The Ontario Securities Commission

OSC Bulletin

April 4, 2008

Volume 31, Issue 14

(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)

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

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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 $649 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.

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ISSN 0226-9325
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Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

APRIL 4, 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
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Carol S. Perry	—	CSP
Suresh Thakrar, FIBC	—	ST
Wendell S. Wigle, Q.C.	—	WSW

SCHEDULED OSC HEARINGS

April 3, 2008	**Gregory Galanis**
11:00 a.m.	s. 127
	P. Foy in attendance for Staff
	Panel: WSW/MCH
April 7, 2008	**Peter Sabourin, W. Jeffrey Haver, Greg Irwin, Patrick Keaveney, Shane**
10:00 a.m.	**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: JEAT/CSP
April 9, 2008	**LandBankers International MX, S.A. De C.V.; Sierra Madre Holdings MX,**
2:00 p.m.	**S.A. De C.V.; L&B LandBanking Trust S.A. De C.V.; Brian J. Wolf Zacarias; Roger Fernando Ayuso Loyo, Alan Hemingway, Kelly Friesen, Sonja A. McAdam, Ed Moore, Kim Moore, Jason Rogers and Dave Urrutia**
	s. 127
	M. Britton in attendance for Staff
	Panel: TBA
April 15, 2008	**FactorCorp Inc., FactorCorp Financial Inc. and Mark Twerdun**
2:30 p.m.	s. 127
	M. Mackewn in attendance for Staff
	Panel: TBA

April 16, 2008 10:00 a.m.	**Swift Trade Inc. and Peter Beck** s. 127 E. Cole in attendance for Staff Panel: LER
April 22, 2008 2:00 p.m.	**Biovail Corporation, Eugene N. Melnyk, Brian H. Crombie, John R. Miszuk and Kenneth G. Howling** s. 127(1) and 127.1 J. Superina/A. Clark in attendance for Staff Panel: TBA
April 29, 2008 2:30 p.m.	**Darren Delage** s. 127 M. Adams 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.	**Xi Biofuels Inc., Biomaxx Systems Inc., Ronald David Crowe and Vernon P. Smith** and **Xiiva Holdings Inc. carrying on Business as Xiiva Holdings Inc., Xi Energy Company, Xi Energy and Xi Biofuels** s. 127 M. Vaillancourt in attendance for Staff Panel: WSW/DLK
May 23, 2008 10:30 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/MCH
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 2, 2008 9:30 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: WSW/DLK
June 10, 2008 2:30 p.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) M. Boswell in attendance for Staff Panel: JEAT/CSP

June 16, 2008 10:00 a.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: TBA
June 18, 2008 10:00 a.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/DLK
June 24, 2008 2:30 p.m.	**Stanton De Freitas** s. 127 and 127.1 P. Foy in attendance for Staff Panel: JEAT/ST
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
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
July 22, 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
September 3, 2008 10:00 a.m.	**Shane Suman and Monie Rahman** s. 127 & 127(1) J. Corelli/C. Price in attendance for Staff Panel: TBA
September 26, 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
September 30, 2008 10:00 a.m.	**Al-Tar Energy Corp., Alberta Energy Corp., Drago Gold Corp., David C. Campbell, Abel Da Silva, Eric F. O'Brien and Julian M. Sylvester** s. 127 & 127.1 M. Boswell in attendance for Staff Panel: JEAT/DLK
October 8, 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

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

January 12, 2009
10:00 a.m.

Franklin Danny White, Naveed Ahmad Qureshi, WNBC The World Network Business Club Ltd., MMCL Mind Management Consulting, Capital Reserve Financial Group, and Capital Investments of America

s. 127

C. Price 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

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

TBA

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: 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

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

Land Banc of Canada Inc., LBC Midland I Corporation, Fresno Securities Inc., Richard Jason Dolan, Marco Lorenti and Stephen Zeff Freedman

1.1.2 CSA Notice 24-307 – Exemption from Transitional Rule: Extension of Transitional Phase-In Period in NI 24-101

CANADIAN SECURITIES ADMINISTRATORS' (CSA)
NOTICE 24-307
EXEMPTION FROM TRANSITIONAL RULE:
EXTENSION OF TRANSITIONAL PHASE-IN PERIOD IN
NATIONAL INSTRUMENT 24-101 — *INSTITUTIONAL TRADE MATCHING AND SETTLEMENT*

Purpose of this Notice

The purpose of this Notice is to inform stakeholders of the decision of the Canadian Securities Administrators (CSA or we) to extend the transitional phase-in period in National Instrument 24-101 *Institutional Trade Matching and Settlement* (NI 24-101 or the Instrument) by an additional 24 months. This decision will defer the requirement to match DAP/RAP trades by midnight on trade date (T) to July 1, 2010.

Background

Overview of NI 24-101

The Instrument and related Companion Policy 24-101CP (the CP) came into force on April 1, 2007, and became fully effective on October 1, 2007. NI 24-101 was developed to encourage more efficient and timely settlement processing of trades in securities, particularly the pre-settlement confirmation and affirmation process—or *matching*—of an institutional trade.

Under the Instrument, registrants trading for or with an institutional investor must have policies and procedures designed to match a *DAP/RAP trade* as soon as practical after the trade is executed, but no later than:

- presently, noon on the business day following the day on which the trade was executed (noon on T+1 matching requirement);
- starting July 1, 2008, midnight on the day on which the trade was executed (midnight on T matching requirement).[1]

When trading for or with an institutional investor, registered dealers and advisors must also enter into *trade-matching agreements* with other *trade-matching parties* or, alternatively, obtain signed *trade-matching statements* from other trade-matching parties (documentation requirement).[2] In addition, registrants must complete and deliver an exception report on Form 24-101F1 under the Instrument for any calendar quarter in which less than a certain percentage of their executed DAP/RAP trades were matched by the specified deadline (exception reporting requirement).[3] Under the current transitional provisions of NI 24-101, the requirement to deliver an exception report if less than 95 percent of a registrant's DAP/RAP trades in a calendar quarter are matched by midnight on T is being gradually phased in by January 1, 2010.

Implementation of NI 24-101

In May 2007, we formed a CSA-Industry Working Group (Working Group) to assist in implementing the Instrument and identifying ongoing issues. The Working Group is comprised of representatives of sell-side, buy-side and custodian firms, industry associations (Canadian Capital Markets Association (CCMA) and Investment Industry Association of Canada (IIAC)), the Investment Dealers Association of Canada (IDA), CDS Clearing and Depository Services Inc. (CDS), and CSA staff. See CSA Staff Notice 24-304—*CSA-Industry Working Group on National Instrument 24-101*, dated July 6, 2007.

In December 2007, we published CSA Staff Notice 24-305—*Frequently Asked Questions About National Instrument 24-101* (FAQs) to assist market participants in complying with NI 24-101.

Preliminary impact of NI 24-101

The Instrument has been largely successful in encouraging market participants to address institutional trade back-office problems and improve their trade settlement processes and systems. The CCMA confirms that many processes have been re-engineered and become electronic, resulting in some efficiency gains and straight-through processing (STP) improvements throughout the industry.

1 Subsections 3.1(1), 3.3(1) and 10.2(1).
2 Sections 3.2 and 3.4.
3 Part 4 and subsection 10.2(3).

According to CDS statistics, institutional trade affirmation rates on T+1 have improved significantly in the last three years.[4] In April 2004, when NI 24-101 was first published for comment, only 47 percent of institutional trades were affirmed by midnight on T+1. In December 2007, 81.2 percent of institutional trades were affirmed by midnight on T+1, representing an increase of 34 percentage points since April 2004. Institutional trade affirmation rates on T during the same period have also improved. In April 2004, only 3 percent of trades were matched by midnight on T. This rose to almost 29.3 percent of trades in December 2007, representing an increase of 26 percentage points during the period.

Recent industry concerns

Despite NI 24-101's positive impact, the CCMA has raised concerns about the overall readiness of the Canadian capital markets to comply with the midnight on T matching requirement. The securities industry still has much work to do to achieve the exception reporting targets for the midnight on T matching requirement. The CCMA submits that most industry participants will require major system and process enhancements to increase matching rates by midnight on T. Industry participants need more time to allow their batch processes to evolve to real-time. Our discussions with the Working Group and our review of the current CDS trade matching statistics generally confirm the CCMA's concerns.

Deferring the Move to Matching on T

We believe that the market efficiency gains and cost benefits of moving to matching on T that were originally intended with NI 24-101 will be negatively impacted if the transitional phase-in period is not extended, as many market participants are not ready for such a move. While the policy rationale underlying the move to matching on T remains sound, we believe the timing for imposing such a move should be reassessed. Among other reasons, there is no indication that international markets have markedly improved institutional trade affirmation rates since the 2003 Group of Thirty (G-30) Report *Global Clearing and Settlement: A Plan of Action*.[5] Agreement on global standards for automated institutional trade matching remains a remote prospect at this time. Also, it does not appear that such markets are planning to shorten the current T+3 settlement cycles.

We believe the decision to move to matching by midnight on T should, for the time being, largely remain a business-driven decision. Consequently, we are deferring the current July 1, 2008 effective date in the Instrument for the midnight on T matching requirement to July 1, 2010. We are also extending the transitional phase-in period in the Instrument for the registrant exception reporting requirement (the phase-in reporting period) by an additional period of 24 months. This will allow us to better assess the industry's overall matching performance in a noon on T+1 environment. It will also enable us to undertake a review of the Instrument and CP this year, including the documentation and exception reporting requirements and the timing for implementing the midnight on T matching requirement.

