C$0.001 in cash, at an exercise price of $2.00 per Series A Warrant ($3.68 per whole Yamana common share) at any time on or before May 29, 2008, and $6.00 per Series B Warrant ($11.05 per whole Yamana common share) at any time on or before February 17, 2010.

5. The Arrangement was approved by the requisite number of votes at a Special Meeting of Shareholders of Northern Orion held on August 22, 2007, and the final order of the Supreme Court of British Columbia approving the Arrangement was obtained on August 27, 2007.

6. Pursuant to the steps under the Arrangement, at the Effective Time the following occurred without any further act or formality: (i) Yamana became the beneficial holder of all the issued and outstanding Common Shares; (ii) Yamana then immediately transferred all of the Common Shares to its wholly-owned subsidiary, 0796937 B.C. Ltd.; and (iii) 0796937 B.C. Ltd. then amalgamated with Northern Orion to form the Filer under BCA.

7. The Common Shares and Warrants were de-listed from the Toronto Stock Exchange effective as of October 17, 2007, and, as a result, no securities of Northern Orion are traded on a marketplace as defined in National Instrument 21-101 - *Marketplace Operations*.

8. The Filer is a corporation existing under the BCA.

9. The head office of the Filer is located at 150 York Street, Suite 1102, Toronto, Ontario M5H 3S5.

10. No securities of the Filer are traded on a marketplace as defined in National Instrument 21-101 - *Marketplace Operations*.

11. The Filer is a reporting issuer under the Legislation in each of the Jurisdictions and was a reporting issuer in British Columbia. The Filer filed a voluntary surrender of reporting issuer status with the British Columbia Securities Commission (the "BCSC") on October 18, 2007, and was granted non-reporting status by the BCSC effective October 28, 2007.

12. The outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by less than 15 security holders in each of the jurisdictions in Canada and less than 51 security holders in total in Canada.

13. The Filer has no current intention to seek public financing by way of an offering of securities.

14. The Filer is not in default of any of its obligations under the Legislation as a reporting issuer, other than its obligation to file interim financial statements, related management's discussion and analysis and certificates in respect of the interim period ended September 30, 2007.

15. The Filer is applying for relief to cease to be a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer or the equivalent. Upon the grant of the Requested Relief by each of the Decision Makers, the Filer will not be a reporting issuer in any jurisdiction in Canada.

Decision

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met.

The decision of the Decision Makers under the Legislation is that the Requested Relief is granted.

"Robert L. Shirriff"
Commissioner
Ontario Securities Commission

"Margot C. Howard"
Commissioner
Ontario Securities Commission

2.2 Orders

2.2.1 Meta Health Services Inc. - s. 144

Headnote

Application by an issuer for a revocation of a cease trade order issued by the Commission -- cease trade order issued because the issuer had failed to file certain continuous disclosure materials required by Ontario securities law -- defaults subsequently remedied by bringing continuous disclosure filings up-to-date -- cease trade order revoked.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., s. 144.

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, CHAPTER S.5, AS AMENDED
(the "Act")

AND

IN THE MATTER OF
META HEALTH SERVICES INC.

ORDER
(Section 144)

WHEREAS the securities of Meta Health Services Inc. (the "Applicant") are subject to a temporary cease trade order made by the Director on December 1, 2006 under paragraph 2.1 of subsection 127(1) and subsection 127(5) of the Act, as extended by an order made by the Director on December 13, 2006 under paragraph 2 and paragraph 2.1 of subsection 127(1) of the Act (collectively, the "Ontario Cease Trade Order"), directing that all trading in and acquisitions of the securities of the Applicant, whether direct or indirect, cease until the Ontario Cease Trade Order is revoked by the Director;

AND WHEREAS the Applicant has applied to the Ontario Securities Commission (the "Commission") pursuant to section 144 of the Act (the "Application") for a revocation of the Ontario Cease Trade Order;

AND WHEREAS the Applicant has represented to the Commission that:

1. The Applicant was incorporated under the *Business Corporations Act* (Alberta) on March 23, 1998.

2. The Applicant is a reporting issuer under the securities legislation of the provinces of Ontario, British Columbia and Alberta.

3. The Ontario Cease Trade Order was issued due to the failure of the Applicant to file with the Commission annual audited financial statements for the year ended July 31, 2006 and the

management's discussion and analysis related thereto (the "2006 Statements").

4. The Applicant is also subject to cease trade orders issued: (a) by the British Columbia Securities Commission ("BCSC") on December 5, 2006 for the failure of the Applicant to file with the BCSC the 2006 Statements; and (b) by the Alberta Securities Commission ("ASC") on March 23, 2007 for the failure of the Applicant to file with the ASC annual audited financial statements for the year ended July 31, 2006 and interim unaudited financial statements for the interim period ended on October 31, 2006 (together with the Ontario Cease Trade Order, the "Cease Trade Orders").

5. On January 30, 2008, the Applicant filed through SEDAR the 2006 Statements, annual audited financial statements for the year ended July 31, 2007, and interim financial statements for the periods ended October 31, 2006, January 31, 2007, April 30, 2007, and October 31, 2007, together with management's discussion and analysis and certificates relating thereto. The Applicant has now brought its continuous disclosure filings up to date.

6. The Applicant is not, to its knowledge, in default of any of the requirements of the Act, or the rules and regulations made pursuant thereto, other than the issuance by the Applicant of a promissory note to Rogan Holdings Inc. ("Rogan") on March 1, 2007 in contravention of the Cease Trade Orders. Rogan is a private corporation controlled by the family of Dr. Gordon Organ, the Chairman and a director of the Applicant.

7. Other than the Cease Trade Orders, the Applicant has not previously been subject to a cease trade order.

8. The Applicant's authorized capital consists of an unlimited number of common shares (the "Common Shares"), of which approximately 13,772,040 Common Shares are issued and outstanding.

9. The Applicant is not considering, nor is it involved in any discussion relating to a reverse take-over, merger, amalgamation or other form of combination or transaction similar to any of the foregoing.

10. Trades in the Common Shares of the Applicant were previously reported on the TSX Venture Exchange. The Applicant has no securities, including debt securities, listed or quoted on any exchange or market.

11. Other than Common Shares and promissory notes evidencing certain debt obligations, the Applicant has no securities, including debt securities, outstanding with the exception of stock options granted to directors.

12. The Applicant has paid all outstanding fees to the Commission, including all applicable activity fees, participation fees and late filing fees.

13. The Applicant will hold an annual meeting of shareholders within three months after the date hereof.

14. Upon the issuance of this Order, the Applicant will issue and file a news release through SEDAR.

15. The Applicant has applied to have the cease trade orders issued by the BCSC on December 5, 2006 and the ASC on March 23, 2007, respectively, revoked.

AND WHEREAS considering the Application and the recommendation of the staff of the Commission;

AND WHEREAS the Director being satisfied that it would not be prejudicial to the public interest to revoke the Ontario Cease Trade Order;

IT IS ORDERED, pursuant to section 144 of the Act, that the Ontario Cease Trade Order is revoked.

DATED this 6th day of February, 2008.

"Jo-Anne Matear"
Assistant Manager, Corporate Finance Branch
Ontario Securities Commission

2.2.2 Horizons Betapro S&P/TSX Global Mining Bull Plus ETF et al. - OSC Rule 48-501 Trading During Distributions, Formal Bids and Share Exchange Transactions, s. 1.1

Headnote

Certain mutual funds designated as exchange-traded funds for the purposes of OSC Rule 48-501.

Rules Cited

Ontario Securities Commission Rule 48-501 – Trading During Distributions, Formal Bids and Share Exchange Transactions, s. 1.1.

IN THE MATTER OF
ONTARIO SECURITIES COMMISSION RULE 48-501 – TRADING DURING DISTRIBUTIONS, FORMAL BIDS AND SHARE EXCHANGE TRANSACTIONS (Rule)

AND

IN THE MATTER OF
HORIZONS BETAPRO S&P/TSX GLOBAL MINING BULL PLUS ETF,
HORIZONS BETAPRO S&P/TSX GLOBAL MINING BEAR PLUS ETF,
HORIZONS BETAPRO COMEX GOLD BULLION BULL PLUS ETF,
HORIZONS BETAPRO COMEX GOLD BULLION BEAR PLUS ETF,
HORIZONS BETAPRO NYMEX CRUDE OIL BULL PLUS ETF,
HORIZONS BETAPRO NYMEX CRUDE OIL BEAR PLUS ETF,
HORIZONS BETAPRO NYMEX NATURAL GAS BULL PLUS ETF,
HORIZONS BETAPRO NYMEX NATURAL GAS BEAR PLUS ETF,
CLAYMORE 1-5 YR LADDERED GOVERNMENT BOND ETF,
CLAYMORE GLOBAL AGRICULTURE ETF,
CLAYMORE NATURAL GAS COMMODITY ETF,
CLAYMORE GLOBAL MONTHLY YIELD HOG ETF,
AND
CLAYMORE S&P/TSX GLOBAL MINING ETF
(collectively, the Funds)

DESIGNATION ORDER
Section 1.1

WHEREAS each of the Funds is listed on the Toronto Stock Exchange;

AND WHEREAS Market Regulation Services Inc. has designated, or intends to designate, each of the Funds as an Exchange-traded Fund for the purposes of the Universal Market Integrity Rules (UMIR);

AND WHEREAS the definition of “exchange-traded fund” in the Rule is substantially similar to the definition of Exchange-traded Fund in UMIR;

THE DIRECTOR HEREBY DESIGNATES each of the Funds as an exchange-traded fund for the purposes of the Rule.

Dated February 7, 2008

Brigitte Geisler
Director, Market Regulation
Ontario Securities Commission

2.2.3 Natixis Environnement & Infrastructures - ss. 3.1(1), 80 of the CFA

Headnote

Section 80 of the Commodity Futures Act (Ontario) – Relief from the adviser registration requirements of subsection 22(1)(b) of the CFA in respect of acting as an adviser to certain mutual funds, non-redeemable investment funds and similar investment vehicles established outside of Canada, the securities of which are primarily offered outside of Canada, in respect of trades in commodity futures contracts and commodity futures options primarily traded on commodity futures exchanges outside of Canada and primarily cleared through clearing corporations outside of Canada, subject to certain terms and conditions.

Subsection 3.1(1) of the Commodity Futures Act (Ontario) – Assignment by the Commission to the Director of the powers and duties vested in the Commission under subsection 78(1) of the CFA to allow the Director to vary the present order by specifically naming an affiliate as an applicant to the order.

Statutes Cited:

Commodity Futures Act, R.S.O. 1990, c. C.20, as am., ss. 3.1(1), 22(1)(b), 78, 80.
Securities Act, R.S.O. 1990, c. S.5, as am. – Rule 35-502 – Non Resident Advisers.

IN THE MATTER OF
THE COMMODITY FUTURES ACT,
R.S.O. 1990, CHAPTER C.20, AS AMENDED
(the CFA)

AND

IN THE MATTER OF
NATIXIS ENVIRONNEMENT & INFRASTRUCTURES

ORDER
(Section 80 and Subsection 3.1(1) of the CFA)

UPON the application (the **Application**) of Natixis Environnement & Infrastructures (**Natixis**) and certain affiliates of, or entities organized by, Natixis that provide notice to the Director as referred to below (each, an **Affiliate**, and together with Natixis, the **Applicants**) to the Ontario Securities Commission (the **Commission**) for:

(a) an order pursuant to section 80 of the CFA that each of the Applicants (including their respective directors, officers, partners, principals, members and employees), be exempt, for a period of five years, from the registration requirements of paragraph 22(1)(b) of the CFA in respect of acting as an adviser to certain mutual funds, non-redeemable investment funds and similar investment vehicles established outside of Canada (the **Funds**, as defined below), the securities of which are primarily offered outside of Canada, in respect of trades in commodity futures contracts and commodity futures options primarily traded on commodity futures exchanges outside of Canada and primarily cleared through clearing corporations outside of Canada ; and

(b) an assignment by the Commission to each Director, acting individually, pursuant to subsection 3.1(1) of the CFA, of the powers and duties vested in the Commission under subsection 78(1) of the CFA, to vary this Order by specifically naming any Affiliate of Natixis as an Applicant to this Order in the circumstances described below;

AND UPON considering the Application and the recommendation of staff of the Commission;

AND UPON the Applicants having represented to the Commission that:

1. Each of the Applicants is or will be organized under the laws of a jurisdiction other than Canada or the provinces or territories thereof. In particular, Natixis is a corporation (*société par actions simplifiée*) incorporated under the laws of France having its registered office in Paris, France.

2. Any Affiliate, whose name does not specifically appear in this Order, who wishes to rely on the exemption granted under this Order must execute and file with the Commission (Attention: Manager, Registrant Regulation) two copies of a notice (the **Notice**, in the form of Part A to the attached Schedule A), applying to the Director to vary this Order to specifically name the Affiliate as an Applicant to this Order. The Notice must be filed with the Commission at least ten (10) days prior to the date that such Affiliate wishes to begin relying on this Order.

3. If, in the Director's opinion, it would not be prejudicial to the public interest, within ten (10) days after receiving the Notice, the Director will provide the Affiliate with a written acknowledgment and consent (the **Director's Consent**, in the form of Part B to the attached Schedule A). The Director's Consent will allow the Affiliate to rely on the exemption granted in this Order by varying the Order to specifically name the Affiliate as an Applicant to this Order. The Affiliate may not rely on this Order until it has received the Director's Consent.

4. If, after reviewing the Notice, the Director provides a written notice of objection (the **Objection Notice**) to the Affiliate, the Affiliate will not be permitted to rely on the exemption granted under this Order. However, the Affiliate may, by notice in writing sent by registered mail to the Secretary of the Commission within 30 days after receiving the Objection Notice, request and be entitled to a hearing and review of such decision by the Commission.

5. Subsection 78(1) of the CFA provides that the Commission may, on the application of a person or company affected by the decision, make an order revoking or varying a decision of the Commission if, in the Commission's opinion, the order would not be prejudicial to the public interest. Further, subsection 3.1(1) of the CFA provides that a quorum of the Commission may assign any of its powers and duties under the CFA (except powers and duties under section 4 and Part IV) to the Director.

6. None of the Applicants are or will be registered in any capacity under the CFA or the *Securities Act* (Ontario) (the **OSA**).

7. Natixis serves as the investment manager and/or investment adviser to European Kyoto Fund (the **Existing Fund**), among other mutual funds, non-redeemable investment funds or similar investment vehicles. The Applicants may in the future establish or advise certain other mutual funds, non-redeemable investment funds or similar investment vehicles (together with the Existing Fund, the **Funds**).

8. The Funds may, as a part of their investment program, invest in commodity futures contracts and commodity futures options primarily traded on commodity futures exchanges outside of Canada and primarily cleared through clearing corporations located outside of Canada.

9. The Funds advised by the Applicants are and will be established outside of Canada. Securities of the Funds are and will be primarily offered outside of Canada to institutional investors and may also be offered to high net worth individuals primarily outside of Canada. Securities of the Funds will be offered to certain Ontario residents who will be, at the time of their investment, institutional investors or high net worth individuals that qualify as an "accredited investor" under National Instrument 45-106 – *Prospectus and Registration Exemptions* and will be distributed in Ontario in reliance upon an exemption from the prospectus requirements of the OSA and an exemption from the adviser registration requirement of the OSA under section 7.10 of OSC Rule 35-502 – *Non Resident Advisers* (**Rule 35-502**).

10. Paragraph 22(1)(b) of the CFA prohibits a person or company from acting as an adviser unless the person or company is registered as an adviser under the CFA, or is registered as a partner or an officer of a registered adviser and is acting on behalf of a registered adviser. Under the CFA, "adviser" means a person or company engaging in or holding himself, herself or itself out as engaging in the business of advising others as to trading in "contracts", and "contracts" means commodity futures contracts and commodity futures options.

11. By advising the Funds on investing in commodity futures contracts and commodity futures options primarily traded on commodity futures exchanges outside Canada and primarily cleared through clearing corporations outside Canada, the Applicants will be providing advice to Ontario investors with respect to commodity futures contracts and commodity futures options and, in the absence of being granted the requested relief, would be required to register as advisers under the CFA.

12. There is presently no rule under the CFA that provides an exemption from the adviser registration requirement in paragraph 22(1)(b) of the CFA for a person or company acting as an adviser in respect of commodity futures options and commodity futures contracts that is similar to the exemption that is provided under section 7.10 of Rule 35-502 from the adviser registration requirement in section 25(1)(c) of the OSA for acting as an adviser (as defined in the OSA) in respect of securities.

13. As would be required under section 7.10 of Rule 35-502, securities of the Funds are, or will be:

    (a) primarily offered outside of Canada;

    (b) only distributed in Ontario through one or more registrants under the OSA; and

    (c) distributed in Ontario in reliance upon an exemption from the prospectus requirements of the OSA.

14. Each of the Applicants, where required, is or will be appropriately registered or licensed or is or will be entitled to rely on appropriate exemptions from such registrations or licences to provide advice to the Funds pursuant to the applicable legislation of its principal jurisdiction. In particular, Natixis Environnement & Infrastructures is registered as a French portfolio management company ("société de gestion de portefeuille") with the *Autorité des Marchés Financiers* (AMF) of France.

15. All of the Funds issue securities that are offered primarily outside of Canada. None of the Funds have any current intention of becoming a reporting issuer in Ontario or in any other Canadian jurisdiction.

16. Prior to purchasing any securities in one or more of the Funds, all investors in the Funds who are Ontario residents will receive disclosure that includes:

    (a) a statement that there may be difficulty in enforcing any legal rights against the relevant Fund or any of the Applicants (or the individual representatives of the Applicants) advising the relevant Fund, because such entities are resident outside of Canada and all or substantially all of their assets are situated outside of Canada; and

    (b) a statement that the relevant Applicant advising the relevant Fund is not, or will not be, registered with or licensed by any securities regulatory authority in Canada, and accordingly, the protections available to clients of an adviser so registered or licensed will not be available to purchasers of securities of the relevant Fund.

AND UPON being satisfied that it would not be prejudicial to the public interest for the Commission to grant the exemption requested on the basis of the terms and conditions proposed,

IT IS ORDERED pursuant to section 80 of the CFA that each of the Applicants (including their respective directors, officers, partners, principals, members and employees) is exempted from the requirements of paragraph 22(1)(b) of the CFA in respect of acting as an adviser in connection with any one or more of the Funds, for a period of five years, provided that at the relevant time that such activities are engaged in:

(a) each Applicant, where required, is or will be registered or licensed or is or will be entitled to rely on appropriate exemptions from such registrations or licences to provide advice to the relevant Fund pursuant to the applicable legislation of its principal jurisdiction;

(b) the Funds invest, or may in the future invest, in commodity futures contracts and commodity futures options primarily traded on commodity futures exchanges outside of Canada and primarily cleared through clearing corporations located outside of Canada;

(c) securities of the Funds are:

    (i) primarily offered outside of Canada;

    (ii) only distributed in Ontario through one or more registrants under the OSA; and

    (iii) distributed in Ontario in reliance on an exemption from the prospectus requirements of the OSA and, when required, upon an exemption from the adviser registration requirement of the OSA under section 7.10 of Rule 35-502;

(d) prior to purchasing any securities in one or more of the Funds, all prospective investors in the Funds who are Ontario residents will receive disclosure that includes:

    (i) a statement that there may be difficulty in enforcing any legal rights against the relevant Fund or any of the Applicants (or the individual representatives of the Applicants) advising the relevant Fund, because such entities are resident outside of Canada and all or substantially all of their assets are situated outside of Canada; and

    (ii) a statement that the relevant Applicant advising the relevant Fund is not, or will not be, registered with or licensed by any securities regulatory authority in Canada, and accordingly, the protections available to clients of an adviser so registered or licensed will not be available to purchasers of securities of the relevant Fund; and

(e) each Applicant either:

    (i) is specifically named in this Order; or

(ii) has filed with the Commission the Notice and received the Director's Consent.

AND IT IS FURTHER ORDERED pursuant to subsection 3.1(1) of the CFA that the Commission assigns to each Director, acting individually, the powers and duties vested in the Commission under subsection 78(1) of the CFA, to vary this Order by specifically naming any Affiliate of Natixis as an Applicant to this Order (as described in paragraphs 2, 3 and 4 above) by providing such Affiliate with the Director's Consent, provided that, the Affiliate may, by notice in writing sent by registered mail to the Secretary of the Commission within 30 days after receiving the Objection Notice, request and be entitled to a hearing and review of such decision by the Commission.