Nature of Relief

CSA jurisdictions (apart from Ontario) have granted, or are expected to grant, relief through blanket orders (blanket orders) to defer the midnight on T matching requirement to July 1, 2010 from the current July 1, 2008 date. The blanket orders will also extend the phase-in reporting period to January 1, 2012 from the current January 1, 2010 date. In Ontario, the Ontario Securities Commission (OSC) has adopted local Rule 24-502 — *Exemption from Transitional Rule: Extension of Transitional Phase-In Period in National Instrument 24-101 — Institutional Trade Matching and Settlement* (local rule) as an Ontario-only amendment to NI 24-101 to effectively achieve the same result.[6]

The blanket orders and local rule specifically amend subsections (1), (2) and (3) of section 10.2 of NI 24-101. The amendments defer the midnight on T matching requirement to July 1, 2010, extend the phase-in reporting period to January 1, 2012, and make consequential amendments to the percentages and dates for exception reporting purposes. As a result, the coming-into-force and transitional provisions for the midnight on T matching and exception reporting requirements of the Instrument are as follows:

4 See CCMA Website at: http://www.ccma-acmc.ca/en/performance.html

5 See *Global Clearing and Settlement: A Plan of Action*, report of the G-30 dated January 23, 2003. The report's Recommendation 5: Automate and Standardize Institutional Trade Matching, recommended that market participants should collectively develop and use compatible and industry-accepted technical and market-practice standards for the automated confirmation and agreement of institutional trade details on the day of the trade.

6 The OSC is required to seek approval of the local rule from the Ontario Minister of Finance. See Chapter 5 of this OSC Bulletin.

For DAP/RAP trades executed:	Matching deadline for trades executed anytime on T (Part 3 of Instrument)	Percentage trigger of DAP/RAP trades for registrant exception reporting (Part 4 of Instrument)
after September 30, 2007 but before January 1, 2008	12:00 p.m. (noon) on T+1	Less than 80% matched by deadline
after December 31, 2007 but before July 1, 2010	12:00 p.m. (noon) on T+1	Less than 90% matched by deadline
after June 30, 2010 but before January 1, 2011	11:59 p.m. on T	Less than 70% matched by deadline
after December 31, 2010 but before July 1, 2011	11:59 p.m. on T	Less than 80% matched by deadline
after June 30, 2011, but before January 1, 2012	11:59 p.m. on T	Less than 90% matched by deadline
after December 31, 2011	11:59 p.m. on T	Less than 95% matched by deadline

Questions

If you have any questions about this Notice, the blanket orders, the local rule, or NI 24-101 generally, please contact the following CSA staff:

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April 4, 2008

1.2 Notices of Hearing

1.2.1 Jose Castaneda - ss. 127, 127.1

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

AND

JOSE CASTANEDA

NOTICE OF HEARING
(Section 127 and 127.1)

TAKE NOTICE that the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to sections 127 and 127.1 of the Securities Act, R.S.O. 1990, c.S.5, as amended, at the offices of the Commission, 20 Queen Street West, 17th Floor, Main Hearing Room, Toronto, Ontario, commencing on the 27th day of March, 2008 at 1:30 p.m. or as soon thereafter as the hearing can be held:

TO CONSIDER whether it is in the public interest to approve the settlement of the proceeding entered into between Staff of the Commission ("Staff") and Jose Castaneda pursuant to sections 127 and 127.1 of the Act;

BY REASON OF the allegations set out in the Statement of Allegations of Staff, and such additional allegations as counsel may advise and the Commission may permit;

AND TAKE FURTHER NOTICE that any party to the proceeding may be represented by counsel at the hearing;

AND TAKE FURTHER NOTICE that upon failure of any party to attend at the time and place aforesaid, the hearing may proceed in the absence of that party, and such party is not entitled to any further notice of the proceeding.

DATED at Toronto this 27th day of March 2008.

"John Stevenson"

1.2.2 Bennett Environmental 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
BENNETT ENVIRONMENTAL INC., JOHN BENNETT,
RICHARD STERN, ROBERT GRIFFITHS, AND
ALLAN BULCKAERT

NOTICE OF HEARING
(Section 127)

TAKE NOTICE that the Ontario Securities Commission ("Commission") will hold a hearing pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended, (the "Act") at the offices of the Commission located at 20 Queen Street West, Toronto, 17th Floor, on April 4, 2008, at 10:00 a.m. or as soon thereafter as the hearing can be held:

TO CONSIDER whether, pursuant to section 127 of the Act, it is in the public interest for the Commission to make an order approving the Settlement Agreement entered into by Staff of the Commission and Richard Stern.

BY REASON OF the allegations set out in the Statement of Allegations of Staff dated May 31, 2006 and such additional allegations as Staff may advise and the Commission may permit;

AND TAKE FURTHER NOTICE that any party to the proceeding may be represented by counsel;

AND TAKE FURTHER NOTICE that upon the failure of any party to attend at the time and place aforesaid, the hearing may proceed in the absence of that party, and such party is not entitled to any further notice of the proceeding.

DATED at Toronto this 28th day of March, 2008.

"John Stevenson"
Secretary to the Commission

1.2.3 Gregory Galanis - s. 127

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

AND

IN THE MATTER OF
GREGORY GALANIS

AMENDED NOTICE OF HEARING
(Section 127)

TAKE NOTICE that the Ontario Securities Commission will hold a hearing pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), at the offices of the Commission located at 20 Queen Street West, Toronto, 17th Floor, on April 3, 2008 at 11:00 a.m. or as soon thereafter as the hearing can be held;

AND TAKE NOTICE that the purpose of the hearing is for the Commission to consider whether in its opinion it is in the public interest to make an order:

(a) pursuant to clause 1 of section 127(1) that the respondent's registration be suspended or restricted for such period as is specified by the Commission;

(b) pursuant to clause 2 of section 127(1) that trading in any securities by the respondent cease for such period as is specified by the Commission;

(c) pursuant to clause 2.1 of section 127(1) that acquisition of any securities by the respondent is prohibited for such period as is specified by the Commission;

(d) pursuant to clause 3 of section 127(1) that any exemptions contained in Ontario securities law do not apply to the respondent for such period as is specified by the Commission;

(e) pursuant to clause 6 of section 127(1) that the respondent be reprimanded;

(f) pursuant to clause 8.1 of section 127(1) that the respondent resign all positions he holds as a director or officer of a registrant;

(g) pursuant to clause 8.2 of section 127(1) that the respondent be prohibited from becoming or acting as a director or officer of a registrant;

(h) pursuant to clause 9 of section 127(1) that the respondent pay an administrative penalty for the failure to comply with Ontario securities law;

(i) pursuant to clause 10 of section 127(1) that the respondent disgorge to the Commission any amounts obtained as a result of non-compliance with Ontario securities law; and

(j) at the conclusion of the hearing, to make an order pursuant to section 127.1 that the respondent pay the costs of the investigation and hearing.

BY REASON OF the allegations set out in the Statement of Allegations of Staff of the Commission dated March 18, 2008 and such additional allegations as counsel may advise and the Commission may permit;

AND TAKE FURTHER NOTICE that any party to the proceeding may be represented by counsel, if that party attends or submits evidence at the hearing;

AND TAKE FURTHER NOTICE that upon the failure of any party to attend at the time and place aforesaid, the hearing may proceed in the absence of that party, and such party is not entitled to any further notice of the proceeding.

DATED at Toronto this 28th day of March, 2008.

"John Stevenson"
Secretary to the Commission

1.2.4 Darren Delage - ss. 127, 127.1

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

AND

DARREN DELAGE

NOTICE OF HEARING
(Sections 127 and 127.1)

TAKE NOTICE that the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to sections 127 and 127.1 of the Securities Act, R.S.O. 1990, c. S.5, as amended, (the "Act") at the Commission's offices on the 17th floor, 20 Queen Street West, Toronto, Ontario, commencing on the 29th of April, 2008 at 2:30 p.m., or as soon thereafter as the hearing can be held;

TO CONSIDER whether it is in the public interest to make an order pursuant to sections 127 and 127.1 of the Act that:

(a) the registration of Darren Delage under Ontario securities law be suspended or restricted for such period as is specified in the order, or be terminated;

(b) terms and conditions be placed on the registration of Darren Delage;

(c) trading in any securities by Darren Delage cease permanently or for such period as is specified by the Commission;

(d) any exemptions contained in Ontario securities law do not apply to Darren Delage permanently or for such period as is specified by the Commission;

(e) Darren Delage be reprimanded;

(f) Darren Delage be ordered to pay the costs of the Commission investigation and the hearing;

(g) such other orders as the Commission may deem appropriate.

BY REASON of the allegations set out in the attached Statement of Allegations made by Staff of the Commission dated March 31, 2008;

AND TAKE FUTHER NOTICE THAT any party to the proceeding may be represented by counsel at the hearing;

AND TAKE FURTHER NOTICE THAT, upon failure of any party to attend at the time and place aforesaid, the hearing may proceed in the absence of that party, and such party is not entitled to any further notice of the proceeding.

DATED at Toronto this 31st day of March, 2008.

"John Stevenson"
Secretary to the Commission

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

AND

DARREN DELAGE

STATEMENT OF ALLEGATIONS
OF STAFF OF THE
ONTARIO SECURITIES COMMISSION

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

I. Background

1. Polar Securities Inc. ("Polar Securities") was established in 1991 and is a registered Investment Dealer and Futures Commission Merchant, whose business includes the management of hedge funds.

2. Polaris Energy Offshore Master Fund (the "Polaris Fund") was established in 2003 and was a $25 million offshore, non-prospectus qualified hedge fund managed by Polar Securities. The Polaris Fund described itself as a broadly diversified, market neutral, long/short energy equity hedge fund. The investors in the Polaris Fund included another hedge fund managed by Polar Securities and external investors.

3. The respondent, Darren Delage ("Delage"), is a resident of Oakville, Ontario. Delage was employed by Polar Securities from April 2004 to July 15, 2005 to advise and trade on behalf of the Polaris Fund. Delage was not registered with the Commission in any capacity. During his employment, Delage executed the majority of the trades for the Polaris Fund. Delage is currently registered with the Commission as an Associate Portfolio Manager with another registered firm.

4. Environmental Applied Research Technology House-Earth (Canada) Corporation ("EAR") was a stock that traded on the Canadian Venture Exchange ("CDNX") under the stock symbol "EAR". EAR's business was the development and commercialization of technologies for the extraction of hydrocarbons from upstream oil and gas produced water. On November 4, 2005, EAR was renamed TORR Canada Inc.

5. On June 23, 2005, the Polaris Fund participated in a private placement of EAR units. The Polaris Fund purchased approximately 2.75 million units at a cost of $0.10 per unit. Each unit consisted of one common share and one share purchase warrant of the corporation, with each share purchase warrant exercisable for one common share at a price of $0.13. Pursuant to Ontario securities law, there was a four month restriction on the resale of these shares. This private placement was recommended for the Polaris Fund by an employee of Polar Securities.

II. Delage's trading activity in EAR shares

6. Between June 27, 2005 and July 12, 2005, Delage entered into numerous purchases of freely-tradable EAR shares, which were reported on the public market via CDNX, when he knew or ought reasonably to have known that the trades would result in or contribute to a misleading appearance of trading activity in EAR shares, or an artificial price for those shares. These trades involved:

   a. entering into trades at or near the end of the trading day which resulted in the appearance of strength for the closing price of EAR shares;

   b. entering into orders to buy EAR shares at a price higher than the last reported trade ("Upticks");

   c. entering into orders to buy EAR shares at a share price higher than the EAR shares had previously traded in 2005 ("New Highs for 2005");

   d. entering into orders to buy EAR shares in quantities that dominated the daily market and/or end of day market for EAR shares.

7. On June 27, 2005, Delage entered eleven purchase orders for a total of 210,000 EAR shares between 3:32 p.m. and 4:00 p.m. The fills resulted in ten Upticks and two New Highs for 2005. In the last 28 minutes of trading, during the time of Delage's trading, the share price increased from $0.13 to $0.24 per share, or based on the last board lot traded, the share price increased from $0.15 to $0.24 per share. Delage's trading dominated the volume of trading in EAR shares in the last 30 minutes of trading.

8. On June 28, 2005, Delage entered two purchase orders for a total of 125,000 EAR shares between 3:54 and 4:00 p.m. The fills resulted in five Upticks. In the last five minutes of trading, during the time of Delage's trading, the share price increased from $0.18 to $0.215 per share. Delage's trading dominated the volume of trading in EAR shares in the last 30 minutes of trading.

9. On June 29, 2005, Delage entered four purchase orders for a total of 100,000 EAR shares between 3:53 and 4:00 p.m. The fills resulted in one Uptick. On this day, there was no net effect on the price of EAR shares, which had a value of $0.20 per share at market close. Delage's trading represented 100

per cent of the volume of trading in EAR shares in the last 30 minutes of trading.

10. On June 30, 2005, Delage entered purchase orders for a total of 20,000 EAR shares between 2:50 and 4:00 p.m. The fills resulted in two Upticks. In the last 55 minutes of trading, during the time of Delage's trading, the share price increased from $0.175 to $0.20 per share. Delage's trading represented 100 per cent of the volume of trading in EAR shares in the last 30 minutes of trading.

11. On July 8, 2005, Delage entered purchase orders for a total of 30,000 EAR shares between 12:16 and 4:00 p.m. Of Delage's purchase orders, 20,000 EAR shares were purchased. The fills resulted in three Upticks. In the last 77 minute of trading, during the time of Delage's trading, the share price increased from $0.20 to $0.225 per share. Delage's trading dominated the volume of trading in EAR shares in the last 30 minutes of trading.

12. On July 11, 2005, Delage entered two purchase orders for 5,000 EAR shares between 3:34 and 4:00 p.m. One order of 5,000 shares was filled at a price of $0.21 per share while the other order was not filled. Delage's trade was the last of the day and was at the same price as the previous trade.

13. On July 12, 2005, Delage entered his first purchase order for 5,000 EAR shares at 9:42 a.m. Later that same day, Delage entered four more purchase orders for a total of 25,000 EAR shares between 3:46 and 4:00 p.m. The fills resulted in two Upticks. In the last 14 minutes of trading, during the time of Delage's trading, the share price increased from $0.20 to $0.22 per share. Delage's trading represented 100 per cent of the volume of trading in EAR shares in the last 30 minutes of trading.

III. Effect of trading on Polaris Fund

14. The Polaris Fund's objective, as advertised on the Polar Securities website, was to "produce consistent positive absolute returns with low volatility and with low correlation to both the S&P/TSX energy index and broad equity indices." However, in the period of time from January 2005 until May 2005, the Polaris Fund fluctuated between trading profits and losses.

15. The Polaris Fund was valued monthly on the basis of the closing price of the securities held in the Polaris Fund on the last trading day of the month. In June 2005, the market price of EAR shares had a significant positive impact on the value of the monthly profit and loss recorded for the Polaris Fund due to the 2.75 million units of EAR held.

IV. Termination of Delage

16. On July 6, 2005, as a result of inquiries initiated by an employee of Polar Securities, Polar Securities commenced an investigation into Delage's trading activity regarding his purchases of EAR shares at the end of June, 2005. As a result of this investigation, Delage was terminated, effective July 15, 2005.

V. Conduct contrary to the Act and the public interest

17. Delage's trading in EAR shares on June 27 to 30, 2005 and July 8, 11 and 12, 2005, contributed to or created a misleading appearance of trading activity in, or an artificial price for EAR shares. Delage entered orders to purchase EAR shares at successively higher prices to effect a high closing price or maintain the trading price, and entered orders that could reasonably be expected to create an artificial appearance of investor participation in the market. These trades, accordingly, unduly interfered with the normal forces of demand for or supply of EAR shares and were abusive of the capital markets.

18. Delage knew or ought reasonably to have known that the trades would result in or contribute to a misleading appearance of trading activity in EAR shares, or an artificial price for those shares.

19. Delage's conduct was contrary to Ontario securities law, by virtue of section 3.1(1)(a) of NI 23-101, and was contrary to the public interest.

20. Staff reserve the right to make such other allegations as Staff may advise and the Commission may permit.

Dated at Toronto this 31st day of March, 2008

1.2.5 LandBankers International MX, S.A. DE C.V. 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
LANDBANKERS INTERNATIONAL MX, S.A. DE C.V.;
SIERRA MADRE HOLDINGS MX, S.A. DE C.V.;
L&B LANDBANKING TRUST S.A. DE C.V.;
BRIAN J. WOLF ZACARIAS;
ROGER FERNANDO AYUSO LOYO;
ALAN HEMINGWAY; KELLY FRIESEN;
SONJA A. MCADAM; ED MOORE; KIM MOORE;
JASON ROGERS; AND DAVE URRUTIA

NOTICE OF HEARING
(Section 127)

TAKE NOTICE that the Ontario Securities Commission will hold a hearing pursuant to section 127 of the *Securities Act*, (the Act) R.S.O. 1990, c. S. 5, as amended, at the offices of the Commission, 20 Queen Street West, 17th Floor Hearing Room commencing on April 9th, 2008 at 2:00 p.m. or as soon thereafter as the hearing can be held.

AND TAKE NOTICE that the purpose of the Hearing is for the Commission to consider whether it is in the public interest for the Commission:

(a) pursuant to section 127(7) of the Act to extend the temporary order made March 27th, 2008 ;

(b) at the conclusion of the hearing, to make an order pursuant to clause 2 of section 127(1) that trading in any securities by the Respondents cease permanently or for such period as is specified by the Commission;

(c) at the conclusion of the hearing, to make an order pursuant to clause 3 of section 127(1) that any exemptions contained in Ontario securities law do not apply to the Respondents permanently or for such period as is specified by the Commission; and

(d) to make such other order as the Commission may deem appropriate.

BY REASON OF the issuance of Cease Trade Orders in Saskatchewan against the Respondents and the issuance of Cease Trade Orders in Alberta and Manitoba against certain of the Respondents and such additional allegations as counsel may advise and the Commission may permit;

AND TAKE FURTHER NOTICE that any party to the proceedings may be represented by counsel if that party attends or submits evidence at the hearing;

AND TAKE FURTHER NOTICE that upon the failure of any party to attend at the time and place aforesaid, the hearing may proceed in the absence of the party and the party is not entitled to any further notice of the proceeding.

DATED at Toronto this 28th day of March, 2008.

"Daisy Aranha"
per: John Stevenson
Secretary to the Commission

1.4 Notices from the Office of the Secretary

1.4.1 David Berry

FOR IMMEDIATE RELEASE
March 27, 2008

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

AND

IN THE MATTER OF
A REQUEST FOR A HEARING AND REVIEW OF
A DECISION OF A HEARING PANEL OF
MARKET REGULATION SERVICES INC.

AND

IN THE MATTER OF
THE UNIVERSAL MARKET INTEGRITY RULES

AND

IN THE MATTER OF
DAVID BERRY

TORONTO – Following a hearing held on March 6, 2008 in the above noted matter, the Commission issued its Order yesterday, with written reasons to follow in due course.

A copy of the Order dated March 26, 2008 is available at **www.osc.gov.on.ca**.

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1.4.2 Jose L. Castaneda

FOR IMMEDIATE RELEASE
March 27, 2008

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

AND

IN THE MATTER OF
JOSE L. CASTANEDA

TORONTO – The Office of the Secretary issued a Notice of Hearing today to consider whether it is in the public interest to approve the settlement of the proceeding entered into between Staff of the Commission and Jose Castaneda.

A copy of the Notice of Hearing dated March 27, 2008 is available at **www.osc.gov.on.ca**.

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1.4.3 Hacik Istanbul

FOR IMMEDIATE RELEASE
March 28, 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 – Following a hearing held on February 21, 2008 to consider the Application made by Hacik Istanbul for a review of a Director's Decision dated August 10, 2007, the Commission issued its Reasons and Decision in the above noted matter.

A copy of the Reasons and Decision dated March 27, 2008 is available at **www.osc.gov.on.ca**.

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1.4.4 Jose L. Castaneda

FOR IMMEDIATE RELEASE
March 27, 2008

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

AND

IN THE MATTER OF
JOSE L. CASTANEDA

TORONTO – Following a hearing held today, the Commission issued an Order approving the Settlement Agreement reached between Staff of the Commission and Jose L. Castaneda.

A copy of the Order dated March 27, 2008 and Settlement Agreement dated March 27, 2008 are available at **www.osc.gov.on.ca**.