Dated February 8, 2008.

"Wendell Wigle"
Commissioner
Ontario Securities Commission

"David Knight"
Commissioner
Ontario Securities Commission

Schedule A

To: Manager, Registrant Regulation
Ontario Securities Commission

From: _____ (the **Affiliate**)

Re: In the Matter of *Natixis Environnement & Infrastructures* (the **Named Applicant**)

OSC File No.: 2008/0061

Part A: Notice to the Ontario Securities Commission (the Commission)

The undersigned, being an authorized representative of the Affiliate, hereby represents to the Commission that:

(a) on _____, 2008, the Commission issued the attached order (the **Order**), pursuant to section 80 of the *Commodity Futures Act* (Ontario) (the **CFA**), that each of the Applicants (as defined in the Order) is exempt from the requirements of paragraph 22(1)(b) of the CFA in respect of acting as an adviser in connection with any one or more of the Funds (as defined in the Order), for a period of five years;

(b) the Affiliate, is an affiliate of the Named Applicant;

(c) the Affiliate, whose name does not specifically appear in the Order, wishes to rely on the exemption granted under the Order and hereby applies to the Director, under section 78 of the CFA, to vary the Order to specifically name the Affiliate as an Applicant to the Order;

(d) the Affiliate has attached a copy of the Order to this Notice;

(e) the Affiliate confirms the truth and accuracy of all the information set out in the Order;

(f) this Notice has been executed and filed with the Commissioner at least ten (10) days prior to the date on which the Affiliate wishes to begin relying on the Order; and

(g) the Affiliate has not, and will not, rely on the Order until it has received a written acknowledgment and consent from the Director as provided in Part B herein.

Dated this ____ day of _____, 20___.

_____
By: Name:
Title:

Part B: Acknowledgment and Consent by Director

I acknowledge receipt of your Notice, dated _____, 20__, providing the Commission with notice, as described in the Order, that the Affiliate, whose name does not specifically appear in the Order, wishes to rely on the exemption granted under the Order and has applied to have the Order varied to specifically name the Affiliate as an Applicant to the Order.

Based on the representations contained in the Order and in your Notice, I do not consider it prejudicial to the public interest to vary the Order to specifically name the Affiliate as an Applicant to the Order and do hereby so vary the Order.

Dated this ____ day of _____, 20___.

_____
Name:
Title:
Ontario Securities Commission

2.2.4 Bank of New York and Credit Suisse - s. 46(4) of the OBCA

Headnote

Order pursuant to subsection 46(4) of the Business Corporations Act (Ontario) – trust indenture governed by the United States Trust Indenture Act of 1939, as amended, exempted from the requirements of Part V of the Business Corporations Act (Ontario) in connection with a public offering of debt securities in Canada.

Statutes Cited

Business Corporations Act, R.S.O. 1990, c. B.16, as am., ss. 46(2), 46(3), 46(4), Part V.
Securities Act, R.S.O. 1990, c. S.5, as am.
Trust Indenture Act of 1939, 53 Stat. 1149 (1939), 15 U.S.C., Secs. 77aaa-77bbb, as am.

February 8, 2008

IN THE MATTER OF
THE BUSINESS CORPORATIONS ACT,
R.S.O. 1990, CHAPTER B.16, AS AMENDED
(THE "OBCA")

AND

IN THE MATTER OF
THE BANK OF NEW YORK AND
CREDIT SUISSE

ORDER
(Subsection 46(4) of the OBCA)

UPON the application of The Bank of New York (the "Applicant") to the Ontario Securities Commission (the "Commission") for an order pursuant to subsection 46(4) of the OBCA exempting a trust indenture entered into between Credit Suisse ("CS") and the Applicant from the requirements of Part V of the OBCA;

AND UPON considering the application and the recommendation of the staff of the Commission;

AND UPON it being represented by CS and the Applicant to the Commission that:

1. The Applicant is a banking corporation organized under the laws of New York and is neither resident nor authorized to do business in Ontario and is the trustee under an indenture (the "Indenture") entered into between CS and the Applicant.

2. CS has advised the Applicant that CS is a corporation incorporated under the laws of Switzerland and upon the filing of a (final) prospectus and the granting of a receipt therefor will be a reporting issuer not in default under the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") or the regulations promulgated thereunder. CS's head office is located at Paradeplatz 8, CH-8070, Zurich, Switzerland.

3. CS proposes to sell debt securities (the "Debt Securities") in Canada under the Indenture. The Indenture is governed by the laws of the State of New York. A final form of the Indenture was filed with the United States Securities and Exchange Commission (the "SEC") as an exhibit to the Amendment No. 1 to the registration statement (the "Registration Statement") of CS on Form F-3, dated March 29, 2007, that contains a final base shelf prospectus dated March 29, 2007 under which debt securities of CS may be offered for sale in the United States.

4. A short form base shelf prospectus will be filed by CS with the Commission pursuant to the applicable requirements of National Instrument 44-101 – *Short Form Prospectus Distributions* and National Instrument 44-102 – *Shelf Distributions* to qualify the distribution of the Debt Securities in each of the provinces and territories of Canada. The Indenture will be filed by CS with the Commission in connection with the filing of the prospectus.

5. Public offers and sales of the Debt Securities will not be made in the United States.

6. It is currently anticipated that CS will apply for the Debt Securities to be listed on a stock exchange, but CS may decide not to list the Debt Securities.

7. Because a form of Ontario prospectus will be filed under the Act, Part V of the OBCA will apply to the Indenture by virtue of subsection 46(2) of the OBCA.

8. As a result of the filing of the Registration Statement with the SEC, the Indenture is subject to and governed by the provisions of the United States *Trust Indenture Act of 1939* (the "TIA"). Upon the receipt of requested exemptions under the OBCA pursuant to this Order, the Indenture will continue to be subject to the TIA. The Indenture provides that there shall always be a trustee thereunder that satisfies the requirements of sections 310(a)(1), 310(a)(2) and 310(b) of the TIA and that the terms of such Indenture will be consistent with the requirements of the TIA.

9. Because the TIA regulates trustees and trust indentures of publicly offered debt securities in the United States in a manner that is consistent with Part V of the OBCA, holders of Debt Securities in Ontario will not, subject to paragraph 10, derive any additional material benefit from having the Indenture be subject to Part V of the OBCA.

10. The Applicant has filed with the Commission and will file on SEDAR a submission to the non-exclusive jurisdiction of the courts and

administrative tribunals of Ontario and appointment of an agent for service of process in Ontario (a "Submission to Jurisdiction and Appointment of Agent for Service of Process").

11. CS has advised the Applicant that any pricing supplement or prospectus supplement under which Debt Securities will be offered or sold in Ontario will disclose the existence of this Order and state that the Applicant, its officers and directors, and the assets of the Applicant are located outside of Ontario and, as a result, it may be difficult for a holder of Debt Securities to enforce rights against the Applicant, its officers or directors, or the Applicant's assets and that the holder may have to enforce rights against the Applicant in the United States.

AND UPON the Commission being of the opinion that to do so would not be prejudicial to the public interest;

IT IS ORDERED, pursuant to subsection 46(4) of the OBCA, that the Indenture is exempt from Part V of the OBCA, provided that:

(a) the Indenture is governed by and subject to the TIA; and

(b) the Applicant, or any trustee that replaces the Applicant under the terms of the Indenture, has filed with the Commission and on SEDAR a "Submission to Jurisdiction and Appointment of Agent for Service of Process".

"Wendell S. Wigle"
Commissioner
Ontario Securities Commission

"David L. Knight"
Commissioner
Ontario Securities Commission

2.2.5 Golden Valley Mines Ltd. - s. 1(11)(b)

Headnote

Section 1(11) – order that issuer is a reporting issuer for purposes of Ontario securities law – issuer already a reporting issuer in Quebec, British Columbia and Alberta – issuer's securities listed for trading on the TSX Venture Exchange – issuer has a substantial connection to Ontario.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(11).

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

AND

IN THE MATTER OF
GOLDEN VALLEY MINES LTD.

ORDER
(Clause 1(11)(b)

UPON the application of Golden Valley Mines Ltd. ("Golden Valley") to the Ontario Securities Commission (the "Commission") for an order pursuant to clause 1(11) (b) of the *Securities Act* (Ontario) (the "Act") that Golden Valley is a reporting issuer for the purposes of Ontario securities law;

AND UPON considering the application and the recommendation of the staff of the Commission;

AND UPON Golden Valley representing to the Commission as follows:

1. Golden Valley was organized under the laws of Canada and its head office is located at 152 Chemin de la Mine Ecole, Val d'Or, Quebec, J9P 7B6.

2. Golden Valley is a reporting issuer in the following jurisdictions, and is not a reporting issuer or its equivalent in any jurisdiction of Canada other than as set out below:

Jurisdiction	*Date it became a reporting issuer*
British Columbia	December 20, 2002
Alberta	August 28, 2001
Quebec	December 20, 2001

3. Golden Valley's securities are traded or quoted on the TSX Venture Exchange (the "Exchange") and on the Gray Market of the OTC in the United States, and not on any other stock exchange or trading or quotation system.

4. Golden Valley is in good standing with respect to the rules, regulations and policies of the Exchange.

5. Golden Valley is not designated as a capital pool company by the Exchange.

6. Golden Valley is not on the default list of the securities regulatory authorities of British Columbia, Alberta and Quebec.

7. Neither Golden Valley nor any of its directors, officers or controlling shareholders have:

   (i) been the subject of any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority;

   (ii) entered into a settlement agreement with a Canadian securities regulatory authority; or

   (iii) been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

8. Neither Golden Valley nor any of its directors, officers or controlling shareholders have been subject to:

   (i) any known ongoing or concluded investigations by:

      A. a Canadian securities regulatory authority; or

      B. a court or regulatory body, other than a Canadian securities regulatory authority that would be likely to be considered important to a reasonable investor making an investment decision; or

   (ii) any bankruptcy or insolvency proceedings, or other proceedings, arrangements or compromises with creditors, or the appointment of a receiver, receiver-manager or trustee, within the past 10 years.

9. None of the directors, officers or controlling shareholders of Golden Valley is or has been, at the time of such event, an officer or director of any other issuer which is or has been subject to:

   (i) any cease trade or similar orders, or orders that denied access to any exemptions under applicable Ontario securities law, for a period of more than 30 consecutive days, within the preceding 10 years; or

   (ii) any bankruptcy or insolvency proceedings, or other proceedings, arrangements or compromises with creditors, or the appointment of a receiver, receiver-manager or trustee, within the preceding 10 years.

10. Golden Valley will remit all participation fees due and payable by it pursuant to Commission Rule 13-502 Fees by no later than two business days from the date hereof.

11. Golden Valley has received a geographic analysis report from its transfer agent indicating that as of December 3, 2007, Golden Valley's beneficial shareholders resident in Ontario hold 33% of the total outstanding securities of Golden Valley. In addition, Golden Valley is advised that its registered shareholders resident in Ontario hold 98.67% of the total outstanding securities of Golden Valley. As a result of the number of its shareholders resident in Ontario, Golden Valley has a significant connection to Ontario.

AND UPON the Commission being satisfied that to do so would not be prejudicial to the public interest;

IT IS HEREBY ORDERED pursuant to clause 1(11)(b) of the Act that Golden Valley is a reporting issuer for the purposes of Ontario securities law.

DATED January 17, 2008

"Jo-Anne Matear"
Assistant Manager, Corporate Finance
Ontario Securities Commission

2.2.6 Norshield Asset Management (Canada) Ltd. et al. - s. 127

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

AND

IN THE MATTER OF
NORSHIELD ASSET MANAGEMENT (CANADA) LTD.,
OLYMPUS UNITED GROUP INC.,
JOHN XANTHOUDAKIS, DALE SMITH AND
PETER KEFALAS

ORDER
(Section 127 of the Securities Act)

WHEREAS on October 11, 2006, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing and Staff of the Commission ("Staff") filed a Statement of Allegations with respect to this matter (the "Proceeding");

AND WHEREAS a pre-hearing motion for an adjournment of the hearing date currently scheduled to commence on May 5, 2008 pending production and review of documents in the possession of the Receiver, RSM Richter Inc., ("Richter") was to be heard by the Commission on February 7 and 8, 2008 (the "Motion");

AND WHEREAS Richter has advised that it is taking steps that may make such production possible;

AND WHEREAS Staff and counsel for the individual Respondents consent to the making of this Order;

AND UPON hearing the submissions from counsel to the individual Respondents and counsel for Staff;

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

IT IS HEREBY ORDERED that this motion is adjourned to a date to be arranged by the Secretary of the Commission, but no later than March 26, 2008 at 10:00 a.m., at the offices of the Commission.

DATED at Toronto this 7th day of February, 2008

"Wendell S. Wigle"

"David L. Knight"

Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions, Orders and Rulings

3.1.1 Limelight Entertainment Inc. et al. - s. 127

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

AND

IN THE MATTER OF
LIMELIGHT ENTERTAINMENT INC.,
CARLOS A. DA SILVA, DAVID C. CAMPBELL,
JACOB MOORE AND JOSEPH DANIELS

REASONS AND DECISION
(Section 127 of the Securities Act)

Hearing:	October 1, 2007		
Written submissions:	October 23, 2007		
Decision:	February 12, 2008		
Panel:	James E. A. Turner	-	Vice-Chair (Chair of the Panel)
	Suresh Thakrar	-	Commissioner
Counsel:	Derek Ferris Hanah Shaikh (Articling Student)	-	For the Ontario Securities Commission
	Gary Clewley	-	For Carlos A. Da Silva

No one appeared for Limelight Entertainment Inc., David C. Campbell or Joseph Daniels

TABLE OF CONTENTS

REASONS AND DECISION

A. OVERVIEW

1. Background

[1] On April 7, 2006, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to section 127 of the Securities Act, R.S.O. 1990, c. S.5, as amended (the "Act") in connection with a Statement of Allegations issued by Staff of the Commission ("Staff") on that day with respect to Limelight Entertainment Inc. ("Limelight"), Carlos A. Da Silva ("Da Silva"), David C. Campbell ("Campbell") and Jacob Moore ("Moore").

[2] On April 13, 2006, the Commission issued a temporary cease trade order (the "First Temporary Order") pursuant to subsections 127(1) and 127(5) of the Act against Limelight, Da Silva, Campbell and Moore. The terms of the First Temporary

Order were that all trading in the securities of Limelight cease; that Limelight, Da Silva, Campbell and Moore cease trading in all securities; and that any exemptions contained in Ontario securities law do not apply to Limelight, Da Silva, Campbell and Moore.

[3] On April 25, 2006, an Amended Notice of Hearing and Amended Statement of Allegations were issued adding Joseph Daniels ("Daniels") as a respondent.

[4] On April 26, 2006, the First Temporary Order was extended and its terms were amended to include Daniels (the "Amended Temporary Order"). The terms of the Amended Temporary Order were that Daniels was ordered to cease trading in all securities and that any exemptions contained in Ontario securities law do not apply to him. The Amended Temporary Order also required Limelight to provide the Commission's notice of these proceedings to its shareholders.

[5] The Amended Temporary Order was extended on May 11, 2006, September 12, 2006 and October 30, 2006.

[6] Following a hearing on August 2, 2007, the Commission approved a settlement agreement between Moore and Staff in connection with these proceedings (the "Settlement Agreement").

[7] For purposes of these reasons, Limelight, Da Silva, Campbell and Daniels are referred to collectively as the "Respondents."

[8] On September 28, 2007, Staff and Da Silva entered into an Agreed Statement of Facts (the "Agreed Statement") in which Da Silva admitted breaches of the Act but did not agree on sanctions.

[9] The hearing on the merits took place on October 1, 2007. The Agreed Statement was entered into evidence, and we accepted the submissions of Staff and Da Silva that a sanctions hearing, if necessary, would be held at a later date. After making that submission, Da Silva and his counsel left the hearing room.

[10] No one appeared at the hearing for Limelight, Campbell or Daniels. We accept Staff's evidence that Limelight and Campbell received proper notice of the hearing. We also find that Staff made reasonable attempts to locate and serve Daniels. We conclude, accordingly, that we are entitled to proceed to hear this matter in the absence of Limelight, Da Silva, Campbell and Daniels as permitted under section 7 of the Statutory Powers Procedure Act, R.S.O. 1990, c. S.22, as amended (the "SPPA"). Section 7 of the SPPA provides as follows:

> Where notice of an oral hearing has been given to a party to a proceeding in accordance with this Act and the party does not attend at the hearing, the tribunal may proceed in the absence of the party and the party is not entitled to any further notice in the proceeding.

2. The Respondents

(i) Limelight

[11] Limelight is an Ontario corporation that was incorporated on August 14, 2000. It was dissolved on or about November 29, 2004 and revived on or about September 27, 2005. It has never been registered in any capacity with the Commission. Upon incorporation, Limelight's directors were Da Silva, Campbell and Harry Hinde.

[12] Beginning in April, 2004, Limelight operated from an office located at 300 Richmond Street West, Toronto, Ontario. Limelight also, for a period of time, maintained an office at 4306 Lawrence Avenue East, in Scarborough, Ontario. In April or May of 2006, after the issuance of the Amended Temporary Order, the Richmond Street office was shut down and the Lawrence Avenue office served as Limelight's principal place of business. In addition, Limelight had a mailbox at 2916 Dundas Street West, Suite 514, Toronto, Ontario.

[13] Limelight has never been registered in any capacity under the Act and has never filed a preliminary or final prospectus with the Commission, nor has it ever received a receipt for any such prospectus from the Commission. The shares of Limelight have never been listed on any exchange, nor has the Commission given written permission to Limelight to make any representation to investors that Limelight shares are or would be listed on an exchange.

(ii) Da Silva

[14] Da Silva was the president of Limelight from April 5, 2004 until he resigned on or about April 17, 2006. He was a director of Limelight throughout the period in question. He was registered as a securities salesperson with Marchment and MacKay Limited from March 25, 1994 until November 21, 1997 and with C. J. Elbourne Securities from November 28, 1997 to June 30, 2000 . Since that time Da Silva has not been registered in any capacity under the Act.

[15] Of the 18,482,035 outstanding shares of Limelight as of March 1, 2006, Da Silva is the owner of 10,750,000 shares or approximately 58% of such shares.

(iii) Campbell

[16] Campbell was the vice-president of Limelight from April 5, 2004 until on or about April 17, 2006, when he succeeded Da Silva as president. He was a director of Limelight throughout the period in question. He has never been registered in any capacity under the Act.

[17] As of March 1, 2006, Campbell owned 2,000,000 shares of Limelight representing approximately 11% of such shares. Campbell is the second largest shareholder of Limelight.

(iv) Daniels

[18] It appears from the evidence that Daniels was a salesperson with Limelight from approximately April, 2006 to May, 2006. He has never been registered in any capacity under the Act.

3. Issues

[19] Staff's allegations raise the following issues in this matter:

1. Did Limelight, Da Silva, Campbell and Daniels breach the registration and prospectus requirements of the Act by trading in Limelight shares contrary to subsections 25(1) and 53(1) of the Act in circumstances where the "accredited investor" exemption was not available under OSC Rule 45-501, *Prospectus and Registration Exemptions* (now NI 45-106) ("Rule 45-501")?

2. Did Limelight, Da Silva and Campbell give undertakings regarding the future value of Limelight shares, with the intention of effecting sales of Limelight shares, contrary to subsection 38(2) of the Act?

3. Did Limelight, Da Silva, Campbell and Daniels make representations regarding the future listing of Limelight shares, with the intention of effecting sales of Limelight shares, contrary to subsection 38(3) of the Act?

4. Did Da Silva mislead Staff, contrary to clause 122(1)(a) of the Act, when he advised Staff that (i) Limelight shareholders were accredited investors, (ii) Limelight salespersons always enquired to confirm that sales of Limelight shares were made only to accredited investors, (iii) no scripts were used by Limelight salespersons, (iv) Limelight salespersons also acted as project managers of Limelight's business, and (v) he did not know whether Limelight shares were sold to Ontario investors in 2005?

5. Did Limelight and Da Silva file misleading or untrue reports of exempt distributions with the Commission contrary to clause 122(1)(b) of the Act?