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1.4.5 Hollinger Inc. et al.

FOR IMMEDIATE RELEASE
March 27, 2008

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

AND

HOLLINGER INC., CONRAD M. BLACK,
F. DAVID RADLER, JOHN A. BOULTBEE,
AND PETER Y. ATKINSON

TORONTO – The Commission today issued a consent order adjourning the hearing currently scheduled for March 28, 2008 to September 26, 2008, at 10:00 a.m., for the purpose of addressing the scheduling of this proceeding. The Commission is of the opinion that the order is in the public interest considering the pending appeals of Black and Boultbee in the criminal proceedings brought against them in the United States and considering the undertakings provided by the respondents.

A copy of the Order dated March 17, 2008 is available at **www.osc.gov.on.ca**.

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1.4.6 Bennett Environmental Inc. et al.

FOR IMMEDIATE RELEASE
March 28, 2008

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

AND

IN THE MATTER OF
BENNETT ENVIRONMENTAL INC., JOHN BENNETT,
RICHARD STERN, ROBERT GRIFFITHS AND
ALLAN BULCKAERT

TORONTO – The Office of the Secretary issued a Notice of Hearing today to consider whether it is in the public interest to approve the settlement of the proceeding entered into between Staff of the Commission and Jose Castaneda. The hearing will be held on April 4, 2008 at 10:00 a.m.

A copy of the Notice of Hearing dated March 28, 2008 is available at **www.osc.gov.on.ca**.

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1.4.7 Gregory Galanis

FOR IMMEDIATE RELEASE
March 28, 2008

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

AND

IN THE MATTER OF
GREGORY GALANIS

TORONTO – The Office of the Secretary issued an Amended Notice of Hearing in the above named matter setting the matter down to be heard on April 3, 2008 at 11:00 a.m.

A copy of the Amended Notice of Hearing dated March 28, 2008 is available at **www.osc.gov.on.ca**.

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1.4.8 Saxon Financial Services et al.

FOR IMMEDIATE RELEASE
March 28, 2008

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

AND

SAXON FINANCIAL SERVICES,
SAXON CONSULTANTS, LTD.,
INTERNATIONAL MONETARY SERVICES ,
FXBRIDGE TECHNOLOGY,
MEISNER CORPORATION,
MERCHANT CAPITAL MARKETS, S.A.,
MERCHANT CAPITAL MARKETS,
MERCHANTMARX

AND

SIMON BACHUS, JOSEPH CUNNINGHAM,
RICHARD CLIFFORD, RYAN CASON, JOHN HALL,
DONNY HILL, JEREMY JONES, MARK KAUFMANN,
CONRAD PRAAMSMA, JUSTIN PRAAMSMA,
SCOTT SANDERS, JACK SINNI, MARC THIBAULT,
SEAN WILSON AND TODD YOUNG

TORONTO – Following a hearing held today, the Commission issued an Order which provides that:

a) the hearing is adjourned to June 10, 2008 at 2:30 p.m.;

b) the Temporary Order is not extended as against International Monetary Services, Simon Bachus, Joseph Cunningham, FxBridge Technologies, Inc., Merchant Capital Markets, S.A., Merchant Capital Markets, and MerchantMarx; and,

c) the Temporary Order is extended as against Saxon Financial Services, Saxon Consultants, Ltd., Meisner Corporation, Richard Clifford, Ryan Cason, John Hall, Donny Hill, Jeremy Jones, Mark Kaufman, Conrad Praamsma, Justin Praamsma, Scott Sanders, Jack Sinni, Marc Thibault, Sean Wilson, and Todd Young during the period of the adjournment.

A copy of the Order dated March 28, 2008 is available at **www.osc.gov.on.ca**.

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1.4.9 Sulja Bros. Building Supplies, Ltd. (Nevada) et al.

FOR IMMEDIATE RELEASE
March 28, 2008

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

AND

IN THE MATTER OF
SULJA BROS. BUILDING SUPPLIES, LTD. (NEVADA),
SULJA BROS. BUILDING SUPPLIES LTD.,
KORE INTERNATIONAL MANAGEMENT INC.,
PETAR VUCICEVICH AND ANDREW DEVRIES

TORONTO –The Commission issued an Order today continuing the Temporary Order until May 23, 2008 in the above noted matter.

A copy of the Order dated March 28, 2008 is available at **www.osc.gov.on.ca**.

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1.4.10 Darren Delage

FOR IMMEDIATE RELEASE
April 1, 2008

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

AND

IN THE MATTER OF
DARREN DELAGE

TORONTO – The Office of the Secretary issued a Notice of Hearing in the above named matter setting the matter down for the 29th of April, 2008 at 2:30 p.m.

A copy of the Notice of Hearing dated March 31, 2008 and Statement of Allegations of Staff of the Ontario Securities Commission dated March 31, 2008 are available at **www.osc.gov.on.ca**.

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1.4.11 Shallow Oil & Gas Inc. et al.

FOR IMMEDIATE RELEASE
April 1, 2008

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

AND

IN THE MATTER OF
SHALLOW OIL & GAS INC., ERIC O'BRIEN,
ABEL DA SILVA, GURDIP SINGH GAHUNIA
also known as MICHAEL GAHUNIA, and
ABRAHAM HERBERT GROSSMAN
also known as ALLEN GROSSMAN

TORONTO – Following a hearing held yesterday, the Commission ordered that the Temporary Order is extended to Wednesday, June 18, 2008, and that the Hearing is adjourned to Wednesday, June 18, 2008, at 10:00 a.m.

A copy of the Order dated March 31, 2008 is available at **www.osc.gov.on.ca**.

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1.4.12 Firestar Capital Management Corp. et al.

FOR IMMEDIATE RELEASE
April 1, 2008

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

AND

IN THE MATTER OF
FIRESTAR CAPITAL MANAGEMENT CORP.,
KAMPOSSE FINANCIAL CORP.,
FIRESTAR INVESTMENT MANAGEMENT GROUP,
MICHAEL CIAVARELLA AND MICHAEL MITTON

TORONTO – Following a hearing held yesterday, the Commission issued an Order in the above named matter which provides that the Temporary Orders currently in place as against the Respondents are further continued until June 2, 2008, or until further order of this Commission.

The Commission also ordered that the hearing to consider whether to continue the Temporary Orders be adjourned to June 2, 2008.

A copy of the Order dated March 31, 2008 is available at **www.osc.gov.on.ca**.

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1.4.13 Land Banc of Canada Inc. et al.

FOR IMMEDIATE RELEASE
April 2, 2008

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

AND

IN THE MATTER OF
LAND BANC OF CANADA INC.,
LBC MIDLAND I CORPORATION,
FRESNO SECURITIES INC.,
RICHARD JASON DOLAN,
MARCO LORENTI AND
STEPHEN ZEFF FREEDMAN

TORONTO – Following a hearing yesterday, the Commission issued an Order which provides that:

1. the Temporary Order is not extended as against LBC, Midland, Dolan and Lorenti;

2. the Direction is continued until April 30, 2008 subject to payments approved by Staff in writing; and

3. this Order shall not affect the right of LBC, Midland, Dolan and Lorenti to apply to the Commission to clarify or revoke the Direction prior to April 30, 2008 upon three days notice to Staff of the Commission.

A copy of the Order dated April 1, 2008 is available at **www.osc.gov.on.ca**.

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1.4.14 LandBankers International MX, S.A. DE C.V. et al.

FOR IMMEDIATE RELEASE
April 2, 2008

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

AND

IN THE MATTER OF
LANDBANKERS INTERNATIONAL MX, S.A. DE C.V.;
SIERRA MADRE HOLDINGS MX, S.A. DE C.V.;
L&B LANDBANKING TRUST S.A. DE C.V.;
BRIAN J. WOLF ZACARIAS;
ROGER FERNANDO AYUSO LOYO;
ALAN HEMINGWAY; KELLY FRIESEN;
SONJA A. MCADAM; ED MOORE; KIM MOORE;
JASON ROGERS; AND DAVE URRUTIA

TORONTO – The Office of the Secretary issued a Notice of Hearing on March 28, 2008 setting the matter down to be heard on April 9, 2008, 2008 at 2:00 p.m. to consider whether it is in the public interest for the Commission to extend the Temporary Order made March 27, 2008.

A copy of the Notice of Hearing dated March 28, 2008 and Temporary Order dated March 27, 2008 are available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
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1.4.15 MRS Sciences Inc. (formerly Morningside Capital Corp.) et al.

FOR IMMEDIATE RELEASE
April 2, 2008

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

AND

IN THE MATTER OF
MRS SCIENCES INC.
(FORMERLY MORNINGSIDE CAPITAL CORP.),
AMERICO DEROSA, RONALD SHERMAN,
EDWARD EMMONS AND IVAN CAVRIC

TORONTO – The Commission issued an Order in the above matter which provides that: (i) the Hearing will start on October 8, 2008 at 10:00 a.m. and continue on October 9 and 10, 2008 and, if necessary, October 15 and 16, 2008; (ii) a pre-hearing conference and any prehearing motions shall be brought before mid-August 2008; and (iii) any motion to adjourn the hearing shall be brought before September 10, 2008.

A copy of the Order dated March 25, 2008 is available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON

SECRETARY

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 MSP 2007 Resource Limited Partnership - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – IRC of Flow-through limited partnership with December 31 year-end, granted relief to defer preparation of first and, if applicable, second IRC report to securityholders to same time as that required for other mutual funds and investment funds overseen by the same IRC – The manager's other funds have a June 30 year-end - Manager has only one fund, a flow-through limited partnership, with a year-end different to the other funds under its management - The relief permits the first and second IRC report of the Partnership to be prepared by October 28, 2008 and September 28, 2009 similar to the other funds overseen by the same IRC.

Applicable Legislative Provisions

National Instrument 81-107 Independent Review Committee for Investment Funds, ss. 4.4(1), 7.1, 8.2(3).

March 25, 2008

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

AND

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

AND

IN THE MATTER OF
MSP 2007 RESOURCE 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 and Mackenzie Financial Corporation (the "Manager") on behalf of the Manager, the Partnership and the independent review committee of the Partnership (the "IRC") for a decision pursuant to section 7.1 of National Instrument 81-107 *Independent Review Committee for Investment Funds* ("NI 81-107") permitting the IRC to defer until October 28, 2008 and, if the Partnership is still in existence, until September 28, 2009, the preparation of the IRC report to securityholders of the Partnership that is required to be prepared under section 4.4(1) and section 8.2(3) of NI 81-107 (the "Requested Relief").

Interpretation

Defined terms contained in the 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 Partnership:

1. The Partnership is a limited partnership formed under the laws of the Province of Ontario.

2. The Partnership filed a final prospectus dated January 17, 2007 (the "Prospectus") with the securities commission or regulatory authority of each of the Jurisdictions and Prince Edward Island and is a reporting issuer in each of the Jurisdictions and Prince Edward Island. The Partnership is a non-redeemable investment fund. Although the termination date of the Partnership is June 30, 2009, it is expected that the Partnership will be dissolved in March 2009.

3. In addition to the Partnership, the IRC also oversees all of the mutual funds and the other investment funds, including any other resource flow-through limited partnership managed by the Manager (collectively, the "Mackenzie Funds").

4. The financial year of each Mackenzie Fund is June 30 of each year. The financial year of the Partnership is December 31 of each year. Accordingly, other than the Partnership, all of the Mackenzie Funds, including any future resource flow-through limited partnership, have or will have a common financial year of June 30.

5. At the time the December 31 financial year of the Partnership was established, the consequences on the IRC and the IRC's reporting obligations under securities legislation were not considered by the Manager.

6. Under section 4.4(1) and section 8.2(3) of NI 81-107, the IRC is required to prepare its first report to the investors of the Mackenzie Funds by October 28, 2008 and its second report by September 28, 2009. However, because the Partnership has a different financial year than all of the Mackenzie Funds, absent the Requested Relief, the IRC would be required to prepare its first report to the investors of the Partnership by April 29, 2008, and it second report to investors of the Partnership by March 31, 2009.

7. Given the nature of an investment in a resource flow-through limited partnership such as the Partnership, the Manager is of the view that the investors in the Partnership would derive little, if any, benefit from a separate IRC report. Further, additional costs would be incurred in preparing a separate IRC report, which costs would be borne by the Partnership and, ultimately, by the investors in the Partnership. Therefore, from a cost/benefit perspective, the Manager believes that granting the Requested Relief would be in the best interests of the investors in the Partnership.

8. Granting the Requested Relief will also not be prejudicial to the investors in the Partnership, as these investors would have access to the comprehensive IRC report that will be prepared by October 28, 2008 for all of the Mackenzie Funds, including the Partnership and any other resource flow-through limited partnership managed by the Manager, and made available to all Mackenzie investors.

9. The Manager anticipates that the content of the IRC report on behalf of the Partnership will be similar to that of the Mackenzie Funds in 2008 and 2009, and, if the Requested Relief is granted, will cover the same period as the IRC report on behalf of the Mackenzie Funds, namely, the period of IRC activity up to and including June 30, 2008, and, if applicable, up to and including June 30, 2009.

10. The IRC report to securityholders of the mutual fund (the "Mutual Fund") into which assets of the Partnership are, or may be, eventually rolled over (the rollover being the "Mutual Fund Rollover Transaction" as described in the Prospectus), will disclose that the IRC has reviewed the Mutual Fund Rollover Transaction and will disclose the IRC's recommendation on this transaction.

11. The Requested Relief is only required in respect of the IRC report to securityholders of the Partnership required to be prepared in 2008 and in 2009. Although the termination date of the Partnership is June 30, 2009, it is expected that the Partnership will be dissolved in March 2009.

12. If the Partnership is not terminated on or prior to June 30, 2009, then pursuant to the Requested Relief, the IRC report to securityholders of the Partnership will be prepared by September 28, 2009 along with the IRC report to investors in the Mackenzie Funds, and the Manager will evaluate what further steps should be taken in respect of the Partnership.

Decision

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

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

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

2.1.2 Norrep Performance 2006 Flow-Through Limited Partnership - MRRS Decision

Headnote

MRRS for exemptive relief applications - Exemption from Annual Information Form (AIF) Requirements of Part 9 of National Instrument 81-106 (NI 81-106) - Flow-through limited partnership issuer - seeks relief from AIF requirements - the costs of complying with AIF requirements in NI 81-106 far outweigh the benefits - limited partners have adequate alternative continuous disclosure in the prospectus, financial statements and management report of fund performance - given issuers limited range of activities and intended liquidation, AIF of minimal benefit to limited partners.

Applicable Legislative Provisions

NI 81-106 Investment Fund Continuous Disclosure, ss. 9.2, 17.1.
Multilateral Instrument 11-101 Principal Regulator System.

Citation: Norrep Performance 2006 Flow-Through Limited Partnership, 2008 ABASC 167

March 27, 2008

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA AND ONTARIO
(the Jurisdictions)

AND

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

AND

IN THE MATTER OF
NORREP PERFORMANCE 2006 FLOW-THROUGH
LIMITED PARTNERSHIP
(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 Section 9.2 of National Instrument 81-106 *Investment Fund Continuous Disclosure* (**NI 81-106**) to prepare and file an annual information form (**AIF**) (the **Requested Relief**).

2. For the purposes of this decision, the term "Filer" includes other partnerships that are established from time to time that:

   (a) have a general partner with the same parent as the general partner of the Filer; and

   (b) are identical to the Filer in all other respects that are material to this MRRS decision document.

Application of Principal Regulator System

3. Under Multilateral Instrument 11-101 *Principal Regulator System* (**MI 11-101**) and the Mutual Reliance Review System for Exemptive Relief Applications:

   (a) the Alberta Securities Commission is the principal regulator for the Filer;

   (b) the Filer is relying on the exemption in Part 3 of MI 11-101 in all of the provinces of Canada except Alberta and Ontario; and

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

Interpretation

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

Representations

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

   (a) The Filer is a limited partnership duly formed under the laws of the Province of Ontario on January 26, 2006.

   (b) The principal place of business and registered office of the Filer is located in Calgary, Alberta.

   (c) The Filer is a reporting issuer, where such status exists, in each of the provinces of Canada and is not in default of its obligations as a reporting issuer.

   (d) The Filer is a non-redeemable investment fund.

   (e) The Filer was organized to invest in flow-through shares of issuers whose principal business is oil and gas exploration, development and production, or mineral exploration, development and production (**Resource Companies**) and to partici-

pate in exploration, development and production of oil and gas by investing in flow-through shares of corporations incorporated by the general partner whose shares are wholly-owned by the Filer (**Subsidiary Companies**), which Subsidiary Companies enter into oil and gas drilling joint ventures.

(f) The Filer enters into flow-through investment agreements, pursuant to which the Filer subscribes for flow-through shares of the Resource Company or Subsidiary Company and the Resource Company or Subsidiary Company agrees to incur and renounce to the Filer, in amounts equal to the subscription price of the flow-through shares, expenditures in respect of resource exploration and development which qualify as Canadian exploration expense or as Canadian development expense which may be renounced as Canadian exploration expense to the Filer.

(g) The limited partnership units of the Filer are not and will not be listed or quoted for trading on any stock exchange or market. None of the limited partnership units of the Filer are redeemable by the limited partners. Generally, limited partnership units are not transferred since limited partners must be holders of units on the last day of each fiscal year of the Filer in order to obtain the desired tax deduction. In addition, other than the issuance of the initial limited partnership units to the initial limited partners and other than as described in this order, the Filer has not issued any limited partnership units.

(h) Unless a material change takes place in the business and affairs of the Filer:

(i) the limited partners of the Filer will obtain adequate financial information concerning the Filer from the interim financial statements and annual audited financial statements of the Filer together with the auditor's report distributed to the limited partners; and

(ii) the Prospectus (defined below) for the Filer and the interim financial statements provide sufficient background materials and the explanations necessary for a limited partner to understand the business, financial position and future plans of the Filer.

(i) If a material change takes place in the business and affairs of the Filer, the Filer will ensure that a timely material change report is filed with the securities regulatory authority in each of the Jurisdictions in compliance with applicable securities laws.

(j) The Filer received a final receipt dated March 27, 2006 on behalf of the local securities regulatory authority or regulator in each of the provinces of Canada for the Filer's prospectus dated March 27, 2006 (the **Prospectus**) relating to an offering of up to 8,500,000 limited partnership units in the Jurisdictions. On April 12, 2006, the Filer completed the issue and sale of 8,500,000 limited partnership units under the Prospectus. The Filer became a reporting issuer, where such status exists, in each of the provinces of Canada.

(k) In accordance with the Filer's partnership agreement, the general partner intends to implement, at a date no later than September 30, 2009, a transaction pursuant to which the assets of the Filer will be transferred to Norrep Opportunities Corp. or another mutual fund corporation on a tax deferred basis, in exchange for securities of Norrep Opportunities Corp., following which the securities of Norrep Opportunities Corp. will be distributed to the limited partners of the Filer on a pro rata tax deferred basis upon the dissolution of the Filer. If the foregoing transaction is not implemented by September 30, 2009, the partnership agreement states that the Filer will be terminated by December 31, 2009.

(l) The Filer's range of business activities is limited to (i) completing the issue and sale of limited partnership units under the Prospectus, (ii) investing its available funds in flow-through shares of the Resource Companies and Subsidiary Companies, (iii) participating in joint ventures, and (iv) incurring expenses as described in the Prospectus.

(m) Given the limited range of business activities to be conducted by the Filer, the short duration of its existence and the nature of the investments of the limited partners, the preparation and distribution of an AIF by the Filer will not be of benefit

to the limited partners and may impose a material financial burden on the Filer.

(n) Upon the occurrence of any material change to the Filer, limited partners would receive all relevant information from the material change reports that the Filer is required to file in accordance with applicable securities laws.

Decision

6. The Decision Makers being satisfied that each has jurisdiction to make this decision and that the relevant test under the Legislation has been met, the Requested Relief is granted.