6. Did Limelight, Da Silva, Campbell and Daniels breach the First Temporary Order or the Amended Temporary Order?

7. Was the conduct of Limelight, Da Silva, Campbell and Daniels contrary to the public interest?

B. EVIDENCE

1. Introduction

[20] None of the Respondents appeared before us to dispute the evidence submitted to us by Staff, except that Da Silva appeared at the outset of the hearing to state that he disputes Staff's allegation that he knew "scripts" were being used by Limelight salespersons and that he would make submissions on sanctions at any sanctions hearing.

[21] The evidence before us consists of:

(i) the Agreed Statement;

(ii) the testimony of:

(a) one Limelight investor;

(b) two Limelight salespersons, Moore and Ove Simonsen ("Simonsen");

(c) the Commission's principal investigator, Larry Masci ("Masci"); and

(iii) the affidavit evidence of three additional Limelight investors.

[22] Staff provided us with eight binders of documentary evidence, which were referred to during the hearing by the witnesses and Staff. Included in the binders is documentation relating to an additional five Limelight investors who neither testified nor swore affidavits.

[23] Overall, we found the evidence submitted to us to be consistent, clear and cogent, except with respect to certain allegations against Daniels.

2. The Agreed Statement of Facts between Staff and Da Silva

[24] The Agreed Statement includes numerous admissions with respect to the conduct of Da Silva and the other Respondents, and describes Limelight's operations in detail. The following is a summary of the agreed facts.

(i) Trading and Distribution of Limelight Shares

[25] The Agreed Statement indicates that from April, 2004 to May, 2006, Limelight sold approximately 1.6 million Limelight shares to investors at prices that ranged from $0.50 to $2.00 per share. As a result of these sales, Limelight raised approximately $2.75 million from investors located in all ten provinces of Canada and from investors outside of Canada.

[26] Limelight's shareholder list and investor cheques admitted in evidence indicate that approximately 71 Ontario residents invested in Limelight during the period from April, 2004 to May, 2006 inclusive.

[27] Limelight employed about six "qualifiers" (telemarketers) at any given time. The qualifiers were responsible for cold-calling prospective investors to solicit interest in buying Limelight shares. If any interest was expressed, the investor would be referred to a "consultant" (salesperson), who was responsible for completing the sale. Limelight employed about five to eight salespersons.

[28] Da Silva and Campbell acted as securities salespersons contrary to the registration requirements found in section 25 of the Act.

[29] The trades in Limelight shares were trades in securities not previously issued and were therefore distributions. No prospectus was filed and therefore the sales of Limelight shares were illegal distributions contrary to section 53 of the Act.

(ii) Prohibited Representations

[30] The Agreed Statement indicates that Campbell advised Limelight's salespersons that Limelight was raising money for the purpose of going public. Limelight salespersons in turn advised prospective investors that Limelight would be going public and that its shares would be listed on a stock exchange in order to effect sales of Limelight shares.

[31] Limelight's salespersons advised prospective investors that they could make two to four times their initial investment within six months. Some investors were told that the Limelight share value was expected to rise to $3 to $10 per share once Limelight went public. Other investors were advised by Limelight's salespersons that they were unable to sell their Limelight shares for six to twelve months.

[32] Limelight and its salespersons made representations regarding the future value of Limelight shares and Limelight being listed on a stock exchange with the intention of effecting trades in Limelight shares contrary to subsections 38(2) and (3) of the Act.

(iii) Misleading Statements by Da Silva

[33] The Agreed Statement indicates that by letter received by Staff on May 12, 2005, Da Silva advised Staff that each potential Limelight investor was told that the investment opportunity in Limelight was available only to accredited investors. This same information was provided to Staff during Da Silva's voluntary interview on December 13, 2005.

[34] During his voluntary interview on December 13, 2005, Da Silva also advised Staff that (i) Limelight shareholders were accredited investors; (ii) no scripts were used by Limelight; (iii) Limelight salespersons always enquired to confirm that all sales of Limelight shares were made only to accredited investors; and (iv) Limelight's salespersons also acted as project managers. These statements were false and misleading.

(iv) Untrue and Misleading Forms Filed with the Commission

[35] The Agreed Statement indicates that on or about July 23, 2004, Limelight filed a Form 45-103F4 – *Report of Exempt Distribution* ("Form F4") with the Commission relating to the distribution of common shares to nine investors in Alberta, Saskatchewan, British Columbia and Ontario.

[36] The Form F4 did not list or disclose any commissions or finders' fees paid in connection with the distributions of Limelight shares or the exemption relied on. The Form F4 stated that the Limelight shares were distributed on July 14, 15 and 16, 2004 and was signed by Da Silva as president of Limelight.

[37] On or about October 13, 2004, Limelight filed a second Form F4 with the Commission relating to the distribution of common shares of Limelight to 69 investors in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia, New Brunswick, the United States, Barbados and the United Kingdom.

[38] The second Form F4 also did not disclose any commissions or finders' fees paid in connection with the distribution of Limelight shares or the exemption relied on. The second Form F4 was also signed by Da Silva as president of Limelight and reported on trades from July 27, 2004 to September 17, 2004 inclusive.

[39] On or about October 13, 2004, Limelight filed a Form 45-501F1 – *Report under Section 72(3) of the Act or Section 7.5(1) of Rule 45-501* ("Form 45-501F1") with the Commission relating to the distribution of Limelight shares to 29 investors in Alberta and Ontario.

[40] The Form 45-501F1 did not disclose any commissions or finders' fees paid and stated that the accredited investor exemption in section 2.3 of Rule 45-501 was being relied upon. The Form 45-501F1 was signed by George Schwartz on behalf of Da Silva, president of Limelight. The Form 45-501F1 incorrectly listed the dates of the 29 trades as October 4, 2004 whereas the trades actually occurred on or between June 10, 2004 and August 29, 2004.

[41] In selling Limelight shares to Ontario residents and residents of other jurisdictions, Limelight purported to rely upon the exemption for selling securities to accredited investors in OSC Rule 45-501 in circumstances where the exemption is not available.

[42] The vast majority of Limelight investors are not accredited investors. Furthermore, Limelight's salespersons made no efforts to enquire into the financial situation of prospective investors in order to determine whether such persons qualified as accredited investors.

[43] Limelight and Da Silva filed untrue and misleading forms with the Commission and misrepresented that the sale of Limelight shares reported in the two Form F4s and the one Form 45-501F1 were exempt trades and that no commissions or finders' fees were paid in respect of those distributions.

(v) Breach of the Commission's Orders

[44] The Agreed Statement indicates that on April 13, 2006, the Commission issued the Temporary Order that: (i) all trading in the securities of Limelight cease; (ii) Limelight, Da Silva, Campbell and Moore cease trading in all securities; and (iii) any exemptions contained in Ontario securities law do not apply to Limelight, Da Silva, Campbell and Moore.

[45] The motion seeking a Temporary Order was made on notice to Limelight, Campbell and Da Silva. Counsel advised the Commission that the respondents did not oppose the Temporary Order.

[46] After the issuance of the Temporary Order, Limelight, Campbell, and Limelight's salespersons continued to solicit investors and receive investor cheques up to about June 1, 2006. Campbell and Da Silva each cashed investor cheques after the Temporary Order was issued. These activities were in breach of the Temporary Order.

[47] After the issuance of the Temporary Order, Limelight used: (i) the Limelight office at 300 Richmond Street West, Toronto, (ii) a mailbox address at suite 514-2916 Dundas Street West, Toronto, and (iii) a house at 4306 Lawrence Avenue East, Scarborough, for its sales activities.

(vi) Conduct Contrary to the Public Interest

[48] The Agreed Statement indicates that as officers and directors of Limelight, Da Silva and Campbell authorized, permitted or acquiesced in breaches of sections 25, 38 and 53 of the Act by Limelight and its salespersons contrary to subsection 122(3) and/or subsection 129(2) of the Act and in doing so have engaged in conduct contrary to the public interest.

(vii) Conclusion as to the Agreed Statement

[49] We accept Da Silva's admissions in the Agreed Statement with respect to his own conduct and his role at Limelight. Da Silva's admissions with respect to Limelight and Campbell and the operation of the Limelight trading scheme were corroborated by the other evidence we received, and accordingly, for the reasons given below, we accept this evidence.

3. Testimony of Ove Simonsen

[50] Simonsen was a salesperson at Limelight from March, 2005 to April, 2006, apart from several weeks when he was away because of illness and a further period when he worked part-time. He is currently 71 years old. He is trained as a development planner and urban planner and has an undergraduate degree in architecture.

[51] Simonsen testified that an acquaintance referred him to Campbell, whom he called to inquire about a job in February, 2005.

[52] Simonsen testified that he had "a fairly lengthy meeting" with Campbell at Limelight's Richmond Street office. Campbell explained they were looking for people to buy Limelight shares "and they would be able to sell these shares once Limelight had the project listed on the stock market." Simonsen's job would be to solicit investors to "come in early on to take advantage of the shares that were being offered." Simonsen accepted the job offer. His job title was sales executive.

[53] On his first day at the office, Simonsen met again with Campbell. Campbell explained the procedure and handed him "a stack of information that should be used as a guide for when I contacted the customers I'd be phoning." The information included "messages and the kind of text I should use." Campbell suggested that he sit down with one of his co-workers to get a sense how the job should be done, "how I should make my calls, what I should say, how I should say it, the tone to use, also adding any other information that might be important for the client. . . ."

[54] Simonsen described the sales process and the Limelight offices. On the first floor, a group of telemarketers made initial calls to potential investors, using a very brief script, to determine interest. Simonsen testified there were five to six staff in this group, and each of them made hundreds of calls a day all across Canada. Also on the first floor were the offices of Da Silva, Campbell, a senior sales executive, an accountant and a secretary. Upstairs, five to six people worked as salespersons, including Simonsen and Moore. The initial contact people would prepare "lead cards" on potential investors for follow-up by the salespersons.

[55] Staff introduced, through Simonsen, several of the documents Simonsen testified he received on his first day, which would be used at different points in the process from the initial call to the completed sale.

[56] The first document was identified by Simonsen as a cold-call script. Simonsen testified that this script was part of the information package he received when he started. He explained that in a cold call he would introduce the project and answer any questions and encourage the person to purchase shares, indicating that "it would be a private listing initially, and then it would be available or be listed on the stock market." The time frame given for obtaining a listing "was something within a year." Simonsen testified that he used the document "almost in its totality" in making his calls. Further, Simonsen testified that most of the handwritten notes on the document were his own notes from his meetings with Campbell. He testified that the salespersons "often" met with Campbell "as frequently as once or even twice a week;" the briefings "were often to chastise if we weren't doing well on sales." Simonsen believed that other salespersons received the same set of documents.

[57] Another document introduced through Simonsen included a list of possible objections from potential investors and possible responses. Simonsen testified that another salesperson had prepared a document that included a series of such prompts, for example: if the potential investor said they had no interest, the prompted response was "That's fine but before I let you go what would you say if I were to tell you that you were looking at making anywhere from 3 or 4 times (your money back) the money invested within the next six months . . . ." Simonsen testified that he rarely used this document and did not refer to a return of three or four times the investment, but stated only that the company should perform very well and make some gains in the future.

[58] According to Simonsen, if a potential investor asked if the shares could be resold, they would be advised that the shares could not be sold until they were listed on the stock market. Simonsen testified that at the beginning of his time with Limelight, he would tell potential investors that the principals of Limelight were aiming to list the company within the year, and this was reduced to six to seven months as time went on. If the investor said they did not know anything about Limelight, an "executive summary" of Limelight's projects would be sent out to them.

[59] Simonsen also identified documents setting out a "call-back pitch," and a "final order pitch." In the final call, the salesperson would obtain contact information and confirm the number of shares being purchased. Limelight would then send a courier to pick up the cheque from the investor.

[60] Simonsen testified that there were no "classes of persons" to whom the salespersons were told not to sell shares. Limelight's salespersons simply called the telephone numbers on the cards provided by Limelight's "qualifiers" or "pre-qualifiers," who made the initial calls to generate leads. Calls were also made to people outside Canada and in other provinces.

[61] Simonsen testified that although he had heard the term "accredited investor", he did not know what it meant. While he said that salespersons did question investors about their financial situation, it was not to determine whether or not the potential investor was an "accredited investor." It was to assist the salespersons in making a sale at an amount consistent with a potential investor's financial assets. Simonsen also testified that the salespersons at Limelight had no project management responsibilities and were solely involved in selling shares. He testified that he could make anywhere from 50 to 100 calls per day, depending on how many were follow-up calls and how many involved lengthy conversations.

[62] Simonsen testified that he and the other salespersons were not paid a salary, but were paid commissions on sales they generated. Simonsen said the commission was "between 15 and 20 percent" of the amount of the sale. The qualifiers were paid a salary plus a small commission on sales.

[63] Simonsen testified that Campbell was in the office every day and he was "the principal, as far as we were concerned, on the day-to-day management" of the company. Simonsen reported to Campbell. Campbell was responsible for briefing and training the salespersons as well as tracking their sales. From time-to-time, Campbell would demonstrate the use of the scripts by personally calling a potential investor. In addition, on one or two occasions where a salesperson had difficulty closing a sale, Campbell contacted the potential investor himself. Campbell was also responsible for approving the order forms, ensuring payment was received and doing the accounting.

[64] According to Simonsen, Da Silva was the "more senior person," but Simonsen understood Da Silva and Campbell to be "sort of equal partners." Simonsen understood that Da Silva was the principal on the promotional side, developing projects for Limelight., while Campbell was the "day-to-day guy." Simonsen testified that Da Silva was in the office "from time to time" and "he spoke to us from time to time, but he never briefed us." Simonsen testified Da Silva could be out of the office for months at a time.

4. Testimony of Jacob Moore

[65] In the Settlement Agreement approved by the Commission on August 2, 2007, Moore admitted, amongst other things, that: (i) he was a Limelight salesperson; (ii) he has never been registered with the Commission in any capacity; (iii) he sold Limelight shares over the telephone to investors from July, 2005 to April, 2006 inclusive, and received approximately $14,525.00 in commissions or salary from the sale of those shares; (iv) the sale of Limelight shares constituted trades in securities of an issuer that had not been previously issued; (v) by selling Limelight shares, he distributed such shares without a prospectus being filed and with no exemption from the prospectus requirements being available; (vi) he made representations to potential investors regarding the future value of Limelight shares and Limelight shares being listed on a stock exchange, with the intention of effecting trades in Limelight shares; and (vii) his conduct in selling Limelight shares was contrary to Ontario securities law and the public interest. Moore agreed to sanctions including a four year ban from trading in any securities (with an RRSP carve-out), a four-year ban from relying on any prospectus or registration exemptions, a permanent prohibition on telephoning from inside Ontario to any residence within or outside Ontario for the purpose of trading in securities, and payment to the Commission of $5,000 in investigation costs. He also agreed to cooperate with the Commission in its investigation and any enforcement proceedings. He was one of Staff's witnesses at this hearing.

[66] Moore testified that he was a salesperson at Limelight for approximately eight months starting in July 2005. He worked previously in telephone sales, and became aware of the Limelight job through a posting on workopolis.com. After responding to that posting, he was interviewed by Campbell at the beginning of July 2005. He was hired as a salesperson, with a title of "venture capitalist," and started the following Monday.

[67] Moore testified that he and all the salespersons reported to Campbell. As a salesperson, he had no project management responsibilities, and his information about Limelight's projects came only from the "executive summary" that was provided by Campbell. He would follow up on the leads generated by Limelight's "qualifiers," who made initial contact with potential investors, as well as calling numbers from "cold-call sheets" provided by Campbell. Other Limelight salespersons worked as "loaders," contacting existing shareholders and offering further Limelight shares at a lower price. Moore was told that he would be paid a commission of 20% of the sale, but he would receive 25% if he generated the "lead" himself through a cold call. In addition, he would be paid 10% if one of his sales "loaded" (invested in more shares). For the first month, he would be paid $400 a week against commissions.

[68] Moore testified there were between five and eight salespersons at Limelight while he worked there. He testified that salespersons were supposed to make between 60 and 80 calls per day, but he was in the 40-50 range most of the time. He made calls to potential investors in other provinces and, though he did not make international calls, he recalled seeing documentation with U.K. addresses. Once the salesperson closed the sale, the information would be given to one of the secretaries, who would send out a contract for the investor's signature. Investors paid by cheque, sent by courier, and Moore

would receive a photocopy so he could document his sales. He testified he earned around $14,000 in commissions over the time he worked at Limelight.

[69] On his first day at Limelight, Moore was given scripts and rebuttal sheets by Campbell. Shown several of the documents identified by Simonsen, Moore recognized them as "scripts," and testified they were provided by Campbell and used by all the salespersons. Moore described a "first-call script," a "closing script" and "a sheet of rebuttals." He testified that most of the salespersons used the scripts and kept them on their desks.

[70] With respect to representations about future value of Limelight shares, Moore testified he would say "You could be looking at something like two to three times your money over the next year." He heard other salespersons making similar statements. He testified that most used "the scripted line" ("three or four times the money") but every so often he would hear somebody say "ten times or something like that."

[71] Moore testified that Campbell told him Limelight was collecting venture capital to take the company public, and he passed this on to potential investors. Moore did not think Campbell gave a specific time frame for listing the shares, though he suggested it was soon. Moore would tell potential investors "it's only a matter of time or something like that."

[72] Moore was not familiar with the term "accredited investor." He testified that he made financial inquiries only to determine what an "appropriate" investment would be for a particular investor. He testified that while he worked at Limelight there was no mention of obtaining registration under the Act for Limelight salespersons.

[73] According to Moore, Campbell was in the office daily. Campbell would, several times each day as part of his managerial role, attempt to motivate the salespersons to sell more shares. Moore testified, however, that he never personally heard Campbell telephone customers to solicit purchases.

[74] Moore believed Da Silva to be the president and chief executive officer of Limelight and he testified that Da Silva was in the office two to three times per week. Moore testified that he was once in Da Silva's office while Da Silva called one of Moore's leads in an attempt to close a sale. Moore testified that Da Silva used "pressure tactics," such as stating that shares were running out and that Limelight was going to go public soon. This was the only time, in Moore's experience, that Da Silva personally solicited investors. Moore said that Da Silva almost never came upstairs to the sales floor.

[75] Moore testified that his last day of work was the last business day of March 2006. He was given the option of working out of the Scarborough office they were setting up, but he turned it down. He went to the Scarborough office towards the end of April and met Da Silva, who gave him a cheque for $200 or $400. According to Moore, that was the last time he contacted Da Silva or Campbell.

5. Testimony of Investor One

[76] Investor One is from a small Ontario town. He is self-employed in a small business, earns approximately $25,000 per year, and has an RRSP worth about $8,000. He described himself as having a low level of investment and financial expertise. We are not satisfied Investor One is an accredited investor.

[77] In the spring of 2003, Campbell called Investor One soliciting investments in a company called Euston Capital ("Euston"). Investor One purchased 3,000 shares at $3 per share, for a total of $9,000, in four transactions.

[78] In the spring of 2004, Campbell or Hank Ulfan ("Ulfan") called Investor One to solicit a purchase of Limelight shares. (Investor One testified that he may also have dealt with Ulfan with respect to purchasing shares of Euston.) Campbell or Ulfan told Investor One that Limelight was an entertainment company that "had the sole rights to produce a greatest-hits CD by Shania Twain." Limelight's "executive summary" of its business was sent to him, along with an offering memorandum. Investor One purchased 2,000 Limelight shares at a price of $1 per share. He testified that he signed the purchase agreement on April 20, 2004, and on April 26, 2004, it was couriered to Limelight, along with his cheque, by way of Euston's Toronto office. He received another call from Ulfan, as well as a follow-up letter, but he did not purchase any more shares of Limelight. Investor One testified that another solicitation letter came in an envelope with Campbell's business card.

[79] During the sales process, Ulfan or Campbell told Investor One there was a good chance he could double his money once Limelight went public, and that if he decided to keep his shares in Limelight, the shares would receive a "continual" dividend. Investor One testified that neither Campbell nor Ulfan made inquiries into his financial situation and that he was unaware of the term "accredited investor." Campbell and Ulfan made no mention of the risks associated with purchasing Limelight shares.

[80] After purchasing shares in Limelight, Investor One was referred to Da Silva. Investor One understood that Da Silva was the president of Limelight and Campbell the Secretary. Da Silva offered to answer any questions and gave him his direct line.