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

2.1.3 Lawrence Asset Management Inc. and Lawrence India Fund - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – mutual fund granted relief from preparing annual management report of fund performance as only in existence for seventeen days prior to its fiscal year end.

Applicable Legislative Provisions

National Instrument 81-106 Investment Fund Continuous Disclosure, s. 4.2.

March 28, 2008

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

AND

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

AND

IN THE MATTER OF
LAWRENCE ASSET MANAGEMENT INC.
(Lawrence or the Manager)

AND

IN THE MATTER OF
LAWRENCE INDIA FUND (the Fund)
(the Manager and the Fund, collectively, the Filer)

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 (the Legislation) of the Jurisdictions for an exemption, pursuant to section 17.1 of National Instrument 81-106 *Investment Funds Continuous Disclosure* (NI 81-106), from the requirement in subsection 4.2 of NI 81-106 to file a management report of fund performance (MRFP) for the Fund for the period ended December 31, 2007 (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. The Manager is a corporation operating under the laws of the Province of Ontario with its head office in Toronto, Ontario.

2. The Fund became a reporting issuer on December 6, 2007, the date on which a receipt for the final simplified prospectus in respect of the Fund (the "Prospectus") was issued by the Decision Makers.

3. The fiscal year end of the Fund is December 31. Pursuant to section 4.2 of NI 81-106, the Fund must prepare an annual MRFP for the period ended December 31, 2007.

4. The Fund first issued units under the Prospectus on December 17, 2007. No securities, other than 70,802 units for gross proceeds of $705,440, have been issued between December 6, 2007 and December 31, 2007. All of the proceeds have been held by the Fund in cash throughout the reporting period. Accordingly, there are no measures of performance to report on in the management discussion portion of the MRFP for the reporting period.

5. The limited activities of the Fund for the reporting period do not provide any meaningful information in the financial highlights for the purposes of the preparation of an MRFP.

6. Form 81-106F1 – Contents of Annual and Interim Management Report of Fund Performance, requires that an MRFP contain a discussion of how changes to the investment fund over the financial year affected the overall level of risk associated with an investment in the investment fund, a summary of the results of operations of the investment fund for the financial year in which the management discussion of fund performance pertains, a discussion of the recent developments affective the investment fund, a discussion of any transactions involving related parties to the investment fund, disclosure of selected financial highlights for the investment fund to which the MRFP pertains. Given the minimal business carried on by the Fund and the fact that the Fund filed its final simplified prospectus 17 business days prior to its fiscal year end, no disclosure on these items can be meaningfully provided in the MRFP.

7. The expense to the Fund of preparing and filing an MRFP would not be justified relative to any benefit to be derived from receiving the MRFP.

8. The Fund will prepare and file annual audited financial statements for the Fund as required by NI 81-106.

Decision

Each of the Decisions Makers is satisfied that the test contained in the Legislation that provides the Decision Makers 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.

"Rhonda Goldberg"
Manager, Investment Funds Branch
Ontario Securities Commission

2.1.4 Tremont Core Diversified Fund - NI 81-106 Investment Fund Continuous Disclosure, s. 17.1

Headnote

Mutual fund in Ontario (non-reporting issuer) granted an extension of the annual financial statement filing deadline as primarily invested in offshore investment funds for which audited financial information.

March 14, 2008

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO

AND

IN THE MATTER OF
TREMONT CORE DIVERSIFIED FUND
(Fund)

DECISION

Background

The Ontario Securities Commission (OSC) has received an application from the Fund for a decision pursuant to section 17.1 of National Instrument 81-106 *Investment Fund Continuous Disclosure* (NI 81-106) for an exemption from:

(a) the requirement contained in sections 2.1 and 2.2 of NI 81-106 (Filing Requirement), which require the Fund to file their audited annual financial statements on or before the 90th day after its most recently completed financial year (Filing Deadline); and

(b) the requirement contained in subsection 5.1(2) of NI 81-106 (Delivery Requirement), which require the Fund to deliver their audited annual financial statements to securityholders of the Fund on or before the Filing Deadline.

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 Fund:

The Manager and the Fund

1. Tremont Capital Management, Corp. (Manager) is a corporation existing under the laws of New Brunswick with its head office in Toronto, Ontario.

2. The Manager is registered with the OSC as a non-Canadian adviser in the categories of Investment Counsel and Portfolio Manager and as a Limited Market Dealer.

3. The Manager is responsible for the management of the Fund and its day-to-day activities, and is also the portfolio advisor of the Fund. The Manager has appointed Tremont Partners, Inc. as the Fund's investment sub-advisor.

4. The Fund is an investment fund established under the laws of the Province of Ontario. The Fund is governed by a trust agreement between the Manager and The Royal Trust Company dated as of January 2, 2004, assigned to RBC Dexia Investor Services Trust as of January 1, 2006, and amended and restated as of February 1, 2006 (Trust Agreement).

5. The Fund offered trust units (Units) to qualified investors in the provinces and territories of Canada (Offering Jurisdictions) pursuant to available exemptions from the prospectus requirements of applicable securities legislation.

6. The Fund's investment objectives are to achieve long-term capital appreciation and to provide holders of Units (Unitholders) with an attractive risk-adjusted rate of return with less volatility than traditional equity markets and low correlation to major equity and fixed income markets.

7. The Fund invested primarily in a portfolio of actively managed offshore hedge funds.

8. The Fund is not and will not be a reporting issuer in any of the Offering Jurisdictions and the Units do not trade on any exchange or market.

Mandatory Redemption and Termination

9. Determined by the Manager to be in the best interests of the Unitholders and in connection with a refocusing of its investment management strategy, the Fund has commenced a process of winding-down its operations with a view to termination.

10. The Manager delivered a notice of mandatory redemption to all Unitholders in accordance with the Trust Agreement, indicating that the Fund will redeem all Units (other than Units held by the Manager or an affiliate) as of December 31, 2007.

11. As of the Filing Deadline, the Manager or its affiliate will be the sole unitholder of the Fund. The termination of the Fund is expected to occur in 2008.

Annual Financial Statements

12. The Fund's fiscal year-end is December 31. Sections 2.1, 2.2 and subsection 5.1(2) of NI 81-106 require the Fund to file and deliver its annual financial statements by the Filing Deadline.

13. Section 2.11 of NI 81-106 provides an exemption (Filing Exemption) from the Filing Requirement if, among other things, the Fund delivers its annual financial statements to Unitholders in accordance with Part 5 of NI 81-106 by the Filing Deadline.

14. The underlying offshore hedge funds in which the Fund invests prepare audited annual financial statements in accordance with the applicable accounting principles, which include International Financial Reporting Standards or U.S. GAAP. The majority of the underlying offshore hedge funds have a financial year end of December 31, and these funds are subject to financial reporting deadlines of varying length in the different jurisdictions outside Canada. Approximately 80% of the underlying hedge funds are subject to a financial reporting deadline that is 180 days from the financial year end.

15. In order to complete the audit of the Fund, the Fund's auditors require the audited financial statements of the underlying offshore hedge funds. The Fund's auditors have indicated that they do not expect to receive sufficient, relevant, and reliable information about the underlying offshore hedge funds in time for them to complete the audit of the Fund.

16. In connection with the 2007 year-end statements for the Fund, the Manager and the auditor must also take into account the mandatory redemption of Units and the winding-down of the Fund.

17. The Fund will not be able to meet the Filing Deadline and will not be able to comply with the Delivery Requirement.

18. As the Fund will not be able to deliver its financial statements to Unitholders in accordance with Part 5 of NI 81-106 by the Filing Deadline, it cannot rely on the Filing Exemption.

Decision

The Director is satisfied that the test contained in NI 81-106 that provides the Director with the jurisdiction to make the decision has been met.

The decision of the Director under NI 81-106 is that:

(a) the Fund is exempted from the Filing Requirement provided that:

(i) the audited annual financial statements of the Fund are filed on or before the 180th day after the Fund's most recently completed financial year; or

(ii) the conditions in section 2.11 of NI 81-106 are met, except for subsection 2.11(b), and the audited annual financial statements of the Fund are delivered to Unitholders in accordance with Part 5 of NI 81-106 on or before the 180th day after the Fund's most recently completed financial year;

and

(b) the Fund is exempted from the Delivery Requirement provided that the audited annual financial statements of the Fund are delivered to Unitholders in accordance with Part 5 of NI 81-106 on or before the 180th day after the Fund's most recently completed financial year.

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

2.1.5 Granby Industries Income Fund - s. 1(10)

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).

March 28, 2008

Burnet, Duckworth & Palmer LLP
1400, 350 - 7 Avenue SW
Calgary, AB T2P 3N9

Dear Sirs/Mesdames:

Re: Granby Industries Income Fund (the Applicant) – application for a decision under the securities legislation of Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland and Labrador (the Jurisdictions) that the Applicant is not a reporting issuer

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 that the Applicant is not a reporting issuer.

As the Applicant has represented to the Decision Makers that:

(a) the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 security holders in each of the jurisdictions in Canada and fewer than 51 security holders in total in Canada;

(b) no securities of the Applicant are traded on a marketplace as defined in National Instrument 21-101 Marketplace Operation;

(c) the Applicant is applying for a decision that it is not a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer; and

(d) 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 not a reporting issuer.

"Erez Blumberger"
Manager, Corporate Finance
Ontario Securities Commission

2.1.6 Gemini Energy Corp. - s. 1(10)

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).

March 27, 2008

Gemini Energy Corp.
1100-160 West Hastings Street
Vancouver, BC

Dear Sirs/Mesdames:

Re: Gemini Energy Corp. (the Applicant) – application for a decision under the securities legislation of Alberta and Ontario (the Jurisdictions) that the Applicant is not a reporting issuer

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 that the Applicant is not a reporting issuer.

As the Applicant has represented to the Decision Makers that:

(a) the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 security holders in each of the jurisdictions in Canada and fewer than 51 security holders in total in Canada;

(b) no securities of the Applicant are traded on a marketplace as defined in National Instrument 21-101 Marketplace Operation;

(c) the Applicant is applying for a decision that it is not a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer; and

(d) 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 not a reporting issuer.

"Erez Blumberger"
Manager, Corporate Finance
Ontario Securities Commission

2.1.7 Extreme CCTV Inc. - s. 1(10)

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).

March 27, 2008

Blake, Cassels & Graydon LLP
595 Burrard Street, P.O. Box 49314,
Suite 2600, Three Bentall Centre
Vancouver, ON V7X 1L3

Dear Sirs/Mesdames:

Re: Extreme CCTV Inc. (the Applicant) – application for a decision under the securities legislation of Alberta, and Ontario (the Jurisdictions) that the Applicant is not a reporting issuer

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 that the Applicant is not a reporting issuer.

As the Applicant has represented to the Decision Makers that:

(a) the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 security holders in each of the jurisdictions in Canada and fewer than 51 security holders in total in Canada;

(b) no securities of the Applicant are traded on a marketplace as defined in National Instrument 21-101 Marketplace Operation;

(c) the Applicant is applying for a decision that it is not a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer; and

(d) 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 not a reporting issuer.

"Erez Blumberger"
Manager, Corporate Finance
Ontario Securities Commission

2.1.8 Miramar Mining Corporation - s. 1(10)

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).

March 28, 2008

Goodmans LLP
250 Yonge St, Suite 2400
Toronto, ON M5B 2M6

Attention: Daniel Jeon

Dear Sirs/Mesdames:

Re: Miramar Mining Corporation (the Applicant) – application for a decision under the securities legislation of Ontario, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Prince Edward Island, Nova Scotia, and Newfoundland and Labrador (the Jurisdictions) that the Applicant is not a reporting issuer

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 that the Applicant is not a reporting issuer.

As the Applicant has represented to the Decision Makers that:

(a) the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 security holders in each of the jurisdictions in Canada and fewer than 51 security holders in total in Canada;

(b) no securities of the Applicant are traded on a marketplace as defined in National Instrument 21-101 Marketplace Operation;

(c) the Applicant is applying for a decision that it is not a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer; and

(d) 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 not a reporting issuer.

"Erez Blumberger"
Manager, Corporate Finance
Ontario Securities Commission

2.1.9 JovFunds Management Inc. and BetaPro Management Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Exemption granted from paragraph 2.5(2)(a) of National Instrument 81-102 - Mutual funds to permit a top fund to invest up to 10% of its net assets in aggregate in commodity pools, that use financial instruments that correlate to the performance of an Underlying Index, and that are not subject to National Instrument 81-101 - Mutual Fund Prospectus Disclosure. The commodity pools are qualified under a long form prospectus.

Applicable Legislative Provisions

National Instrument 81-101 Mutual Funds, ss. 2.5(2)(a), 19.1.

March 4, 2008

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

AND

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

AND

IN THE MATTER OF
JOVFUNDS MANAGEMENT INC.
(JFMI)

AND

IN THE MATTER OF
BETAPRO MANAGEMENT INC.
(BETAPRO)

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the **Decision Maker**) in each of the Jurisdictions has received an application from JFMI, the trustee, manager and promoter of Jov Talisman Fund, Jov Diversified Monthly Income Fund, Jov Leon Frazer Balanced Fund, Jov North American Momentum Fund, Jov Leon Frazer Dividend Fund, Jov BetaPro Short-Term Income Fund and Jov Winslow Global Green Growth Fund (each an **Existing Fund**), and such other mutual funds subject to National Instrument 81-102 *Mutual Funds* (**NI 81-102**) as JFMI or an affiliate of JFMI may establish in the future or become the manager of in the future (each a **Future Fund** and together with the Existing Funds, the **JovFunds** or individually, a **JovFund**), and BetaPro, the manager and trustee of the Horizons BetaPro Pools set out in Schedule A, including any similar funds established by BetaPro in the future, (each a **HBP Pool**) for exemptive relief from paragraph 2.5(2)(a) of NI 81-102 to permit each JovFund to invest in the HBP Pools (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 NI 81-102 and National Instrument 14-101 *Definitions* have the same meaning in this MRRS decision document unless they are defined in this MRRS decision document.

Representations

This decision is based on the following facts represented by JFMI on behalf of the JovFunds and by BetaPro on behalf of the HBP Pools:

JovFunds

1. JFMI, a corporation incorporated under the laws of Ontario, acts, or will act, as the trustee and manager of each JovFund. JFMI is an indirect, wholly-owned subsidiary of Jovian Capital Corporation (**Jovian**).

2. Each JovFund is, and will be, a mutual fund organized under the laws of Ontario and is, and will be, a reporting issuer under the laws of some or all of the Jurisdictions.

3. Securities of each JovFund are, and will be, distributed pursuant to a prospectus that has been filed with and receipted by the Decision Makers in the Jurisdictions.

BetaPro

4. BetaPro, a corporation incorporated under the laws of Canada, acts, or will act as, the trustee and manager of each HBP Pool. Jovian currently owns approximately 33% of the outstanding shares of BetaPro.

HBP ETFs

5. Each Horizons BetaPro exchange traded fund set out in Schedule A, including any similar exchange

traded funds established by BetaPro in the future, (each an **HBP ETF**) is, and will be, a mutual fund organized under the laws of Ontario and is, or will be, a reporting issuer under the laws of some or all of the Jurisdictions.

6. Securities of each HBP ETF are, or will be, listed on the Toronto Stock Exchange (the **TSX**). BetaPro will not file a final prospectus for an HBP ETF unless the TSX has conditionally approved the listing of securities of the HBP ETF.

7. Each HBP ETF is, or will be, a commodity pool, as such term is defined in section 1.1(1) of National Instrument 81-104 *Commodity Pools* (**NI 81-104**), in that each HBP ETF has adopted, or will adopt, fundamental investment objectives that permit that HBP ETF to use or invest in financial instruments in a manner that is not permitted under NI 81-102.

8. Each HBP ETF's investment objective will be to provide daily results, before fees, expenses, distributions, brokerage commissions and other transaction costs, that endeavour to correspond to a multiple or the inverse (opposite) multiple of the daily performance of a "permitted index" as defined in NI 81-102 (the **Underlying Index**).

9. In order to achieve its investment objective, each HBP ETF will invest in equity securities and/or other financial instruments, including derivatives.

10. Each bull HBP ETF uses, or will use, financial instruments to track its Underlying Index by +200% on a daily basis. Each bear HBP ETF uses, or will use, financial instruments to track the inverse of its Underlying Index by 200% on a daily basis.

11. Each bull HBP ETF will be rebalanced daily to ensure that its exposure and performance will be +200% of its Underlying Index on each day on which it is valued and each bear HBP ETF will be rebalanced daily to ensure that its exposure and performance will only be -200% of its Underlying Index on each day on which it is valued.

HBP Funds

12. Each Horizons BetaPro Fund set out in Schedule A, including any similar funds established by BetaPro in the future, (each a **HBP Fund**) is, or will be, a mutual fund trust organized under the laws of Ontario and is, or will be, a reporting issuer under the laws of some or all of the Jurisdictions.

13. Securities of each HBP Fund are, and will be, distributed pursuant to a prospectus that has been filed with and receipted by the Decision Makers in the applicable Jurisdictions.

14. Each HBP Fund is, or will be, a commodity pool, as such term is defined in section 1.1(1) of NI 81-104, in that each HBP Fund has adopted, or will adopt, fundamental investment objectives that permit that HBP Fund to use or invest in financial instruments in a manner that is not permitted under NI 81-102.

15. Each HBP Fund's investment objective will be to provide daily results, before fees, expenses, distributions, brokerage commissions and other transaction costs, that endeavour to correspond to a multiple or the inverse (opposite) multiple of the daily performance of its Underlying Index.

16. In order to achieve its investment objective, each HBP Fund will invest in equity securities and/or other financial instruments, including derivatives.

17. Each bull HBP Fund uses, or will use, financial instruments to track its Underlying Index by +200% on a daily basis. Each bear HBP Fund uses, or will use, financial instruments to track the inverse of its Underlying Index by 200% on a daily basis.

HBP Pools

18. The maximum exposure of an investment by an investor in a HBP Pool will be the amount invested by the investor in securities of the HBP Pool.

19. The HBP Pools are attractive investments for the JovFunds as they provide an efficient and cost effective means of achieving diversification and exposure that would not otherwise be possible.

20. An investment by a JovFund in units of a HBP Pool will represent the business judgment of responsible persons uninfluenced by considerations other than the best interests of the JovFund.

Decision

Each of the Decision Makers is satisfied that the test contained in NI 81-102 that provides the Decision Maker with the jurisdiction to make the decision has been met.

The decision of the Decision Makers under NI 81-102 is that the Requested Relief is granted to the JovFunds provided that:

(a) no more than 10% of a JovFund's net assets, in the aggregate at the time of purchase, may be invested in securities of the HBP Pools;

(b) if a JovFund has obtained relief to use short selling it may invest up to, but no more than, 20% of its net assets in aggregate at the time of purchase in securities of the HBP Pools and the shorting of securities;

(c) the investment by a JovFund in securities of a HBP Pool is in accordance with the fundamental investment objective of the JovFund;

(d) the prospectus of a JovFund discloses, or will disclose the next time it is renewed after the date hereof, that the JovFund may invest in commodity pools that use financial instruments that correlate to the performance of an Underlying Index and, to the extent applicable, the risks associated with such an investment; and

(e) the JovFunds will not invest in an HBP Pool with an Underlying Index based on

i. a physical commodity other than gold, or

ii. a specified derivative of which the underlying interest is a physical commodity other than gold.