Investor One called Da Silva on a regular basis. Da Silva was positive about the direction Limelight was taking and Investor One was made to understand he could double his money.

[81] In the spring of 2005, Investor One called Da Silva about getting his money back. Da Silva told him he could not get his money back, and encouraged him to attempt to sell his shares in Euston, which had by this time been exchanged for shares in another company called "AccessMed." Investor One tried to sell the AccessMed shares through TD Waterhouse, but he was told the shares were not trading and TD Waterhouse could find no information on them. To date, Investor One has not recovered any of his investment in Limelight shares.

6. Affidavit of Investor Two

[82] Investor Two is a 41 year old lawyer who practices real estate and family law in Toronto, Ontario. He swore that he has been investing periodically for about twenty-two years through trading accounts at TD Waterhouse and Nesbitt Burns. Another lawyer referred him to Bill Tevrachte ("Tevrachte"), who advised that he knew someone who was looking for investors.

[83] Investor Two met Tevrachte and Da Silva for lunch in April 2004. Da Silva introduced himself as the president or vice-president of Limelight. He said he was seeking investors to finance a new Shania Twain album to be released by Christmas of that year, if things went well. He also told Investor Two that Limelight would be trading on a stock exchange within six months to a year, and that Limelight shares were priced at $1.00 per share. Investor Two was told that once the proposed album was released, the Limelight shares would produce income through dividends.

[84] Investor Two was aware that there were exemptions in the Act that allowed for the sale of shares without a prospectus, and he believed he qualified for the exemption. Investor Two swore that Da Silva made no attempt to obtain information regarding his financial assets or liabilities or his salary. Investor Two's financial assets do not exceed $1 million, his net income does not exceed $200,000 per year, and his combined family income does not exceed $300,000 per year. Accordingly, we are not satisfied that Investor Two is an accredited investor.

[85] On April 26, 2004, a Limelight share purchase agreement was faxed to Investor Two. He signed the agreement on April 28, 2004, purchasing 10,000 shares of Limelight at a price of $1.00 per share. On August 13, 2004, he received a share certificate as proof of his ownership of the 10,000 shares.

[86] In July, 2004, Investor Two purchased an additional 2000 shares of Limelight for $2,000. He has never received a share certificate for those Limelight shares.

7. Affidavit of Investor Three

[87] Investor Three is 50 years old, self-employed and resides in a small Ontario town. Investor Three has a net worth of $400,000, including RRSPs and cash. He owns land valued at approximately $400,000, and he owes approximately $100,000. He swore that he has a moderate level of market knowledge, trading mostly through TD Canada Trust. Based on the evidence before us, we are not satisfied that Investor Three is an accredited investor.

[88] In July, 2005, Investor Three received a telephone call from Moore, who described himself as a Limelight salesperson. Moore told Investor Three that Limelight had several successful projects and would be backing Shania Twain's next album, which, if successful, would likely double his investment. Moore also stated that Limelight shares were expected to begin trading on the "Toronto OTC" market by December 2005. When Investor Three asked whether any part of his investment would go towards Moore's sales commission, Moore told him he was paid in Limelight shares and not by commission. Moore informed Investor Three that few Limelight shares remained unsold and he should purchase quickly.

[89] Investor Three asked for a prospectus. In response, Moore sent out an "executive summary" describing Limelight's business. In response to a further enquiry, Moore sent out a Better Business Bureau report. Investor Three swore that in the months before he bought the Limelight shares, Moore called him about every ten days, repeatedly stating that the "deadline" for the shares to be publicly traded was getting close, and that the shares would increase in value once Limelight went public.

[90] At no time did Moore ask Investor Three about his financial situation, or whether he was an accredited investor.

[91] On November 14, 2005, Investor Three sent Limelight a signed share purchase agreement, and on or about December 15, 2005, he sent a cheque for $2,000 as payment for 1,000 Limelight shares. The evidence of Investor Three was corroborated by Moore, who testified that he sold Investor Three Limelight shares for $2,000.

[92] On or about March 10, 2006, Investor Three called Moore to ask why he had not yet received a share certificate. Moore told him he would send it, advised that Limelight had been in contact with the Commission, and that he was "100% sure that Limelight shares would be going to market." On or about March 25, 2006, Investor Three received a share certificate along with a share purchase confirmation form, but he did not sign or return it.

8. Affidavit of Investor Four

[93] Investor Four is 59 years old and has been on disability insurance since 1996. His net worth is approximately $40,000, which includes RRSPs and cash. His annual income from disability insurance, Canada Pension and an annuity, is $23,000. Investor Four has a high school education and has completed various computer courses. We are not satisfied that Investor Four is an accredited investor.

[94] In June, 2004, Investor Four received a telephone call from Allen Fox ("Fox") soliciting an investment in Limelight. Fox described himself as a broker with Limelight who dealt with accounting matters. Fox told Investor Four that Limelight was raising money to "build up the shares" of Limelight so that they could purchase the early recordings and videos of Shania Twain.

[95] Fox asked Investor Four about his age, income, occupation and financial means. Investor Four informed Fox that he was disabled and receiving disability insurance. Fox asked Investor Four to invest $100,000, but Investor Four refused.

[96] During June and July of 2004, Campbell contacted Investor Four and went over everything Fox had told him. Campbell represented that Limelight was attempting to obtain a listing on the Toronto Stock Exchange ("TSX"). Campbell sent Investor Four some press releases to read, but Investor Four did not invest.

[97] At the end of July, 2004, Investor Four was again contacted by Fox, who convinced Investor Four to purchase 5,000 Limelight shares for $10,000. Investor Four sent a cheque by courier and also signed a "confirmation letter" that was sent back to Limelight.

[98] When asked by Investor Four about the risk in purchasing Limelight shares, Campbell and Fox assured him that the risk was low, and that when the Limelight shares were traded on the TSX the price would rise to $5.00 per share. They advised Investor Four to sell half of his shares when the price reached $5.00, and assured him that they would call when it was time to sell. Fox and Campbell advised Investor Four that he was required to hold his shares for one year before they could be sold.

[99] Following his receipt of a letter from Staff in September, 2005, Investor Four contacted Da Silva to inquire about the status of Limelight. Da Silva advised Investor Four that Limelight had been "through the courts" to obtain the Shania Twain recordings and that Limelight had purchased those recordings.

[100] During this telephone call, Investor Four asked Da Silva to repurchase his shares. Da Silva promised to send some information, but never did. Da Silva also told him that within three months Limelight would be offering to exchange Limelight shares for new shares of "U.S. Limelight" and that Investor Four would receive 25,000 of the new shares.

[101] Da Silva advised Investor Four that U.S. Limelight would be based in Houston, Texas, to take advantage of the bigger market for fundraising. He further advised Investor Four that he would be transferring $5 to $7 million to the U.S. company. We received no evidence of any U.S. Limelight company.

9. Evidence of Larry Masci

[102] Masci has been an investigator with the enforcement branch of the Commission for 19 years. In addition to his oral testimony, Masci swore two affidavits that were tendered by Staff. In his oral testimony, Masci described his investigation of Limelight, beginning in July 2005. He also authenticated and explained the documents tendered by Staff, including the affidavits of three Ontario investors (Investors Two, Three and Four).

[103] Masci's first affidavit, dated April 25, 2006, related to a New Brunswick investor ("Investor Five") who was a Limelight shareholder. Masci was contacted by a New Brunswick Securities Commission investigator, Ed LeBlanc ("LeBlanc"), regarding Investor Five. LeBlanc told Masci that Daniels contacted Investor Five on April 14, 2006. According to LeBlanc, Daniels solicited Investor Five to purchase Limelight shares at $1 per share and advised him that Limelight would be listed on an exchange within 10 to 12 days. According to Masci's affidavit, LeBlanc provided him with an affidavit describing his investigation, but Staff did not introduce LeBlanc's affidavit into evidence in this proceeding.

[104] In response to LeBlanc's information, Masci contacted Investor Five by telephone. During this conversation, Investor Five told Masci he is 65 years of age and has an income of $40,000 to $50,000 per year and total assets of approximately $200,000, including his home and business. Accordingly, we are not satisfied that Investor Five is an accredited investor.

[105] According to Masci's affidavit, Investor Five had originally purchased $5,000 of Limelight shares after he was told that Limelight had a contract with the CBC and was recording Shania Twain. Investor Five was contacted by Limelight on April 11 or 12, 2006. Following that contact, Investor Five telephoned Limelight and was solicited to purchase Limelight shares at $1 per share and was told that Limelight would soon be "going to market." He was unsure of exact dates, but he was certain that his discussion with the Limelight salesperson occurred after Limelight was "shut down by the OSC." Investor Five declined to purchase any additional shares.

[106] Masci's second affidavit, dated May 10, 2006, concerns two matters. The first is Staff's attempts to locate and serve Daniels, and the second is Masci's discussion with another Limelight investor ("Investor Six").

[107] Masci swore in his second affidavit that, since April 26, 2006, when the Commission issued its cease trade order against Daniels and added him as a Respondent, Masci had been attempting, unsuccessfully, to locate him.

[108] Staff learned of Daniels' telephone number from investors. The number is registered to Hompesch Media Group, 4306 Lawrence Ave East, Scarborough, but there is no evidence that the company exists. However, the business name is registered to Da Silva and Silvio Astarita. The number connects the caller to Da Silva's voicemail.

[109] Masci testified that on May 12, 2006 he attended at the Limelight office in Scarborough in an attempt to serve Daniels with a New Brunswick Securities Commission order, the Amended Statement of Allegations, the Amended Notice of Hearing, and other documents. Daniels was not present. Da Silva, who was present, told Masci that he was not aware of Daniels' whereabouts, that Daniels had left with Campbell, and that he was "an American who comes up here, does his thing, and goes back out." Masci served the documents upon Da Silva. Staff has not been able to make any direct contact with Daniels.

[110] Masci's second affidavit also concerned Investor Six. On May 8, 2006, Masci again spoke to LeBlanc, who advised him that Daniels had recently contacted Investor Six. As a result of this contact, according to LeBlanc, Investor Six was sent a share purchase agreement, a solicitation letter, an executive summary of Limelight's business and a Limelight share certificate.

[111] Masci spoke to Investor Six on May 8, 2006. Investor Six is a New Brunswick resident and a Limelight shareholder. According to Masci's affidavit, Investor Six was contacted by Da Silva some time in 2005 to solicit sales of Limelight shares to him. At that time, Investor Six purchased Limelight shares for $5,000.

[112] On May 10, 2006, Investor Six advised Masci that within the preceding week he had been contacted by Daniels, who told him that Limelight shares would be trading on NASDAQ within 30 days, and offered Limelight shares at a price of $1 per share. Investor Six did not purchase any additional shares.

[113] Masci was advised by Investor Six that he does not earn in excess of $200,000 per year and has financial assets of less that $1 million. Accordingly, we are not satisfied that Investor Six is an accredited investor.

10. Da Silva and Campbell as Directing Minds

[114] In the Agreed Statement, Da Silva admitted that he was a directing mind of Limelight and stated that Campbell was also a directing mind of Limelight. Da Silva was the president of Limelight until on or about April 17, 2006, but he remained a director thereafter. After Da Silva's resignation as president, Campbell, who was formerly the vice-president of Limelight, became its president and sole signing officer. Da Silva owned more than 50% of the shares of Limelight and Campbell owned approximately 11%.

[115] That Da Silva and Campbell were the directing minds of Limelight was also corroborated by Simonsen and Moore. They testified that Da Silva was the principal of the operation, and was understood to be involved in "project development." Campbell was responsible for day-to-day operations, supervised the Limelight salespersons and orchestrated Limelight's sales practices.

[116] We find, therefore, that Da Silva and Campbell were the directing minds of Limelight. Both men were aware of and authorized, permitted or acquiesced in Limelight's breaches of the Act. Accordingly, Da Silva and Campbell must take responsibility for the conduct of Limelight. As discussed below, both men also directly contravened the Act.

11. Limelight's Business Operations

[117] According to documentary evidence introduced through Masci, Limelight purported to be engaged in a number of business projects. The evidence we heard suggests that the Shania Twain project was the most often referred to in soliciting investments during the period in question. The evidence as to the exact nature of that project is conflicting. It has been described as involving a greatest hits album, a deal for the early recordings and videos of Shania Twain, a 'new' album, or a remake of Twain's 2001 album entitled "The Complete Limelight Sessions." A Limelight press release represents that this project was completed, but no album appears to have been produced.

[118] Whether or not Limelight was engaged in any legitimate business projects, we find that its principal business was trading in its securities. Limelight does not appear to have any financial resources and does not appear to be in business any longer.

C. ANALYSIS OF PRELIMINARY ISSUES

1. The Commission's Mandate

[119] The Commission's mandate is found in section 1.1 of the Act. That section provides as follows:

> 1.1 The purposes of this Act are,
>
> (a) to provide protection to investors from unfair, improper or fraudulent practices; and
>
> (b) to foster fair and efficient capital markets and confidence in capital markets.

[120] Both purposes are at issue in this matter, and will frame our consideration of the issues.

2. Actions Contrary to the Public Interest

[121] Section 127 of the Act gives the Commission authority to make certain orders against participants in the capital markets if it finds that they have acted contrary to the public interest. The purpose of the Commission's public interest jurisdiction is neither remedial nor punitive; it is protective and preventative, intended to be exercised to prevent likely future harm to Ontario's capital markets (*Re Mithras Management* (1990), 13 O.S.C.B. 1600 at 1610).

[122] The Commission does not need to find a breach of the Act to make a finding of conduct contrary to the public interest so as to invoke the Commission's public interest jurisdiction under section 127 (*Re Canadian Tire Corp.* (1987), 10 O.S.C.B. 857 at p. 933, aff'd (1987), 59 O.R. (2d) 79 (Div. Ct.)).

3. Standard of Proof

[123] Staff submits that the standard of proof in this case is the "balance of probabilities." Because the Respondents are not registrants, Staff submits that it is not required to show proof that is "clear and convincing and based upon cogent evidence."

[124] In *Re Lett* (2004), 27 O.S.C.B. 3215 ("*Lett*"), the Commission considered this issue and made the following comments with respect to the required proof:

> Requiring proof that is "clear and convincing and based upon cogent evidence" has been accepted as necessary in order to make findings involving discipline or affecting one's ability to earn a livelihood.
>
> This is not such a hearing. Rather, it is a hearing to determine whether or not the Respondents traded in securities without registration contrary to section 25(1) of the Act.
>
> In *Bernstein v. College of Physicians and Surgeons (Ontario)* (1977), 15 O.R. (2nd) 477 at 470 (Div.Ct.). O'Leary J. stated:
>
> > In all cases, before reaching a conclusion of fact, the Tribunal must be reasonably satisfied that the fact occurred, and whether the Tribunal is so satisfied will depend on the totality of the circumstances involving the nature and consequences of the fact or facts to be proved, the seriousness of an allegation made, and the gravity of the consequences that will flow from a particular finding.
>
> In making our decision herein, we will have regard to that direction.
>
> (*Re Lett* (2004), 27 O.S.C.B. 3215, at para. 31-34)

[125] Similarly, in *Re ATI Technologies Inc.* (2005), 28 O.S.C.B. 8558 ("*ATI*"), the Commission stated:

> While the standard of proof in administrative proceedings is the civil standard of the balance of probabilities, Staff conceded that, this being an alleged violation of subsection 76(1) of the Act, it could only discharge its burden by clear and convincing proof based on cogent evidence.
>
> This standard of proof was recently affirmed in *Investment Dealers Assn. of Canada v. Boulieris* (2004), 27 O.S.C.B. 1597 (Ont. Securities Comm.) at paras. 33 and 34, affirmed *Investment Dealers Assn. of Canada v. Boulieris*, [2005] O.J. No. 1984 (Ont. Div. Ct.) where the Commission

> considered the standard required for proving a serious complaint against a person. The Commission noted in that case that the standard of proof and the nature of the evidence which is required to meet that standard, are integral to the duty of administrative tribunals to provide a fair hearing.
>
> We accept, as a matter of a fundamental fairness, that reliable and persuasive evidence is required to make adverse findings where those findings will have serious consequences for a respondent.
>
> (*Re ATI Technologies Inc.* (2005), 28 O.S.C.B. 8558, at para. 13)

[126] We agree with these statements from *Lett* and *ATI*. Given the potentially serious impact that orders under section 127 may have on the Respondents in this matter, we conclude that Staff must prove its case, on a balance of probabilities, based on clear, convincing and cogent evidence.

D. FINDINGS ON THE MERITS

1. Trading Contrary to Registration and Distribution Requirements

(i) Registration

[127] Subsection 25(1) of the Act states that no person or company shall "trade in a security" unless the person or company is registered under the Act.

[128] None of the Respondents is registered under the Act to trade in securities.

(ii) Trade

[129] Subsection 1(1) of the Act defines the term "trade." A trade includes "any sale or distribution of a security for valuable consideration" and "any act, advertisement, solicitation, conduct or negotiation directly or indirectly in furtherance of any of the foregoing."

[130] An act in furtherance of a trade must have a sufficiently proximate connection to a trade in securities. The Commission stated in *Re Costello* (2003), 26 O.S.C.B. 1617:

> There is no bright line separating acts, solicitations and conduct indirectly in furtherance of a trade from acts, solicitations and conduct not in furtherance of a trade. Whether a particular act is in furtherance of an actual trade is a question of fact that must be answered in the circumstances of each case. A useful guide is whether the activity in question had a sufficiently proximate connection to an actual trade.
>
> (*Re Costello* (2003), 26 O.S.C.B. 1617, at para. 47)

[131] In determining whether a person or company has engaged in acts in furtherance of a trade, the Commission has taken "a contextual approach" that examines "the totality of the conduct and the setting in which the acts have occurred." The primary consideration is, however, the effect of the acts on investors and potential investors. The Commission considered this issue in *Re Momentas Corporation* (2006), 29 O.S.C.B. 7408, at paras. 77-80, noting that "acts directly or indirectly in furtherance of a trade" include (i) providing promotional materials, agreements for signature and share certificates to investors, and (ii) accepting money; a completed sale is not necessary. In our view, depositing an investor cheque in a bank account is an act in furtherance of a trade.

[132] We find that Limelight and the other Respondents promoted and sold Limelight shares to investors in ten provinces and other jurisdictions. The Commission has jurisdiction over trading in securities in Ontario, and that jurisdiction extends to acts in furtherance of a trade that occur in Ontario even if the investor or potential investor is located outside Ontario (*Gregory & Co. Inc. v. Quebec Securities Commission*, [1961] S.C.R. 584 ("*Gregory*"), and *Re Allen* (2005), 28 O.S.C.B. 8541).

[133] In this case, while a number of sales of shares were made to investors outside Ontario, substantial elements of those trades occurred in this Province. Limelight carried on business in Toronto and most of the activities involved in the sales of shares to investors took place in Ontario. Limelight has its registered office in Toronto. Limelight's offices and operations were based in Toronto. Promotional materials, share purchase agreements, share certificates and other materials were mailed to investors from Toronto. The telephone calls made by the Respondents in connection with sales of Limelight shares were made from Limelight's Toronto offices and cheques in payment for the purchase of Limelight shares were sent to Toronto and deposited in a Toronto bank. These acts in furtherance of trades were directly linked to sales of shares. Accordingly, we find that we have jurisdiction over those trades. Limelight also sold shares to 71 investors in Ontario.

[134] Accordingly, we find that Limelight, Da Silva, Campbell and Daniels engaged in numerous trades and acts in furtherance of trades in Ontario.

(iii) Registration

[135] Pursuant to subsection 25(1) of the Act, a person or company is prohibited from trading in securities unless the person is registered. The requirement that an individual be registered in order to trade in securities is an essential element of the regulatory framework with the purpose of achieving the regulatory objectives of the Act. Registration serves an important gate-keeping mechanism ensuring that only properly qualified and suitable individuals are permitted to be registrants and to trade with or on behalf of the public. Through the registration process, the Commission attempts to ensure that those who trade in securities meet the applicable proficiency requirements, are of good character, satisfy the appropriate ethical standards and comply with the Act.

[136] In discussing the registration requirement, the Supreme Court of Canada in *Gregory* said the following:

> The paramount object of the Act is to ensure that persons who, in the province, carry on the business of trading in securities or acting as investment counsel, shall be honest and of good repute and, in this way, to protect the public, in the province or elsewhere, from being defrauded as a result of certain activities initiated in the province by persons who therein carry on such a business.
>
> (*Gregory*, *supra*, at paras. 11-15)

[137] Based on the evidence before us, we find that each of the Respondents traded in Limelight shares without being registered under the Act. For the reasons given below, we also find that no exemption from the registration provisions of the Act was available to the Respondents in respect of those trades.

(iv) Distribution

[138] "Distribution," is defined in subsection 1(1) of the Act and includes a trade in securities of an issuer that have not been previously issued.

[139] Subsection 53(1) of the Act states that no person or company shall trade in a security "if the trade would be a distribution of the security", unless a prospectus has been filed with and receipted by the Commission. The requirement to comply with section 53 of the Act is important because a prospectus ensures that prospective investors have full, true and plain disclosure of information to properly assess the risks of an investment and make an informed investment decision. The prospectus requirements of the Act play a significant role in the overall scheme of investor protection. As stated by the court in *Jones v. F.H. Deacon Hodgson Inc. (*1986), 9 O.S.C.B. 5579 (H.C.) (at p. 5590), "there can be no question but that the filing of a prospectus and its acceptance by the Commission is fundamental to the protection of the investing public who are contemplating purchase of the shares."

[140] Based on the evidence, we find that previously unissued Limelight shares were sold to investors and that such trades were distributions within the meaning of the Act.

[141] We also find that Limelight did not file any prospectus to qualify the shares sold to investors.

(v) Accredited Investor Exemption

[142] Staff has established that the Respondents traded without registration and distributed shares without qualifying those shares under a prospectus. Having done so, the onus shifts to the Respondents to prove that an exemption from those requirements was available in the circumstances (*Re Euston Capital Corp.*, 2007 ABASC 75, *Re Lydia Diamond Exploration of Canada Ltd.* (2003), 26 O.S.C.B. 2511, and *Re Ochnik* (2006), 29 O.S.C.B. 3929). The Respondents purported to rely upon the "accredited investor" exemption in OSC Rule 45-501.

[143] The relevant portions of the definition of "accredited investor" provide as follows:

> "accredited investor" means …
>
> (j) an individual who, either alone or with a spouse, beneficially owns, directly or indirectly, financial assets having an aggregate realizable value that before taxes, but net of any related liabilities, exceeds $1,000,000,

> (k) an individual whose net income before taxes exceeded $200,000 in each of the 2 most recent calendar years or whose net income before taxes combined with that of a spouse exceeded $300,000 in each of the 2 most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year,
>
> (l) an individual who, either alone or with a spouse, has net assets of at least $5,000,000, . . .
> .

[144] The Agreed Statement states, "The vast majority of Limelight investors are not accredited investors." This is corroborated by oral and affidavit evidence that Limelight and its salespersons did not even enquire into the financial status of prospective investors to determine whether they qualified as accredited investors. Based on the evidence before us, we are not satisfied that Investor One, Investor Two, Investor Three, Investor Four, Investor Five or Investor Six qualified for the accredited investor exemption. We conclude that the Respondents have not satisfied the onus on them to demonstrate that the accredited investor exemption or any other registration or prospectus exemption was available to them in connection with the trading in and distribution of Limelight shares.

[145] Even if the purchasers of Limelight shares had been accredited investors, that exemption is not available to a "market intermediary," which is defined in OSC Rule 14-501 – *Definitions* as "a person or company that engages or holds himself, herself or itself out as engaging in the business of trading in securities as principal or agent." The Companion Policy to that Rule provides that:

> The [Ontario Securities] Commission takes the position that if an issuer retains an employee whose primary job function is to actively solicit members of the public for the purposes of selling the issuer's securities, the issuer and its employees are in the business of selling securities. Further, if an issuer and its employees are deemed to be in the business of selling securities, the Commission considers both the issuer and its employees to be market intermediaries. This applies whether the issuer and its employees are located in Ontario and solicit members of the public outside of Ontario or whether the issuer and its employees are located outside of Ontario and solicit members of the public in Ontario. Accordingly, in order to be in compliance with securities legislation, these issuers and their employees should be registered under the appropriate category of registration in Ontario.

[146] Based on the evidence of Simonsen and Moore, we find that Limelight employed several employees, including Simonsen, Moore and Daniels, who, despite initial statements to the contrary made by Da Silva to Staff, were involved solely in selling Limelight shares to investors. Therefore, in our view, Limelight and its employees were acting as market intermediaries in these circumstances, without registration, in breach of subsection 25(1) of the Act.

[147] Accordingly, we find that Limelight, Da Silva, Campbell and Daniels each contravened subsections 25(1) and 53(1) of the Act. The specific allegations against each Respondent are discussed below.

(vi) Limelight

[148] We accept the evidence of the four Ontario investors who purchased previously unissued Limelight shares from Da Silva, Campbell and other Limelight salespeople. Masci's affidavits also provided evidence that Limelight shares were sold to an additional three New Brunswick investors. There is no evidence before us that any of these investors was an accredited investor.

[149] Limelight has never been registered with the Commission and no exemption from registration is available to it. We therefore conclude that Limelight traded in shares of Limelight without being registered, in breach of subsection 25(1) of the Act. Limelight has made illegal distributions of its shares to investors because a prospectus was not filed and no prospectus exemption was available. Therefore, Limelight contravened subsection 53(1) of the Act.

(vii) Da Silva

[150] In the Agreed Statement, Da Silva admits that he traded in Limelight shares between April 2004 and May 2006. This is corroborated by the evidence. Moore testified that he observed Da Silva making a sales pitch to one of Moore's potential investors. Investor One testified that Da Silva was his contact person at Limelight after he purchased shares. When Investor One asked Da Silva to repurchase his shares, Da Silva refused, and encouraged him to sell his AccessMed shares, but they could not be traded. Investor Two swore that Da Silva solicited him to purchase Limelight shares and sold Limelight shares to him for a consideration of $12,000. When Investor Four requested that Da Silva repurchase his Limelight shares, Da Silva stated, amongst other things, that he could soon exchange his Limelight shares for shares of "U.S. Limelight." Investor Six also told Masci that Da Silva sold Limelight shares to him.

[151] In forms filed with the Commission and during interviews with Staff, Da Silva represented that Limelight relied on the accredited investor exemption in effecting sales of its shares. In the Agreed Statement, Da Silva admits that the "vast majority" of the investors in Limelight were not accredited investors, and that Limelight salespersons made no effort to determine whether or not potential investors qualified for that exemption. Da Silva also admits in the Agreed Statement to not being registered with the Commission since June 2000.

[152] Accordingly, we find that Da Silva traded in Limelight shares in breach of subsection 25(1) of the Act. As the Limelight shares had not been previously issued, Da Silva also contravened subsection 53(1) of the Act by distributing shares without filing a prospectus, where no prospectus exemption was available.

(viii) Campbell

[153] Consistent evidence about Campbell's involvement in the trading of Limelight shares came from the Agreed Statement, the testimony of Moore, Simonsen and Investor One, and the affidavit evidence of Investor Four. We find that Campbell was responsible for the day-to-day operations of Limelight. This included hiring and training the sales force. He provided the salespersons with scripts, attempted to motivate them to sell shares and periodically demonstrated sales techniques.

[154] The documentary evidence, including bank deposit slips, also shows that Campbell deposited cheques from investors in Limelight's bank accounts.

[155] Campbell has never been registered under the Act and no exemption from registration is available to him. He therefore traded in shares of Limelight without registration, in breach of subsection 25(1) of the Act. Shares sold by Campbell directly or indirectly through Limelight salespersons were illegal distributions under the Act because a prospectus was not filed and no prospectus exemption was available. Campbell therefore also contravened subsection 53(1) of the Act.

(ix) Daniels

[156] Much of Staff's evidence against Daniels is hearsay. Masci swore in two affidavits that he spoke by telephone to Investor Five and Investor Six, to whom he was referred by LeBlanc, but he did not obtain an affidavit from either investor. Investor Six told Masci he was contacted by Daniels in May, 2006 and solicited to purchase shares at $1 per share. In addition, Masci's affidavit states that LeBlanc told him that Investor Five was contacted by Daniels on or about April 14, 2006.

[157] There is documentary evidence that supports Masci's affidavits. First, Staff submitted a fax from Daniels to another investor ("Investor Seven"), dated April 11, 2007, thanking him for his investment and enclosing a receipt for the shares purchased. In addition, Staff submitted as evidence courier receipts showing packages addressed to Limelight and Daniels both before and after the issuance of the First Temporary Order; these were sent to Limelight's Toronto mailbox. There is also evidence of more than 450 telephone calls to persons in all ten provinces from a telephone number registered to Limelight. That telephone number was given by Daniels as the contact number at the bottom of his faxed confirmation to Investor Seven. Investor Five and Investor Six were not accredited investors and no prospectus was filed in respect of the shares sold to them.

[158] Daniels has never been registered in any capacity with the Commission and there is no evidence that any registration exemption is available to him. We therefore conclude that Daniels traded in shares of Limelight without registration in breach of subsection 25(1) of the Act. Further, by distributing shares where no prospectus was filed and no exemption was available, Daniels contravened subsection 53(1) of the Act.

2. Breach of Subsections 38(2) and 38(3) of the Act

(i) Subsections 38(2) and 38(3)

[159] Subsection 38(2) of the Act states:

> No person or company, with the intention of effecting a trade in a security, shall give any undertaking, written or oral, relating to the future value or price of such security.

[160] Subsection 38(3) of the Act states:

> Subject to the regulations, no person or company, with the intention of effecting a trade in a security, shall, except with the written permission of the Director, make any representation, written or oral, that such security will be listed on any stock exchange or quoted on any quotation and trade reporting system, or that application has been or will be made to list such security upon any stock exchange or quote such security on any quotation and trade reporting system, unless,

(a) application has been made to list or quote the securities being traded, and securities of the same issuer are currently listed on any stock exchange or quoted on any quotation and trade reporting system; or

(b) the stock exchange or quotation and trade reporting system has granted approval to the listing or quoting of the securities, conditional or otherwise, or has consented to, or indicated that it does not object to, the representation.

[161] The language in subsections (2) and (3) is different: while subsection 38(3) prohibits a "representation" as to listing, subsection 38(2) prohibits an "undertaking" as to future value of a security. We invited Staff and Da Silva to file written submissions on the scope of subsection 38(2). Staff responded by letter dated October 23, 2007. Da Silva did not respond.

(ii) Staff Submissions on Subsection 38(2)

[162] Staff submits that an "undertaking" falls somewhere on the legal continuum between a representation and an enforceable legal obligation. In Staff's submission, an undertaking is a representation that amounts to a promise, guarantee or assurance as to the future value of a security. Staff submits, however, that an undertaking need not give rise to legal recourse against the person giving the undertaking. An undertaking is more than a mere representation but may be less than an enforceable obligation. In support of this interpretation, Staff notes that subsection 38(1) of the Act (representation that the seller will resell or repurchase or refund the purchase price of any security) does not apply where the security has an aggregate acquisition cost of more than $50,000 and "the representation is contained in an enforceable written agreement."

[163] Staff also submits that a contextual and purposive approach should be taken to interpreting subsection 38(2), because the purpose of that section is investor protection, and because representations as to future value are often made to vulnerable and unsophisticated investors and associated with other representations such as a representation as to the future listing of shares on an exchange. As a result, Staff submits that it is necessary to examine all of the surrounding circumstances in order to determine whether a representation amounts to a promise, guarantee or assurance and is therefore an undertaking within the meaning of subsection 38(2) of the Act.

(iii) Conclusion on Subsection 38(2)

[164] We agree that something less than a legally enforceable obligation can be an "undertaking" within the meaning of subsection 38(2), depending on the circumstances. We also accept Staff's submission that we should not take an overly technical approach to the interpretation of subsection 38(2) and that we should consider all of the surrounding circumstances and the Commission's regulatory objectives in interpreting the meaning of that section.

[165] We found the decision in *Re National Gaming Corp.* (2000), 9 A.S.C.S. 3570 ("*National Gaming*") to be helpful on this issue. The Alberta Securities Commission (the "ASC") stated:

> … an undertaking is a promise, assurance or guarantee of a future price or value of securities that can be reasonably interpreted as providing the purchaser with a contractual right against the person giving the undertaking if, for any reason, the value or price is not achieved.
>
> (*Re National Gaming Corp.* (2000), 9 A.S.C.S. 3570, at p. 16)

[166] In the same decision, the ASC also stated:

> In interpreting subsection 70(3)(a), we are mindful of the fact that predictions relating to the future value or price of securities are commonplace in the securities industry, and are not prohibited by the Act. Predictions encompass a broad spectrum. They range from very general predictions about the entire market, to very specific predictions about the value or price of a particular security within a particular time frame. Some predictions are developed with extreme care, based on rigorous, professional research and scientific analysis based on sophisticated market theory. Other predictions may be based on no more than wishful thinking or guesswork. In our view, the shared element of all predictions is that they are merely opinions.
>
> (*Re National Gaming Corp.* (2000), 9 A.S.C.S. 3570, at p. 16)

[167] Finally, the ASC stated that in determining whether a representation amounted to an undertaking, the context of the statement must be considered, and the "undertaking" must be given a "functional interpretation" in keeping with the objective of protecting investors. Accordingly, the ASC held it was not necessary to show that all the elements of an enforceable contract existed. The ASC concluded in *National Gaming* that no undertaking with respect to future value was given in the circumstances.

[168] In *Securities Law and Practice* (Borden Ladner Gervais LLP, *Securities Law and Practice*, 3rd ed., looseleaf (Toronto: Thomson Canada Limited, 2007) (WLeC)), it is stated that: "the prohibition in s. 38(2) appears to be justifiably narrow since trading in securities is necessarily based on statements concerning the future value or price of securities; as long as they are not construed as undertakings, s. 38(2) would not be breached."

[169] We agree with the approach of the ASC in *National Gaming* and the statement of the law from *Securities Law and Practice*.

[170] In our view, a mere representation as to future value is not an "undertaking" within the meaning of subsection 38(2) of the Act. Prohibiting all representations as to the future value of securities would ignore the reality of the marketplace.

[171] In this case, considering all of the circumstances, we do not believe that potential Limelight investors would have understood that the representations made to them as to the future value of Limelight shares amounted to a promise, guarantee or assurance of future value. The words used by the Limelight salespersons did not suggest that something more than a representation was being made or an opinion given. There is no evidence of any promise or assurance given to repurchase the securities or refund the purchase price if a certain value was not achieved. Accordingly, we do not view the representations as to future value given in this case to be "undertakings" within the meaning of subsection 38(2) of the Act.

[172] That does not mean, however, that we accept Limelight's sales practices.

[173] According to the evidence of Moore and Simonsen, the salespersons at Limelight made constant use of "scripts" provided to them by Campbell. Moore testified that "I would follow it almost verbatim for the first week when calling investors, potential investors."

[174] The Agreed Statement describes the use of scripts this way:

> Salespersons received scripts from David Campbell to use when salespersons spoke to investors. There was a script for cold calls, a script for persons who had already spoken to a qualifier, a call back script for prospective investors to whom a salesperson had spoken to on more than one occasion and a final order pitch script. Salespersons also received sheets which contained suggested wording to use when speaking to investors and sheets which had suggested responses for dealing with investors who (i) were not interested; (ii) wanted to speak to their spouse; (iii) had no money; (iv) wanted to speak to their broker; or (v) wanted to read the investor information.

[175] Though Da Silva advised Staff that he did not know about the use of scripts by Limelight's salespersons, it is clear to us that the purpose of the scripts was to use high pressure tactics to sell shares to investors and to provide a response to every objection a potential investor might raise. The scripts provide a road map of the sales practices used by Limelight and its salespersons.

[176] We have heard or received evidence from several investors who testified or swore that Da Silva, Campbell and other Limelight salespersons made representations as to the future value of Limelight shares. Moore testified that he told potential investors that they could make "three or four times the money", but sometimes heard other salespersons say "ten times." In addition, the Agreed Statement states that some investors were told that the Limelight share value was expected to rise to "$3 to $10 per share once Limelight went public."

[177] The scripts do not make explicit promises regarding the future value of Limelight shares, but they do predict a substantial rate of growth. For example, salespersons would recount one "success story", "Dynamic Fuels", in which a stock that opened at $7 on the TSX was originally sold privately for $0.75 per share. One script states: "We feel LM is going to do better than Dynamic ever could." The investor is then warned that "keep in mind you missed out on Dynamic, I don't want you to miss out on this one."

[178] It is also clear that misrepresentations were made about Limelight's business, the use of the proceeds of sales and whether salespersons were paid commissions. We conclude that Limelight salespersons, using scripts and high pressure sales tactics, were prepared to make almost any representation as to the future value of the Limelight shares in order to effect a sale.

[179] In *Re First Global Ventures, S.A.* (2007), 30 O.S.C.B. 10473 ("First Global"), the Commission made the following comment with respect to high pressure sales tactics:

> High pressure sales tactics encompass a broad range of activity that has the effect of persuading individuals to invest inappropriately. A key characteristic of high pressure sales tactics is that these tactics put individuals in a position where they are pressured to make a decision quickly because the investment opportunity may disappear. High pressure sales tactics include, but are not limited to, selling tactics designed to induce, and having the effect of inducing, clients to purchase

> securities inappropriate to their situation on the basis of inadequate investment information and/or misinformation as to the issuers of the securities, the value of the securities, and the prospects of the issuer and the securities. Comments that give the impression that shares are attractive and quick action is needed because an investment opportunity will expire in a short time frame and repeatedly calling investors to get them to make an investment decision quickly based on misleading information also qualify as high pressure sales tactics.
>
> (*Re First Global Ventures, S.A.* (2007), 30 O.S.C.B. 10473)

[180] We consider the representations made by the Respondents with respect to the future value of the Limelight shares, together with their use of high pressure sales tactics, to be improper and unacceptable. We conclude that these representations and the high pressure sales tactics employed by Limelight, Da Silva and Campbell were contrary to the public interest.

(iv) Subsection 38(3)

a) Limelight

[181] There is ample evidence from investors that Limelight's salespersons stated that Limelight shares would be listed on an exchange. The time frames given ranged from 10 to 12 days to a year. Both Simonsen and Moore confirmed that such representations were regular practice. The Agreed Statement states that "David Campbell advised Limelight's salespersons that Limelight was raising money for the purpose of going public. Limelight salespersons in turn advised prospective investors that Limelight would be going public and that its shares would be listed on a stock exchange in order to effect sales of Limelight shares." No one has suggested that the Director gave permission under the Act to make those representations, as permitted under subsection 38(3) of the Act. We are satisfied on the evidence that Limelight through its salespersons made representations as to the future listing of Limelight shares on a stock exchange for the purpose of effecting trades in Limelight shares contrary to subsection 38(3) of the Act.

b) Da Silva

[182] Investor Two swore in his affidavit that Da Silva represented to him that Limelight shares would be listed on an exchange within six months. In addition, as noted above, in the Agreed Statement Da Silva states that Limelight and its salespersons represented that Limelight would be listed on a stock exchange.

[183] Section 129.2 of the Act states that a director or officer of a corporation is deemed to have breached Ontario securities law if he or she authorizes, permits, or acquiesces in a breach of Ontario securities law by the corporation. In the circumstances, we believe that there is sufficient evidence to conclude that Da Silva was aware of the representations as to listing being made by Limelight salespersons. At the least, he authorized, permitted or acquiesced in those representations. Accordingly, we find that Da Silva made a representation to at least one investor in breach of subsection 38(3) of the Act and that he authorized, permitted or acquiesced in breaches of subsection 38(3) by Limelight and its salespersons.

c) Campbell

[184] It is clear on the evidence that Campbell was directly responsible for the sales tactics used by Limelight and its salespersons. The Agreed Statement states that "David Campbell advised Limelight's salespersons that Limelight was raising money for the purpose of going public. Limelight salespersons in turn advised prospective investors that Limelight would be going public and that its shares would be listed on a stock exchange in order to effect sales of Limelight shares." The scripts given by Campbell to salespersons confirm this. Further, Investor Four swears in his affidavit that Campbell represented to him that Limelight shares would be listed on the TSX. In addition, Investor One testified that Campbell or Ulfan represented to him that Limelight would soon be going public. Accordingly, we find that Campbell made representations contrary to subsection 38(3) of the Act. Campbell also authorized, permitted or acquiesced in the breach by Limelight of subsection 38(3) of the Act.

d) Daniels

[185] The only evidence that was submitted regarding improper representations made by Daniels was through Masci's affidavit evidence concerning Investor Six. This evidence was not corroborated in any way and, in our view, is not sufficiently reliable. We therefore conclude that there is insufficient evidence to find that Daniels made representations contrary to subsection 38(3) of the Act.

3. Misleading Statements to Staff

(i) The Law

[186] Staff alleges that Limelight, Da Silva and Campbell made misleading statements to Staff during interviews conducted by Staff, contrary to clause 122(1)(a) of the Act. That clause states that:

> Every person or company that,
>
> (a) makes a statement in any material, evidence or information submitted to the Commission, a Director, any person acting under the authority of the Commission or the Executive Director or any person appointed to make an investigation or examination under this Act that, in a material respect and at the time and in the light of the circumstances under which it is made, is misleading or untrue or does not state a fact that is required to be stated or that is necessary to make the statement not misleading;
>
> . . . .
>
> is guilty of an offence and on conviction is liable to a fine of not more than $5 million or to imprisonment for a term of not more than five years less a day, or to both.

(ii) Findings

a) Da Silva

[187] In the Agreed Statement, Da Silva admits to advising Staff that Limelight shares were sold only to accredited investors. That statement is contradicted by a number of investors, none of whom were accredited investors, and by the testimony of Simonsen and Moore. In the Agreed Statement, Da Silva acknowledges that, in fact, "the vast majority of Limelight investors are not accredited investors."

[188] The Agreed Statement states that Da Silva also advised Staff during its interview on December 13, 2005 that no scripts were used at Limelight, Limelight salespersons always inquired to confirm that all sales of Limelight shares were made to accredited investors, and Limelight's salespersons also acted as project managers. Da Silva has admitted that these statements were false and misleading and this admission has been confirmed by witnesses and documentary evidence.

[189] Accordingly, we find that Da Silva lied to and misled Staff in its investigation contrary to clause 122(1)(a) of the Act.

b) Campbell

[190] Staff called evidence regarding misleading statements made by Campbell when interviewed by Staff. Staff has stated that they will address the issue of Campbell's misleading statements during the hearing on sanctions.

[191] Campbell, in his interview, told Staff that no scripts were used at Limelight. As stated above, it is clear from the evidence, which included copies of the scripts and the testimony of Moore and Simonsen explaining them, that scripts were used. In addition, Campbell told Staff that he told salespersons not to make representations as to the future value of Limelight shares or as to the listing of such shares on a stock exchange.

[192] As discussed above, we have found that the salespersons at Limelight made repeated representations as to the future listing of Limelight shares on a stock exchange. The scripts provided to the salespersons by Campbell, as well as the 'rebuttal sheets', mention both future listing and future share price. As the day-to-day manager of the business of Limelight, Campbell would have known that these statements were being made and that they were false and misleading.

[193] Accordingly, we find that Campbell lied to and misled Staff in its investigation contrary to clause 122(1)(a) of the Act.

4. Misleading Reports of Exempt Distributions

[194] Staff alleges that the forms filed by Limelight with the Commission in connection with the distributions made by Limelight were misleading or untrue in a material respect, contrary to clause 122(1)(b) of the Act. That clause states that:

> Every person or company that,
>
> . . . .

> (b) makes a statement in any application, release, report, preliminary prospectus, prospectus, return, financial statement, information circular, take-over bid circular, issuer bid circular or other document required to be filed or furnished under Ontario securities law that, in a material respect and at the time and in the light of the circumstances under which it is made, is misleading or untrue or does not state a fact that is required to be stated or that is necessary to make the statement not misleading;
>
> . . . .
>
> is guilty of an offence and on conviction is liable to a fine of not more than $5 million or to imprisonment for a term of not more than five years less a day, or to both.

[195] In the Agreed Statement, Da Silva admitted that the vast majority of Limelight investors were not accredited investors, and that Limelight purported to rely on the accredited investor exemption though it was not available. Furthermore, the evidence shows that Limelight's salespersons made no effort to enquire into the financial position of prospective investors to determine whether they would qualify as accredited investors. It was Limelight's responsibility to do so.

[196] The evidence shows that Limelight made filings with the Commission of forms required to be filed under the Act that misrepresented the dates of various trades and the exemption relied upon and failed to disclose the payment of commissions and other fees, as required. Accordingly, we find that Limelight's filings, signed and certified by or on behalf of Da Silva, were false and misleading.

[197] Accordingly, we find that Limelight and Da Silva made statements in documents required to be filed under Ontario securities law that contravened clause 122(1)(b) of the Act.

5. Violation of the Temporary Order

[198] Staff alleges that Limelight, Da Silva, Campbell and Daniels continued to sell and trade in Limelight shares after the First Temporary Order was issued on April 13, 2006.

(i) The Law

[199] Clause 122(1)(c) of the Act provides as follows:

> Every person or company that,
>
> . . . .
>
> (c) contravenes Ontario securities law,
>
> is guilty of an offence and on conviction is liable to a fine of not more than $5 million or to imprisonment for a term of not more than five years less a day, or to both.

[200] "Ontario securities law" is defined in subsection 1(1) of the Act to include "… in respect of a person or company, a decision of the Commission or a Director to which the person or company is subject." The First Temporary Order and the Amended Temporary Order constitute decisions of the Commission under section 127 of the Act. Accordingly, any breach by the Respondents of the First Temporary Order or the Amended Temporary Order contravenes Ontario securities law.

(ii) Findings

[201] The First Temporary Order was issued on April 13, 2006 and ordered Limelight, Da Silva, Campbell and Moore to cease trading in all securities, and that any exemptions available in Ontario securities law do not apply to them. It also ordered "that all trading cease in the securities of Limelight." The Amended Temporary Order, issued on April 26, 2006, extended the terms of the First Temporary Order, and ordered Daniels to cease trading in all securities and that any exemptions available in Ontario securities law do not apply to him.

[202] The Agreed Statement includes the following admissions:

> Carlos Da Silva was solely authorized to withdraw money from Limelight's bank accounts until he resigned on or about April 17, 2006. At that time, David Campbell obtained signing authority over the Limelight bank account.

> Two investor cheques totalling $4,500 were deposited by Carlos Da Silva at 5:27 p.m. on April 13, 2006 while he was president of Limelight and one investor cheque for $400 was deposited by Carlos Da Silva on April 20, 2006. Investor cheques totalling $86,750 were deposited by David Campbell on April 21, 24, 26, 28, May 2, 4, 8, 11, 12, 16 and 18 and June 1, 2006. Other investor cheques totalling $7,100 were deposited on April 24 and 25, 2006 by persons whose signatures have not been identified.

[203] Da Silva's admissions in the Agreed Statement are corroborated by Limelight's bank records. In our view, depositing these cheques in Limelight's bank account constituted acts in furtherance of trades that, depending on the date of deposit, were prohibited by the First Temporary Order or the Amended Temporary Order.

[204] Further, Limelight's telephone records show that several hundred calls were made after April 13, 2006. Purolator receipts show that Limelight continued to send information to potential investors and receive investor cheques after April 13, 2006.

[205] The Agreed Statement also states: "After the Temporary Order, Limelight, David Campbell, and Limelight salespersons continued to solicit investors and receive investor cheques after the Temporary Order. These activities were in breach of the Temporary Order." This assertion is corroborated by evidence that Campbell deposited cheques from investors in Limelight's bank account after April 13, 2006, as described above. As sole director and president, Campbell was solely responsible for the actions of Limelight following Da Silva's resignation.

[206] The initial motion for the First Temporary Order was made on notice to Limelight, Da Silva and Campbell, and they were served with the Notice of Hearing, Statement of Allegations, and affidavits of the investigator and two investors. They appeared by counsel at the Commission hearing on April 13, 2006, and did not oppose the First Temporary Order. The Amended Temporary Order was binding on all of the Respondents.

[207] We find that Limelight breached the First Temporary Order by continuing to trade after the First Temporary Order was issued, that Da Silva breached the first Temporary Order by depositing cheques in Limelight's bank account on April 13 and April 20, and that Campbell breached the Amended Temporary Order by depositing cheques in Limelight's bank account on April 26 and thereafter. We also find that Da Silva and Campbell authorized, permitted or acquiesced in Limelight's breach of the First Temporary Order and the Amended Temporary Order. We are not satisfied, however, that Staff has submitted sufficient, clear, convincing and cogent evidence to prove that Daniels breached the First Temporary Order or the Amended Temporary Order.

E. CONDUCT CONTRARY TO THE PUBLIC INTEREST

[208] From April 2004 to May 2006, Limelight, Da Silva and Campbell sold approximately 1.6 million Limelight shares to investors. As a result of these sales, Limelight raised approximately $2.75 million from investors in all ten provinces of Canada and outside Canada. It is clear that the Respondents were acting in concert with a common purpose in making these sales of Limelight shares to investors. In carrying out that common purpose, they preyed on investors with limited resources and financial experience and breached key provisions of the Act intended to protect those investors. The investors appear to have lost their entire investments.

[209] We have found that Limelight, Da Silva, Campbell and Daniels illegally traded without registration and engaged in illegal distributions. Their purported reliance on the "accredited investor" exemption was little more than a smoke screen for their blatant disregard of Ontario securities law.

[210] In addition, Limelight, Da Silva and Campbell made prohibited representations with respect to the future listing of Limelight shares on a stock exchange and used high pressure sales tactics that included improper and unacceptable representations as to the future value of Limelight shares.

[211] In carrying out their illegal purpose, Limelight and Da Silva filed false and misleading reports with the Commission.

[212] Further, when called to account, Da Silva and Campbell misled Staff about their conduct and that of Limelight. And when the Commission issued its First Temporary Order to protect investors from further harm, Limelight, Da Silva and Campbell blatantly ignored it and continued to illegally trade in Limelight shares.

[213] In conclusion, the Respondents breached a number of key provisions of the Act intended to protect investors. Their conduct was egregious. It caused great harm to investors and to the integrity of Ontario's capital markets, and was clearly contrary to the public interest.

F. CONCLUSIONS

[214] Accordingly, for the reasons given above , we make the following findings.

[215] We find that Limelight, Da Silva, Campbell and Daniels contravened subsection 25(1) of the Act by trading in Limelight shares without registration where no exemption was available;

[216] We find that Limelight, Da Silva, Campbell and Daniels contravened subsection 53(1) of the Act by distributing previously unissued Limelight shares when no prospectus was filed and no exemption was available;

[217] We are not satisfied that Limelight, Da Silva and Campbell gave undertakings regarding the future value of Limelight shares contrary to subsection 38(2) of the Act, but we find that they made representations and used high pressure sales tactics that were contrary to the public interest;

[218] We find that Limelight, Da Silva and Campbell make representations regarding the future listing of Limelight shares, with the intention of effecting sales of Limelight shares, contrary to subsection 38(3) of the Act, but we are not satisfied that Staff met its burden of proving that Daniels did so;

[219] We find that Da Silva lied to and misled Staff, contrary to clause 122(1)(a) of the Act;

[220] We find that Limelight and Da Silva filed misleading and untrue reports of exempt distributions with the Commission contrary to clause 122(1)(b) of the Act;

[221] We find that Limelight, Da Silva and Campbell breached the First Temporary Order and that Limelight and Campbell breached the Amended Temporary Order contrary to clause 122(1)(c) of the Act, but we are not satisfied that Staff met its burden of proving that Daniels breached either order; and

[222] We find that Limelight, Da Silva, Campbell and Daniels acted contrary to the public interest by breaching important provisions of the Act intended to protect investors.

[223] The parties are directed to contact the Office of the Secretary within the next 10 days to set a date for a sanctions hearing, failing which a date will be set by the Office of the Secretary.

DATED at Toronto this 12th day of February, 2008.

“James E. A. Turner”

“Suresh Thakrar”

Chapter 4

Cease Trading Orders

4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Revoke
Gray Wolf Capital Corporation	31 Jan 08	12 Feb 08	12 Feb 08	
Ona Energy Inc.	07 Feb 08			07 Feb 08
Franchise Services of North America Inc.	07 Feb 08	19 Feb 08		
CalStar Oil & Gas Ltd.	11 Feb 08	22 Feb 08		

4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
ESI Entertainment Systems Inc.	31 Jan 08	13 Feb 08		14 Feb 08	
Cenit Corporation	31 Jan 08	13 Feb 08			

4.2.2 Outstanding Management & Insider Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
AldeaVision Solutions Inc.	03 May 07	16 May 07	16 May 07		
Argus Corporation Limited	25 May 04	03 Jun 04	03 Jun 04		
CoolBrands International Inc.	30 Nov 06	13 Dec 06	13 Dec 06		
Fareport Capital Inc.	13 Jul 07	26 Jul 07	26 Jul 07		
Hip Interactive Corp.	04 Jul 05	15 Jul 05	15 Jul 05		
HMZ Metals Inc.	03 Apr 06	14 Apr 06	17 Apr 06		

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
Peace Arch Entertainment Group Inc.	13 Dec 07	24 Dec 07	24 Dec 07		
TS Telecom Ltd.	06 Dec 07	19 Dec 07	19 Dec 07	11 Feb 08	
Mint Technology Corp.	03 Jan 08	16 Jan 08	16 Jan 08	12 Feb 08	

Chapter 7

Insider Reporting

This chapter is available in the print version of the OSC Bulletin, as well as as in Carswell's internet service SecuritiesScource (see www.carswell.com).

This chapter contains a weekly summary of insider transactions of Ontario reporting issuers in the System for Electronic Disclosure by Insiders (SEDI). The weekly summary contains insider transactions reported during the seven days ending Sunday at 11:59 pm.

To obtain Insider Reporting information, please visit the SEDI website (www.sedi.ca).

Chapter 8

Notice of Exempt Financings

REPORTS OF TRADES SUBMITTED ON FORMS 45-106F1 AND 45-501F1

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
01/29/2008 to 02/06/2008	156	20/20 Diversified Income Trust - Units	2,199,600.00	2,444.00
05/01/2007 to 12/01/2007	19	Altairis Investments - Units	4,039,610.05	3,195.29
01/24/2007	2	Apex Construction Systems, Inc. - Common Shares	165,353.10	14,687,869.00
04/30/2007 to 12/31/2007	12	Aquilon Power Silverhill Fund L.P. - Units	6,569,995.68	6,355.90
01/31/2007 to 12/31/2007	11	Aquilon Premium Value Partnership - Units	8,747,023.80	6,153.40
02/01/2008	3	Artenga Inc. - Common Shares	400,000.00	1,111,111.00
01/22/2008	13	Athabasca Minerals Inc. - Units	202,500.00	506,250.00
02/04/2008	3	Bralorne Gold Mines Ltd, - Flow-Through Units	619,000.65	538,261.00
02/04/2008	1	Bralorne Gold Mines Ltd, - Option	100.00	1.00
04/04/2007 to 04/05/2007	4	Briar House Capital Corporation - Preferred Shares	86,950.00	86,950.00
01/08/2007 to 10/25/2007	57	Burgundy Asian Equity Fund - Units	42,661,557.26	2,271,513.00
01/01/2007 to 12/31/2007	9	Burgundy Balanced Foundation Fund - Units	32,849,947.06	2,199,232.08
02/02/2007 to 12/30/2007	16	Burgundy Balanced Pension Fund - Units	31,585,861.96	1,920,157.00
05/07/2007 to 10/09/2007	8	Burgundy Canadian Small Cap Fund - Units	2,052,471.46	16,195.00
01/01/2007 to 12/31/2007	292	Burgundy Global Focused Opportunities Fund - Units	183,868,532.34	14,488,223.00
01/08/2007 to 08/31/2007	5	Burgundy MM Fund - Units	2,725,000.00	275,597.00
04/03/2007 to 11/26/2007	2	Burgundy Pension Trust Fund - Units	125,236.35	6,045.00

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
01/08/2007 to 12/17/2007	39	Burgundy U.S. Smaller Companies Fund - Units	7,594,277.47	241,351.00
02/02/2007 to 10/22/2007	49	Burgundy U.S. Small/Mid Cap Fund - Units	15,224,229.63	1,361,663.00
11/13/2007 to 12/20/2007	26	Camlin Asset Management Ltd. - Units	2,866,150.21	NA
02/01/2008	5	Capital Direct I Income Trust - Trust Units	185,130.00	18,513.00
01/24/2008	19	CareVest Blended Mortgage Investment Corporation - Preferred Shares	945,971.00	945,971.00
01/24/2008	29	CareVest First Mortgage Investment Corporation - Preferred Shares	870,748.00	880,748.00
01/01/2007 to 12/31/2007	1	CC&L All Strategies Fund - Trust Units	4,353,256.57	43,518.32
06/27/2007	1	CC&L Arrowstreet EAFE Fund - Trust Units	4,900,749.78	377,660.54
06/27/2007	2	CC&L Arrowstreet US Equity Fund - Trust Units	3,790,400.00	210,795.60
01/01/2007 to 12/31/2007	3	CC&L Balanced Canadian Equity Fund - Trust Units	1,835,800.00	81,029.00
01/01/2007 to 12/31/2007	9	CC&L Bond Fund - Trust Units	34,143,842.79	3,273,385.43
01/01/2007 to 12/31/2007	5	CC&L Canadian Q Core Fund - Trust Units	188,051,919.51	17,642,679.09
01/01/2007 to 12/31/2007	1	CC&L Canadian Q Growth Fund - Trust Units	14,242,204.31	1,285,963.91
01/01/2007 to 12/31/2007	3	CC&L Genesis Fund - Trust Units	2,928,106.79	1,992,252.75
01/01/2007 to 12/31/2007	6	CC&L Global Fund - Trust Units	9,514,900.00	558,307.60
01/01/2007 to 12/31/2007	2	CC&L Group Balanced Plus Fund II - Trust Units	11,018,107.53	6,416,504.39
01/01/2007 to 12/31/2007	2	CC&L Group Bond Fund II - Trust Units	17,026,230.90	1,591,271.52
01/01/2007 to 12/31/2007	2	CC&L Group Canada Plus Fund II - Trust Units	2,075,793.53	180,958.87
01/01/2007 to 12/31/2007	1	CC&L Group Canadian Equity Fund - Trust Units	10,152,447.78	474,848.58

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
01/01/2007 to 12/31/2007	1	CC&L Group Global Fund - Trust Units	4,539,573.99	461,479.55
01/01/2007 to 12/31/2007	10	CC&L Group Money Market Fund - Trust Units	780,521,457.05	78,052,145.71
01/01/2007 to 12/31/2007	3	CC&L High Income Fund - Trust Units	7,610,273.52	475,499.39
01/01/2007 to 12/31/2007	7	CC&L Long Bond Fund - Trust Units	50,438,272.44	4,784,229.40
01/01/2007 to 12/31/2007	527	CC&L Money Market Fund - Trust Units	129,047,930.37	12,890,428.80
01/01/2007 to 12/31/2007	1	CC&L Multi Strategy Fund - Trust Units	9,900,000.00	91,436.05
01/01/2007 to 12/31/2007	1	CC&L US Equity Fund - Trust Units	132,500.00	15,781.14
12/31/2007 to 01/31/2008	13	Century Mining Corporation - Flow-Through Shares	1,504,150.00	4,297,572.00
01/01/2007 to 12/31/2007	15	CIBC Global Balanced Fund - Units	5,186,989.96	NA
01/01/2007 to 12/31/2007	1	CIBC Global Balanced Fund - Units	8,228,223.78	735,458.62
01/01/2007 to 12/31/2007	23	CIBC Global Canadian Equity Fund - Units	1,806,785.07	NA
01/22/2008	4	CiRBA Inc. - Debentures	3,068,060.84	2,719,213.00
01/22/2008	8	Clearly Health Inc. - Common Shares	225,011.25	11,250.00
01/26/2008 to 02/01/2008	21	CMC Markets Canada Inc. - Contracts for Differences	210,288.60	21.00
12/31/2006 to 11/30/2007	27	Core Canadian Equity Fund C/O Viking Capital Corp. - Units	3,983,754.22	286,512.29
01/14/2008	14	Crescent Resources Corp. - Common Shares	939,500.00	3,758,000.00
01/15/2008	3	Daniels Management Limited Partnership - Common Shares	1,390,500.00	90.00
01/15/2008	4	Daniels Residential Limited Partnership - Common Shares	3,116,900.00	NA
04/01/2007 to 06/01/2007	1	DCI Long/Short Credit Feeder Fund PLC - Common Shares	38,597,500.00	344,000.00
01/25/2008	20	Delavaco Energy Inc. - Common Shares	2,000,000.00	8,000,000.00

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
12/31/2006 to 11/30/2007	9	Discovery Fund c/o Viking Capital Corp. - Units	4,814,846.15	197,735.44
01/31/2008	8	Ecosynthetix Inc. - Preferred Shares	5,670,922.00	315,489.00
01/01/2007 to 12/31/2007	2	Emerald Unhedged Synthetic U.S. Equity Pooled Fund Trust-Canadian - Units	5,205,128.00	387,844.00
01/30/2008	5	EnWave Corporation - Common Shares	68,882.00	153,071.00
01/31/2007 to 11/30/2007	7	Fairfield Paradigm Fund Ltd. - Common Shares	1,759,590.11	1,425.49
11/07/2007	2	Fairfield Renaissance Institutional Futures Fund Ltd. - Common Share Purchase Warrant	500,000.00	500.00
08/31/2007	1	Fairfield Sentry Limited - Common Shares	350,000.10	278.35
01/30/2008	1	First Leaside Expansion Limited Partnership - Notes	20,000.00	20,000.00
01/28/2008	1	First Leaside Fund - Trust Units	24,738.37	24,738.37
01/28/2008	1	First Leaside Fund - Trust Units	26,040.00	26,040.00
01/31/2008	3	First Leaside Fund - Trust Units	83,190.00	83,190.00
02/04/2008	1	First Leaside Fund - Trust Units	3,453.13	3,459.00
02/04/2008	1	First Leaside Unity Limited Partnership - Notes	25,000.00	25,000.00
01/25/2008	1	First Leaside Visions Limited Partnership - Units	25,000.00	25,000.00
12/13/2007	3	Frontenac Ventures Corp. - Common Shares	462,498.75	616,665.00
12/31/2007	3	Frontenac Ventures Corp. - Flow-Through Shares	245,000.00	245,000.00
01/25/2008	1	GBS Gold International Inc. - Common Shares	2,685,348.00	1,996,987.00
01/24/2008 to 02/04/2008	27	General Motors Acceptance Corporation of Canada, Limited - Notes	21,531,597.43	216,418.91
01/29/2008	2	Glass Earth Limited - Units	572,000.00	2,860,000.00
01/16/2008	1	GMO International Core Equity Fund-III - Units	854,715.32	22,388.46
12/31/2007	1	GMO International Opportunities Equity Alloc Fund- III - Units	92,386.24	4,174.80
12/01/2005	1	Gottex ABL (Cayman) Limited - Common Shares	233,280,000.00	2,000,000.00

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
09/01/2006 to 04/01/2007	2	Gottex Market Neutral Fund - Common Shares	46,331,441.80	214,850.00
02/01/2008	2	Gradient Energy Austrilia PTY. Ltd. - Common Shares	134,730.00	3,000,000.00
01/28/2008	2	Grantium Inc. - Notes	150,000.00	2.00
01/18/2008 to 01/24/2008	7	Green Breeze Energy Systems Inc. - Common Shares	86,000.00	43,000.00
01/02/2007 to 12/31/2007	320	Highstreet Balanced Fund - Units	61,157,998.95	33,808,194.00
01/02/2007 to 06/01/2007	6	Highstreet US Small Cap Fund - Units	405,492.00	35,224.00
01/31/2007 to 12/31/2007	76	HRS Absolute Return Trust - Units	1,138,500.00	25,253,901.00
01/30/2008	1	Imex Systems Inc. - Preferred Shares	509,100.00	204,082.00
03/01/2007 to 12/31/2007	3	Innerkip Equity Fund - Limited Partnership Units	418,067.06	418.07
01/30/2008	2	IPC The Hospitalist Company - Common Shares	795,000.00	50,000.00
01/31/2007 to 03/31/2007	4	Irongate Global Strategy Fund Limited - Common Shares	2,955,395.67	20,625.58
01/24/2008	1	ITC Holdings Corp. - Common Shares	757,666.20	15,000.00
01/02/2007 to 12/31/2007	138	KFA Balanced Pooled Fund - Units	11,529,480.00	NA
01/25/2008	1	Klondike Silver Corp. - Common Shares	80,750.00	237,500.00
01/01/2007 to 12/31/2007	5	Lancaster Balanced Fund - Units	6,129,735.00	516,602.00
01/01/2007 to 12/31/2007	4	Lancaster Canadian Equity - Units	5,199,398.00	302,990.00
01/01/2007 to 12/31/2007	8	Lancaster Fixed Inc II - Units	89,748,994.00	7,001,628.00
01/01/2007 to 12/31/2007	2	Lancaster Short Term Bond - Units	133,133.00	14,001.00
01/30/2008	9	Magellan Aerospace Corporation - Debentures	20,950,000.00	20,950.00
01/01/2007 to 12/31/2007	122	Magna Vista North American Equity Fund - Units	4,205,800.00	NA

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
04/10/2007	11	Manas Petroleum Corporation - Units	906,920.00	790,000.00
01/02/2008	1	Marlin ReInsurance Inc. - Common Shares	55,000.00	1.00
01/29/2008 to 02/07/2008	16	MedcomSoft Inc. - Common Shares	1,840,000.00	4,000,000.00
10/29/2007	1	MGP Asia Fund III, L.P. - Limited Partnership Interest	300,000,000.00	1.00
02/05/2008	6	Montero Mining and Exploration ltd. - Stock Option	0.00	NA
06/22/2007	2	Morgan Stanley Global Distress Opportunites Fund LP - Limited Partnership Interest	2,669,000.00	NA
02/23/2007 to 12/21/2007	124	Mountainview Opportunistic Growth Fund LP - Units	1,396,700.00	56,358.75
01/31/2008	5	Natural Convergence Inc. - Preferred Shares	1,816,075.00	37,471,890.00
02/04/2008	29	Navasota Resources Ltd. - Units	950,000.00	6,333,333.00
02/02/2008	19	Nelson Financial Group Ltd. - Notes	755,000.00	19.00
01/01/2007 to 12/31/2007	2	New Star EAFE Fund - Trust Units	13,903,398.28	395,940.63
02/04/2008	5	NewStep Networks Inc. - Preferred Shares	1,671,668.45	NA
02/04/2008	3	Newstep Networks (U.S.) Inc. - Units	7.28	7,316,115.00
01/31/2007 to 06/29/2007	5	NGA Fairfield Limited - Common Shares	2,240,000.00	22,400.00
12/31/2007	5	Norcanex Resources Ltd. - Special Warrants	52,850.00	176,166.00
12/31/2007	3	Norcanex Resources Ltd. - Special Warrants	125,000.00	500,000.00
01/01/2007	110	Norema Income Fund - Units	250,850.00	5,017.00
01/25/2008 to 01/31/2008	9	Northern Nanotechnologies Inc. - Common Shares	259,037.40	498,148.85
01/30/2008	29	OCM Energy Total Return Fund - Trust Units	628,500.00	82,101.01
02/05/2008	1	OurStage, Inc. - Units	25,107.50	40,000.00
01/28/2008	1	Pacific & Western Credit Corp. - Notes	5,000,000.00	1.00
01/01/2007 to 01/10/2007	20	Parkwood Limited Partnership Fund - Limited Partnership Units	5,870,000.00	5,870.00

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
09/21/2007	13	Passchendaele Film Distribution Limited Partnership - Limited Partnership Units	4,250,000.00	17.00
01/01/2007 to 12/31/2007	2	PCJ Canadian Equity Fund - Trust Units	972,096.19	82,980.14
01/01/2007 to 12/31/2007	1	PCJ Canadian Small Cap Fund - Trust Units	136,466.55	9,023.67
01/01/2007 to 12/01/2007	19	Performance Market Hedge Fund - Units	21,674,846.00	21,674.00
02/01/2008	1	Petrohawk Energy Corporation - Special Shares	745,725.00	50,000.00
02/01/2008	10	Platte River Gold Inc. - Units	7,945,849.02	2,663,800.00
12/27/2007	33	Prairie Hunter Energy Corporation - Flow-Through Shares	1,925,140.00	1,585,412.00
01/01/2007 to 12/31/2007	5	Private Client Balanced Fund - Trust Units	732,899.91	58,869.74
01/01/2007 to 12/31/2007	23	Private Client Balanced RSP Portfolio - Trust Units	244,325.93	17,344.78
01/01/2007 to 12/31/2007	2	Private Client Bond Fund - Trust Units	97,770.43	9,203.69
01/01/2007 to 12/31/2007	1	Private Client Canadian Equity II Portfolio - Trust Units	141,779.16	4,472.60
01/01/2007 to 12/31/2007	3	Private Client Canadian Equity Portfolio - Trust Units	32,074.62	1,659.53
01/01/2007 to 12/31/2007	2	Private Client Global Equity Portfolio - Trust Units	99,359.17	11,705.69
01/02/2007 to 02/01/2007	1	Private Client Income Portfolio - Trust Units	1,346,570.69	86,871.46
01/01/2007 to 12/31/2007	3	Private Client Income Portfolio - Trust Units	45,543.82	6,276.36
01/01/2007 to 12/31/2007	2	Private Client International Equity Portfolio - Trust Units	11,874.97	929.37
01/01/2007 to 12/31/2007	2	Private Client Short Term Bond Portfolio - Trust Units	142,130.75	14,335.49
01/01/2007 to 12/31/2007	2	Private Client Small Cap Portfolio - Trust Units	15,555.23	795.90
01/01/2007 to 12/31/2007	3	Private Client Value Portfolio - Trust Units	63,129.26	3,126.73

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
02/07/2008	7	Probe Mines Limited - Units	2,000,000.00	2,666,666.00
01/24/2008 to 02/01/2008	2	Raytec Metals Corp. - Common Shares	17,150.00	113,185.00
12/19/2007 to 12/21/2007	126	Red Mile Resources Fund No. 4 Limited Partnership - Units	74,644,830.00	63,799.00
02/05/2008	3	Republic of the Philippines - Notes	1,506,450.00	NA
01/30/2008	3	RiskMetrics Group, Inc. - Common Shares	208,680.00	12,000.00
01/25/2008	4	Russo Forest Corporation - Units	5,000,000.00	10,000,000.00
02/02/2007 to 12/31/2007	209	Sarbit Total Performance Fund - Units	9,703,931.00	366,085.67
12/01/2007	1	Seligman Tech Spectrum Fund - Common Shares	136,612.00	608.29
12/01/2007	1	Seligman Tech Spectrum Fund - Common Shares	136,612.00	606.29
03/01/2007	1	Seligman Tech Spectrum Fund - Common Shares	2,008,399.96	19,577.74
10/01/2007 to 12/01/2007	17	South Pole Capital LP - Units	29,070,000.00	290,700.00
01/01/2007 to 12/31/2007	7	SRA Canadian Equity Fund - Trust Units	47,932,944.32	2,627,090.51
11/30/2007	1	SRA Short Term Bond Fund - Trust Units	303,000.00	30,375.03
11/05/2007 to 12/31/2007	1	SRA / PCJ Canadian Equity Fund - Trust Units	22,331,789.18	2,241,446.97
01/22/2008	15	Synergist Medical Inc. - Units	590,000.00	1,180,000.00
12/21/2007 to 12/31/2007	2	Synergist Medical Inc. - Units	250,000.00	500,000.00
12/31/2007	5	Tamerlane Ventures Inc. - Flow-Through Shares	1,849,998.80	2,846,152.00
12/21/2007	2	TCW Energy Fund XIV-B, L.P. - Capital Commitment	134,244,000.00	1.00
12/21/2007	1	TCW Energy Fund XIV (Cayman), L.P. - Capital Commitment	49,720,000.00	1.00
01/01/2007 to 12/31/2007	2	TD Emarald Canadian Equity Market Neutral Fund - Units	55,994.00	4,895.00
01/01/2007 to 12/31/2007	13	TD Emarld Canadian Equity Market Pooled Fund Trust II - Units	10,395,701.00	813,080.00

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
01/01/2007 to 12/31/2007	4	TD Emarld Canadian Market Capped Pooled Fund Trust - Units	3,003,849.00	1,885,763.00
01/01/2007 to 12/31/2007	22	TD Emerald Canadian Bond Pooled Fund Trust - Units	211,556,866.00	20,390,685.00
01/01/2007 to 12/31/2007	2	TD Emerald Diversified Yield Pooled Fund Trust - Units	25,000,000.00	2,305,080.00
01/01/2007 to 12/31/2007	1	TD Emerald Ehanced Canadian Equity - Units	563,454.00	42,296.00
01/01/2007 to 12/31/2007	1	TD Emerald Enhanced Canadian Bond Pooled Fund Trust - Units	250,000.00	26,336.00
01/01/2007 to 12/31/2007	1	TD Emerald Extended US Pooled Fund Trust - Units	5,600,112.00	538,029.00
01/01/2007 to 12/31/2007	9	TD Emerald Global Equity Pooled Fund Trust - Units	40,718,072.00	4,641,072.00
01/01/2007 to 12/31/2007	4	TD Emerald Hedge Synthetic International Pooled Fund Trust - Units	11,120,870.00	955,682.00
01/01/2007 to 12/31/2007	3	TD Emerald Hedged Synthetic US Pooled Fund Trust - Units	29,799,760.00	3,109,568.00
01/01/2007 to 12/31/2007	8	TD Emerald Hedged US Equity Pooled Fund Trust - Units	168,502,894.00	14,101,388.00
01/01/2007 to 12/31/2007	24	TD Emerald Long Bond Fund Pooled Fund Trust - Units	348,779,359.00	31,463,258.00
01/01/2007 to 12/31/2007	19	TD Emerald North American Equity Pairs Fund B - Units	5,097,900.00	449,175.00
01/01/2007 to 12/31/2007	22	TD Emerald Pooled US - Units	88,882,168.00	3,944,293.00
01/01/2007 to 12/31/2007	12	TD Emerald Real Return Bond Pooled Fund Trust - Units	41,054,415.00	3,312,525.00
01/01/2007 to 12/31/2007	1	TD Emerald UnHedged Synthetic US Pooled Fund Trust - Units	40,924.00	2,983.00
01/01/2007 to 12/31/2007	1	TD Emerald US Equity Market Neutral Fund - Units	25,300.00	2,709.00
01/22/2008	2	TenXc Wireless Inc. - Debentures	1,765,826.81	NA
01/22/2008	3	TenXc Wireless (Delaware) Inc. - Debentures	1,252,473.19	NA
01/31/2008	13	Texada Software Inc. - Common Shares	1,115,744.80	22,314,896.00

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
12/31/2007	2	The Baring Asia Private Equity Fund IV, L.P. - Limited Partnership Interest	59,286,000.00	1.00
02/28/2007 to 07/31/2007	2	The Black Creek Focus Fund - Units	550,000.00	5,096.00
01/31/2008	1	The Canada Trust Company - Notes	40,734,535.80	1.00
12/21/2007	3	The Magpie Mines Inc. - Special Shares	0.00	30,000.00
11/09/2007	1	The Northern Trust Company - Notes	936,600.00	NA
01/02/2008	3	The Presbyterian Church in Canada - Units	267,905.24	26.79
01/24/2008 to 01/28/2008	2	The Rosseau Resort Developments Inc. - Units	714,800.00	2.00
01/01/2006 to 12/31/2006	54	Thornmark Alpha Fund - Units	7,856,294.84	585,423.50
01/01/2006 to 12/31/2006	204	Thornmark Dividend & Income Fund - Units	56,029,376.71	3,186,376.60
01/15/2008	4	Tiger Global Private Investment Partners V, L.P. - Limited Partnership Interest	7,486,926.25	NA
01/25/2008	3	Trade Winds Ventures Inc. - Units	59,000.00	395,996.00
01/11/2008	1	Trez Capital Corporation - Mortgage	300,000.00	1.00
01/11/2008	2	Trez Capital Corporation - Mortgage	350,000.00	1.00
01/25/2008	1	TrialStat Corporation - Note	400,000.00	1.00
12/13/2007	1	Visiphor Corporation - Debentures	500,000.00	5,000,000.00
01/30/2008	1	Visiphor Corporation - Debenture	150,000.00	1.00
01/28/2008	62	Walton AZ Sunland View Investment Corporation - Common Shares	2,239,710.00	223,971.00
01/28/2008	16	Walton AZ Sunland View Limited Partnership - Limited Partnership Units	2,570,070.19	254,261.00
01/29/2008	25	Walton Brant County Land 3 Investment Corporation - Common Shares	494,220.00	49,422.00
01/30/2008	9	YOW Capital Corp - Common Shares	175,000.00	3,500,000.00

Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
BluMont Augen Québec Limited Partnership 2008
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated February 6, 2008
Mutual Reliance Review System Receipt dated February 7, 2008
Offering Price and Description:
$5,000,000.00 to $15,000,000.00 - 500,000 to 1,500,000 Units Price: $10.00 per Unit. Minimum Subscription: $5,000
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
Berkshire Securities Inc.
Desjardins Securities Inc.
TD Securities Inc.
Promoter(s):
Blumont Capital Corporation
Project #1214177

Issuer Name:
CARDS II Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Base Shelf Prospectus dated February 8, 2008
Mutual Reliance Review System Receipt dated February 8, 2008
Offering Price and Description:
Up to $11,000,000,000.00 - Credit Card Receivables Backed Notes
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
Promoter(s):
Canadian Imperial Bank of Commerce
Project #1214510

Issuer Name:
Fidelity Canadian Asset Allocation Class
Fidelity Canadian Balanced Class
Fidelity Emerging Markets Class
Fidelity Global Disciplined Equity Class
Fidelity Special Situations Class
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectuses dated February 8, 2008
Mutual Reliance Review System Receipt dated February 8, 2008
Offering Price and Description:
(Series T5, T8, S5 , S8, F5 and F8 Shares)
Underwriter(s) or Distributor(s):
Fidelity Investments Canada ULC
Promoter(s):
Fidelity Investment Canada ULC
Project #1214653

Issuer Name:
Jaguar Mining Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated February 6, 2008
Mutual Reliance Review System Receipt dated February 6, 2008
Offering Price and Description:
$110,550,000.00 - 8,250,000 Common Shares Price: $13.40 per Common Share
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
TD Securities Inc.
Blackmont Capital Inc.
BMO Nesbitt Burns Inc.
Raymond James Ltd.
Promoter(s):
-
Project #1213813

Issuer Name:
K-Bro Linen Income Fund
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated February 12, 2008
Mutual Reliance Review System Receipt dated February 12, 2008
Offering Price and Description:
$17,501,700.00 - 1,362,000 Units Price: $12.85 per Unit
Underwriter(s) or Distributor(s):
TD Securities Inc.
National Bank Financial Inc.
Blackmont Capital Inc.
Cormark Securities Inc.
Dundee Securities Corp.
Canaccord Capital Corporation
Promoter(s):
-
Project #1215572

Issuer Name:
KAM Capital Corp.
Principal Regulator - Ontario
Type and Date:
Preliminary CPC Prospectus dated February 8, 2008
Mutual Reliance Review System Receipt dated February 8, 2008
Offering Price and Description:
$1,825,000.00 - 6,083,334 Common Shares Price: $0.30 per Common Share
Underwriter(s) or Distributor(s):
Canaccord Capital Corporation
Promoter(s):
-
Project #1214633

Issuer Name:
Marengo Mining Limited
Principal Regulator - British Columbia
Type and Date:
Amended and Restated Preliminary Prospectus dated February 6, 2008
Mutual Reliance Review System Receipt dated February 7, 2008
Offering Price and Description:
$ * - * Shares Price: $ * per Share
Underwriter(s) or Distributor(s):
Paradigm Capital Inc.
Fraser Mackenzie Limited
Jennings Capital Inc.
Promoter(s):
-
Project #1180022

Issuer Name:
Precious Metals and Mining Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated February 6, 2008
Mutual Reliance Review System Receipt dated February 7, 2008
Offering Price and Description:
Offering of Rights to Subscribe for Units Subscription Price: Two Rights and $10.28 per Unit
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
Promoter(s):
-
Project #1214193

Issuer Name:
Pro Minerals Inc.
Principal Regulator - British Columbia
Type and Date:
Amendment #2 dated February 4, 2008 to Final Prospectus dated November 21, 2007
Mutual Reliance Review System Receipt dated
Offering Price and Description:
Minimum Offering: $ 750,000.00 - 3,000,000 Units;
Maximum Offering: $1,100,000.00 - 4,400,000 Units
Price: $0.25 Per Unit
Underwriter(s) or Distributor(s):
Global Securities Corporation
Promoter(s):
Patrick O'Brien
Project #1095384

Issuer Name:
Mutual Fund Units and Class F Units of :
AIC Advantage Fund
AIC Advantage Fund II
AIC American Advantage Fund
AIC Global Advantage Fund
AIC Diversified Canada Fund
AIC Value Fund
AIC World Equity Fund
AIC Global Diversified Fund
AIC Diversified Science & Technology Fund
AIC Canadian Focused Fund
AIC American Focused Fund
AIC Global Focused Fund
AIC Canadian Balanced Fund
AIC Global Balanced Fund
AIC Dividend Income Fund
AIC Global Premium Dividend Income Fund
AIC World Financial Infrastructure Income and Growth Fund
AIC Bond Fund
AIC Global Bond Fund
AIC Money Market Fund
AIC U.S. Money Market Fund
Mutual Fund Units of:
AIC Diversified Income Portfolio Fund
AIC Balanced Income Portfolio Fund
AIC Balanced Growth Portfolio Fund
AIC Core Growth Portfolio Fund
Principal Regulator - Ontario
Type and Date:
Amended and Restated Simplified Prospectuses and Annual Information Forms dated January 31, 2008 amending and restating the Simplified Prospectuses and Annual Information Forms dated May 28, 2007
Mutual Reliance Review System Receipt dated February 8, 2008
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
AIC Limited
Project #1088780

Issuer Name:
AIC Global Real Estate Fund
(Mutual Fund Units and Class F Units)
AIC Global Banks Fund
(Mutual Fund Units, Class F Units, Class T5 Units and Class T8 Units)
AIC Global Wealth Management Fund
(Mutual Fund Units, Class F Units, Class T5 Units and Class T8 Units)
AIC Global Insurance Fund
(Mutual Fund Units, Class F Units, Class T5 Units and Class T8 Units)
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated January 31, 2008
Mutual Reliance Review System Receipt dated February 8, 2008
Offering Price and Description:
Mutual Fund Units and Class F Units; and Class T5 Units and Class T8 Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
AIC Limited
Project #1197023

Issuer Name:
American Express Canada Credit Corporation
Principal Regulator - Ontario
Type and Date:
Final Short Form Base Shelf Prospectus dated February 11, 2008
Mutual Reliance Review System Receipt dated February 12, 2008
Offering Price and Description:
Cdn $3,500,000,000.00 - Medium Term Notes (unsecured)
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
TD Securities Inc.
Promoter(s):
-
Project #1207110

Issuer Name:
BluMont Augen Limited Partnership 2008
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated February 7, 2008
Mutual Reliance Review System Receipt dated February 8, 2008
Offering Price and Description:
Limited Partnership Units
Maximum Offering: $40,000,000.00 (4,000,000 Units);
Minimum Offering: $5,000,000.00 (500,000 Units)
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
Berkshire Securities Inc.
Dundee Securities Corporation
TD Securities Inc.
Blackmont Capital Inc.
Queensbury Securities Inc.
Canaccord Capital Corporation
Raymond James Ltd.
Burgeonvest Securities Ltd.
Desjardins Securities Inc.
Industrial Alliance Securities Inc.
Richardson Partners Financial Ltd.
Sora Group Wealth Advisors Inc.
Wellington West Capital Inc.
Promoter(s):
Blumont Augen General Partner 2008 Inc.
Blumont Capital Corporation
Project #1200858

Issuer Name:
Series A Securities (unless otherwise indicated) of:
BMO Asset Allocation Fund (also offering Series I units)
BMO Equity Fund (also offering Series D and Series I units)
BMO Special Equity Fund (also offering Series I units)
BMO Resource Fund (also offering Series D and Series I units)
BMO Dividend Class of BMO Global Tax Advantage Funds Inc . (also offering Series I shares)
BMO Global Equity Class of BMO Global Tax Advantage Funds Inc .
(formerly, BMO Global Opportunities Class) (also offering Series I shares)
BMO Greater China Class of BMO Global Tax Advantage Funds Inc . (also offering Series I shares)
Principal Regulator - Ontario
Type and Date:
Amendment #3 dated January 25, 2008 to the Simplified Prospectuses and Annual Information Forms dated May 2, 2007
Mutual Reliance Review System Receipt dated February 8, 2008
Offering Price and Description:
Mutual Fund Securities Net Asset Value
Underwriter(s) or Distributor(s):
BMO Investments Inc.
Promoter(s):
BMO Investments Inc.
Project #1070517

Issuer Name:
BMO Harris International Equity Portfolio
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated February 1, 2008 to the Simplified Prospectus and Annual Information Form dated November 1, 2007
Mutual Reliance Review System Receipt dated February 8, 2008
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
BMO Investments Inc.
Promoter(s):
-
Project #1163823

Issuer Name:
Central Gold-Trust
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated February 6, 2008
Mutual Reliance Review System Receipt dated February 6, 2008
Offering Price and Description:
US$10,518,550.00 - 287,000 Units Price: US$36.65 per Unit
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
Promoter(s):
-
Project #1211774

Issuer Name:
Colossus Minerals Inc.
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated February 6, 2008
Mutual Reliance Review System Receipt dated February 6, 2008
Offering Price and Description:
$21,500,000.00 - 17,200,000 Units $1.25 per Unit
Underwriter(s) or Distributor(s):
GMP Securities L.P.
Macquarie Capital Markets Canada Inc.
Blackmont Capital Inc.
Evergreen Capital Partners Inc.
Promoter(s):
Ari Sussman
Project #1201328

Issuer Name:
Crystallex International Corporation
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated February 5, 2008
Mutual Reliance Review System Receipt dated February 6, 2008
Offering Price and Description:
C$60,060,000.00 - 28,600,000 Units Price: C$2.10 per Unit
Underwriter(s) or Distributor(s):
Macquarie Capital Markets Canada Ltd.
GMP Securities L.P.
Haywood Securities Inc.
Wellington West Capital Markets Inc.
Promoter(s):
-
Project #1209320

Issuer Name:
Cumberland Capital Appreciation Fund
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated January 31, 2008 to the Simplified Prospectus and Annual Information Form dated August 1, 2007
Mutual Reliance Review System Receipt dated February 12, 2008
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Cumberland Asset Management Corp.
Promoter(s):
Cumberland Investment Management Inc.
Project #1121327

Issuer Name:
Davie Yards Inc.
Principal Regulator - Quebec
Type and Date:
Final Prospectus dated February 11, 2008
Mutual Reliance Review System Receipt dated February 12, 2008
Offering Price and Description:
Cdn$41,512,500.00 - 30,750,000 Units Price: Cdn$1.35 per Unit
Underwriter(s) or Distributor(s):
Dundee Securities Corporation
Promoter(s):
-
Project #1200696

Issuer Name:
Golden Harp Resources Inc.
Principal Regulator - British Columbia
Type and Date:
Final Prospectus dated January 30, 2008
Mutual Reliance Review System Receipt dated February 6, 2008
Offering Price and Description:
Minimum Offering: $2,100,000.00 of Flow-Through Units and /or Regular Units; Maximum Offering: $3,000,000.00 of Flow-Through Units and /or Regular Units $0.35 Per Flow-Through Unit $0.35 Per Regular Unit
Underwriter(s) or Distributor(s):
Wolverton Securities Ltd.
Promoter(s):
-
Project #1175101

Issuer Name:
Northern Spirit Resources Inc.
Principal Regulator - Alberta
Type and Date:
Final CPC Prospectus dated February 4, 2008
Mutual Reliance Review System Receipt dated February 11, 2008
Offering Price and Description:
$600,000.00 (3,000,000 Common Shares) Price: $0.20 per Common Share
Underwriter(s) or Distributor(s):
Emerging Equities Inc.
Promoter(s):
James Newland Tanner
Project #1186445

Issuer Name:
Nstein Technologies Inc.
Principal Regulator - Quebec
Type and Date:
Final Short Form Prospectus dated February 6, 2008
Mutual Reliance Review System Receipt dated February 7, 2008
Offering Price and Description:
$8,000,000.00 - 8,000,000 Common Shares Issuable Upon the Exercise of Previously Issued Special Warrants
Underwriter(s) or Distributor(s):
Desjardins Securities inc.
TD Securities Inc.
Jennings Capital Inc.
Promoter(s):
-
Project #1209387

Issuer Name:
Silver Wheaton Corp.
Principal Regulator - British Columbia
Type and Date:
Final Short Form Prospectus dated February 8, 2008
Mutual Reliance Review System Receipt dated February 8, 2008
Offering Price and Description:
Cdn$1,566,000,000.00 - 108,000,000 Common Shares
Price: Cdn$14.50 per Common Share
Underwriter(s) or Distributor(s):
Macquarrie Capital Markets Canada Ltd.
Genuity Capital Markets
GMP Securities L.P.
CIBC World Market Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
Canaccord Capital Corporation
Merrill Lynch Canada Inc.
Promoter(s):
-
Project #1212462

Issuer Name:
Wells Fargo Financial Canada Corporation
Principal Regulator - Ontario
Type and Date:
Final Short Form Base Shelf Prospectus dated February 11, 2008
Mutual Reliance Review System Receipt dated February 12, 2008
Offering Price and Description:
$7,000,000,000.00 - Medium Term Notes (unsecured)
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
Promoter(s):
-
Project #1210558

Issuer Name:
Wolverine Minerals Corp.
Principal Regulator - British Columbia
Type and Date:
Final Prospectus dated January 31, 2008
Mutual Reliance Review System Receipt dated February 6, 2008
Offering Price and Description:
4,000,000 Common Shares ($1,000,000.00) Price: $0.25 per Common Share
Underwriter(s) or Distributor(s):
PI Financial Corp.
Promoter(s):
Logan B. Anderson
Project #1140175

Issuer Name:
YIELDPLUS Income Fund
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated February 6, 2008
Mutual Reliance Review System Receipt dated February 12, 2008
Offering Price and Description:
Offering of 39,000,000 Rights to Subscribe for an Aggregate of up to 13,000,000 Units
Subscription Price: Three Rights and $9.25 per Unit The Subscription Price is 86.3 % of the closing price of the Units on the Toronto Stock Exchange on February 5, 2008
Expiry Date: March 25, 2008
Underwriter(s) or Distributor(s):
Middlefield Capital Corporation
Promoter(s):
-
Project #1200684

Issuer Name:
Shoal Point Energy Ltd.
Principal Jurisdiction - Alberta
Type and Date:
Preliminary Prospectus dated October 24th, 2007
Withdrawn on February 8th, 2008
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Kingsdale Capital Markets Inc.
Promoter(s):
George langdon
John Wright
Project #1172029

_____

This page intentionally left blank

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	Montrose Hammond & Co.	Investment Counsel and Portfolio Manager Limited Market Dealer	February 6, 2008
Consent to Suspension	Montrose Hammond Inc.	Investment Counsel and Portfolio Manager Limited Market Dealer	February 6, 2008
New Registration	NBC Alternative Investments Inc./BNC Gestion Alternative Inc.	Investment Counsel & Portfolio Manager	February 7, 2008
New Registration	Matriarch Investments Inc.	Limited Market Dealer	February 8, 2008
New Registration	Sterne, Agee & Leach, Inc.	International Dealer	February 11, 2008
New Registration	Accolade Investment Corp.	Limited Market Dealer	February 11, 2008

This page intentionally left blank

Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 Technical Amendments to CDS Procedures Relating to 1042S Reporting - Detail File Procedures

CDS CLEARING AND DEPOSITORY SERVICES INC. (CDS®)

TECHNICAL AMENDMENTS TO CDS PROCEDURES

1042S REPORTING - DETAIL FILE PROCEDURES

NOTICE OF EFFECTIVE DATE

A. DESCRIPTION OF THE RULE AMENDMENT

Background

On November 5, 2007, CDS implemented amendments to Participant Procedures related to Withholding Tax Reconciliation. One component of those procedures was the introduction of the new outbound monthly *1042S - Detail* file, which provides Participants with the accumulated details of U.S. taxes withheld on their behalf for the previous taxation year (based on a Participant's Qualified Intermediary status and tax elections).

The proposed amendments to the procedures clarify that the above file will identify month-over-month changes to the data in the file, including all new entries and changes to existing entries.

NOTE: Participants currently receive all the information included in the file - this initiative, and the consequential proposed amendments to Participant procedures provide a distinction between new details and information previously included in the file.

The Procedures marked for the amendments may be accessed at the CDS website at:

http://www.cds.ca/cdsclearinghome.nsf/Pages/-EN-UserDocumentation?Open

[en francais: http://www.cds.ca/cdsclearinghome.nsf/Pages/-FR-Documentation?Open]

Description of Proposed Amendments

The *CDSX Procedures and User Guide* will be updated to include section 8.11.1; this section provides details of the contents of the *1042S Reporting – Detail* file.

The CDS User Guide entitled *CDS Reporting Procedures* will be updated to include section 13.33; this section provides details regarding the content and layout of the *1042S Reporting – Detail* file.

B. REASONS FOR TECHNICAL CLASSIFICATION

The amendments proposed pursuant to this Notice are considered technical amendments; they are matters of a technical nature in routine operating procedures and administrative practices relating to the settlement services.

C. EFFECTIVE DATE OF THE RULE

Pursuant to Appendix A ("Rule Protocol Regarding The Review And Approval Of CDS Rules By The OSC") of the OSC Recognition and Designation Order, as amended 1 November, 2006, and *Annexe A* (*"Protocole d'examen et d'approbation des Règles de Services de Dépôt et de Compensation CDS Inc. par l'Autorité des marchés financiers"*) of AMF Decision 2006-PDG-0180, made effective on 1 November, 2006, CDS has determined that these amendments will be effective on **February 4, 2008**.

D. QUESTIONS

Questions regarding this notice may be directed to:

Eduarda Matos
Legal Counsel
The Canadian Depository for Securities Limited
85 Richmond Street West,
Toronto, Ontario, M5H 2C9

Telephone: 416-365-3567; Fax: 416-365-1984
e-mail: attention@cds.ca

JAMIE ANDERSON
Managing Director, Legal

13.1.2 MFDA Central Regional Council Hearing in the Matter of Paul Edward Lloyd

NEWS RELEASE
For immediate release

MFDA CENTRAL REGIONAL COUNCIL HEARING
IN THE MATTER OF PAUL EDWARD LLOYD

February 12, 2008 (Toronto, Ontario) – A disciplinary hearing in the Matter of Paul Edward Lloyd was held today before a Hearing Panel of the Central Regional Council of the Mutual Fund Dealers Association of Canada ("MFDA") in Toronto, Ontario. An Agreed Statement of Facts was presented to the Hearing Panel. In the Agreed Statement of Facts and in oral submissions made during the Hearing, the Respondent admitted the allegations set out by MFDA staff in the Notice of Hearing dated October 26, 2007.

The Hearing Panel advised it would issue its written reasons and its decision on appropriate sanction in due course.

A copy of the Notice of Hearing is available on the MFDA web site at www.mfda.ca.

The Mutual Fund Dealers Association of Canada is the self-regulatory organization for Canadian mutual fund dealers. The MFDA regulates the operations, standards of practice and business conduct of its 159 members and their approximately 75,000 Approved Persons with a mandate to protect investors and the public interest.

For further information, please contact:
Yvette MacDougall
Hearings Coordinator
(416) 943-4606 or ymacdougall@mfda.ca

This page intentionally left blank

Chapter 25

Other Information

25.1 Exemptions

25.1.1 49 North 2008 Resource Flow-Through Limited Partnership - OSC Rule 41-501 General Prospectus Requirements, s. 15.1

Headnote

Exemption from the requirement to attach a copy of the limited partnership agreement to both the preliminary and final prospectus – Inclusion of the limited partnership agreement in the prospectus of the fund will not provide any additional disclosure to investors that would not already be publicly available on SEDAR – section 15.1 of Ontario Securities Commission Rule 41-501 General Prospectus Requirements and item 27.2 of Form 41-501F1 – Information Required in a Prospectus.

Applicable Legislative Provisions

Ontario Securities Commission Rule 41-501 General Prospectus Requirements, s. 15.1.
Form 41-501F1 Information Required in a Prospectus, Item 27.2.

February 5, 2008

McKercher, McKercher & Whitmore LLP
374 Third Avenue South
Saskatoon, Saskatchewan
S7K 1M5
M5K 1N6

Attention: Paul D. Grant

Dear Sirs/Mesdames:

Re: 49 North 2008 Resource Flow-Through Limited Partnership (the "Partnership")
Exemptive Relief Application under Part 15 of OSC Rule 41-501 *General Prospectus Requirements* ("Rule 41-501")
Application No. 2007/1079, SEDAR Project No. 1198015

By letter dated December 14, 2007 (the "Application"), the Partnership applied to the Director of the Ontario Securities Commission (the "Director") pursuant to section 15.1 of Rule 41-501 for relief from the operation of item 27.2 of Form 41-501F1 which requires that an issuer attach a copy of the limited partnership agreement to both its preliminary and final prospectus.

This letter confirms that, based on the information and representations made in the Application, and for the purposes described in the Application, the Director intends to grant the requested exemption to be evidenced by the issuance of a receipt for the Partnership's prospectus, subject to the following conditions:

1. the final prospectus will include a summary of all material provisions of the limited partnership agreement; and

2. the final prospectus will advise investors and potential investors of the various means by which they can obtain copies of the limited partnership agreement, which will include:

   a. inspection during normal business hours at the offices of the General Partner;

   b. from SEDAR;

   c. from the website of the Partnership; and

   d. upon written request to the General Partner.

Yours very truly,

"Vera Nunes"
Assistant Manager, Investment Funds

25.1.2 Jov Diversified Flow-Through 2008 Limited Partnership - OSC Rule 41-501 General Prospectus Requirements, s. 15.1

Headnote

Exemption from the requirement to attach a copy of the limited partnership agreement to both the preliminary and final prospectus – Inclusion of the limited partnership agreement in the prospectus of the fund will not provide any additional disclosure to investors that would not already be publicly available on SEDAR – section 15.1 of Ontario Securities Commission Rule 41-501 General Prospectus Requirements and item 27.2 of Form 41-501F1 – Information Required in a Prospectus.

Applicable Legislative Provisions

Ontario Securities Commission Rule 41-501 General Prospectus Requirements, s. 15.1.
Form 41-501F1 Information Required in a Prospectus, Item 27.2.

February 11, 2008

Borden Ladner Gervais LLP
1200 Waterfront Centre
200 Burrard Street
P.O. Box 48600
Vancouver, B.C. V7X 1T2

Attention: G. Eric Doherty

Dear Sirs/Mesdames:

Re: Jov Diversified Flow-Through 2008 Limited Partnership (the "Partnership")
Exemptive Relief Application under Part 15 of OSC Rule 41-501 *General Prospectus Requirements* ("Rule 41-501")
Application No. 2007/1096, SEDAR Project No. 1201678

By letter dated January 30, 2008 (the "Application"), the Partnership applied to the Director of the Ontario Securities Commission (the "Director") pursuant to section 15.1 of Rule 41-501 for relief from the operation of item 27.2 of Form 41-501F1 which requires that an issuer attach a copy of the limited partnership agreement to both its preliminary and final prospectus.

This letter confirms that, based on the information and representations made in the Application, and for the purposes described in the Application, the Director intends to grant the requested exemption to be evidenced by the issuance of a receipt for the Partnership's prospectus, subject to the following conditions:

1. the final prospectus will include a summary of all material provisions of the limited partnership agreement; and
2. the final prospectus will advise investors and potential investors of the various means by which they can obtain copies of the limited partnership agreement, which will include:
   a. inspection during normal business hours at the offices of the General Partner;
   b. from SEDAR;
   c. upon written request to the General Partner; and
   d. from the website of JovInvestment Management Inc., the investment manager of the Partnership.

Yours very truly,

"Vera Nunes"
Assistant Manager, Investment Funds Branch

Index