"Leslie Byberg"
Acting Director, Investment Funds
Ontario Securities Commission

Schedule A

List of HBP Pools

HBP ETFs

Horizons BetaPro S&P/TSX 60® Bull Plus ETF
Horizons BetaPro S&P/TSX 60® Bear Plus ETF
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 S&P/TSX Capped Financials Bull Plus ETF
Horizons BetaPro S&P/TSX Capped Financials Bear Plus ETF
Horizons BetaPro S&P/TSX Capped Energy Bull Plus ETF
Horizons BetaPro S&P/TSX Capped Energy Bear Plus ETF
Horizons BetaPro S&P/TSX Global Gold Bull Plus ETF
Horizons BetaPro S&P/TSX Global Gold Bear Plus ETF

HBP Funds

Horizons BetaPro S&P/TSX 60® Bull Plus Fund
Horizons BetaPro S&P/TSX 60® Bear Plus Fund
Horizons BetaPro NASDAQ-100® Bull Plus Fund
Horizons BetaPro NASDAQ-100® Bear Plus Fund
Horizons BetaPro Canadian Bond Bull Plus Fund
Horizons BetaPro Canadian Bond Bear Plus Fund
Horizons BetaPro U.S. Dollar Bull Plus Fund
Horizons BetaPro U.S. Dollar Bear Plus Fund
Horizons BetaPro S&P 500® Bull Plus Fund
Horizons BetaPro S&P 500® Bear Plus Fund
Horizons BetaPro COMEX® Gold Bull Plus Fund
Horizons BetaPro COMEX® Gold Bear Plus Fund

2.1.10 Teknion Corporation - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – issuer is not a reporting issuer.

Applicable Ontario Statutory Provisions

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

March 28, 2008

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO, BRITISH COLUMBIA, ALBERTA,
SASKATCHEWAN, MANITOBA, QUEBEC,
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
TEKNION CORPORATION
(the "Applicant")

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 Applicant for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the Applicant is not a reporting issuer (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 Applicant:

1. the Applicant was formed under the *Business Corporations Act* (Ontario);

2. the head office of the Applicant is located at 1150 Flint Road, Toronto, Ontario M3J 2J5;

3. the Applicant became a reporting issuer under the Legislation on July 14, 1998;

4. pursuant to articles of arrangement filed on February 27, 2008 (the "Effective Date"), 2158436 Ontario Limited (the "Purchaser"), which is a company controlled by the Applicant's controlling shareholder, A-Tean Holdings Limited ("A-Tean"), acquired all of the subordinate voting shares of the Applicant not held by the Purchaser, A-Tean, A-Shear Holdings Inc., Deaj Properties Limited and their respective shareholders, directors, officers and affiliates (collectively, the "Purchaser Group");

5. all of the multiple voting shares of the Applicant are beneficially held by members of the Purchaser Group;

6. the Applicant's outstanding securities consist solely of subordinate voting shares and multiple voting shares;

7. all of the outstanding subordinate voting shares and multiple voting shares of the Applicant are held by members of the Purchaser Group;

8. the subordinate voting shares of the Applicant were de-listed from the Toronto Stock Exchange effective as at the close of business on February 28, 2008;

9. pursuant to National Instrument 51-102 – *Continuous Disclosure Obligations*, the Applicant was required to file its annual information form on or before February 28, 2008 (the "Filing Deadline");

10. the Applicant is not in default of any of its obligations under the Legislation as a reporting issuer, other than its obligation to file an annual information form in respect of the fiscal period ended November 30, 2007 on or before the Filing Deadline;

11. as members of the Purchaser Group were the sole beneficial holders of all of the subordinate voting shares and all of the multiple voting shares of the Applicant prior to the Filing Deadline, the Applicant did not prepare or file its annual information form in respect of the fiscal period ended November 30, 2007;

12. 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;

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

14. the Applicant has no current intention to seek public financing by way of an offering of securities; and

15. the Applicant is applying for relief to not be a reporting issuer in all of the jurisdictions in Canada in which it is currently 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.

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

''Suresh Thakrar"
Commissioner

''Robert L. Shiriff"
Commissioner

2.1.11 PrimeWest Energy Trust and PrimeWest Energy Inc. - s. 1(10)

Headnote

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

Applicable Ontario Statutory Provisions

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

Citation: PrimeWest Energy Trust and PrimeWest Energy Inc., 2008 ABASC 162

March 28, 2008

Heenan Blaikie LLP
12th floor, Fifth Avenue Place
425 - 1 Street SW
Calgary, AB T2P 3L8

Attention: Mark Franco

Dear Sir:

Re: PrimeWest Energy Trust and PrimeWest Energy Inc. (together, the Applicants) - Application to Cease to be a Reporting Issuer under the securities legislation of Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia, New Brunswick and Newfoundland and Labrador (the Jurisdictions)

The Applicants have 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 Applicants are deemed to have ceased to be a reporting issuer in the Jurisdictions.

Relief requested granted on the 28th day of March, 2008.

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

2.1.12 Blumont Augen General Partner 2007-1 Inc. et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Exemptions granted to flow-through limited partnerships from the requirements in National Instrument 81-106 Investment Fund Continuous Disclosure to file an annual information form, to maintain and prepare an annual proxy voting record, to post the proxy voting record on their website, and to provide it to securityholders upon request – Flow-though limited partnerships are short-term investment vehicles formed solely to invest their available funds in flow-through shares of resource issuers – The securities of flow-through limited partnerships are not redeemable and there is no readily available secondary market for the securities – A flow-through limited partnership's prospectus and other continuous disclosure documents will provide all relevant information necessary for investors to understand the investment objectives and strategies, financial position and future plans.

Rules Cited

National Instrument 81-106 Investment Fund Continuous Disclosure, ss. 9.2, 10.3, 10.4, 17.1.

March 31, 2008

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, 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
BLUMONT AUGEN GENERAL PARTNER 2007-1 INC.
(the 2007 General Partner)

AND

BLUMONT AUGEN GENERAL PARTNER 2008 INC.
(the 2008 General Partner)
(together, the General Partners)

AND

BLUMONT AUGEN LIMITED PARTNERSHIP 2007-1
(the 2007 Partnership)

AND

BLUMONT AUGEN LIMITED PARTNERSHIP 2008
(the 2008 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 General Partners on behalf of the 2007 Partnership, the 2008 Partnership (the 2007 Partnership and 2008 Partnership are referred to as **the Partnerships**) and each future limited partnership that is established from time to time in a similar manner by a General Partner or an affiliate of a General Partner acting as general partner and that is identical to the Partnerships in all respects which are material to this decision (the **Future Partnership**s, and together with the Partnerships, the **Partnership Filers**), for a decision under the securities legislation of the Jurisdictions (the **Legislation**) for an exemption from:

(a) the requirement in section 9.2 of National Instrument 81-106 – *Investment Fund Continuous Disclosure* (**NI 81-106**) to file an annual information form (**AIF**);

(b) the requirement in section 10.3 of NI 81-106 to maintain a proxy voting record (**Proxy Voting Record**); and

(c) the requirements in section 10.4 of NI 81-106 to prepare a Proxy Voting Record on an annual basis for the period ending June 30 of each year, to post the Proxy Voting Record on the relevant Partnership Filer's website no later than August 31 of each year, and to send the Proxy Voting Record to the limited partners of the relevant Partnership Filer (the **Limited Partners**) upon request

((a), (b) and (c) are collectively, the **Requested Relief**).

Under the Mutual Reliance Review System for Exemptive Relief Applications:

(a) the Ontario Securities Commission (the **OSC**) 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 Partners:

1. The 2007 General Partner is the manager of the 2007 Partnership and the 2008 General Partner is the manager of the 2008 Partnership.

2. The principal office of the General Partners is located in Toronto, Ontario.

3. Each Partnership is a limited partnership formed pursuant to the provisions of the *Limited Partnerships Act* (Ontario). Each Partnership is a reporting issuer (or the equivalent) in each of the Jurisdictions and is not in default of its obligations as a reporting issuer under the Legislation.

4. The Partnerships were formed to invest in a diversified portfolio of equity securities comprised primarily of flow-through shares (**Flow-Through Shares**) of reporting issuers that are engaged in mineral exploration and oil and gas exploration in Canada or that invest in securities of entities engaged in such activities (**Resource Companies**), pursuant to share purchase agreements (**Share Purchase Agreements**) between each Partnership and the Resource Companies. Under the terms of each Share Purchase Agreement, each Partnership subscribes for Flow-Through Shares (and warrants, if applicable) of a Resource Company, and the Resource Company agrees to incur Canadian exploration expenses (in respect of the Flow-Through Shares) after the date of such agreement, to renounce the Canadian exploration expenses to the Partnership, and to issue Flow-Through Shares and warrants, if any, of the Resource Company to the Partnership. Any Future Partnership will have similar investment objectives as the Partnerships.

5. The 2007 Partnership and the 2008 Partnership received a receipt dated October 11, 2007 and February 8, 2008, respectively, issued under the MRRS by the OSC on behalf of each of the Jurisdictions and Prince Edward Island with respect to their prospectuses (each prospectus is a **Prospectus**) dated October 11, 2007 and February 7, 2008, respectively, offering for sale limited partnership units. Any Future Partnerships will be reporting issuers, or the equivalent, in each of the Jurisdictions.

6. On October 30, 2007, the 2007 Partnership completed the issue of 1,609,570 limited partnership units under its prospectus. On February 27, 2008, the 2008 Partnership completed the issue of 804,355 limited partnership units under its prospectus. No additional limited partnership units have been issued by the Partnerships.

7. As disclosed in its Prospectus, it is the current intention of the 2007 Partnership to transfer its assets on or before April 30, 2009 to BluMont Augen Resource Strategy Fund Inc. (the **RS**

Fund), a mutual fund corporation incorporated under the laws of Ontario, on a tax deferred basis in exchange for redeemable mutual fund shares of the RS Fund or shares of any other "mutual fund corporation" within the meaning of the *Income Tax Act* (Canada) that is party to the mutual fund rollover transaction (the **Mutual Fund Shares**). Upon the dissolution of the 2007 Partnership, which will occur immediately following such transfer, the Mutual Fund Shares will be distributed *pro rata* to its Limited Partners within 60 days. Such transaction is subject to any necessary regulatory approvals and in the event that it is not possible to complete the transaction, it is the current intention of the 2007 Partnership to dissolve and distribute its net assets *pro rata* to its Limited Partners no later than December 31, 2009, or such later date as may be approved by the Limited Partners. The 2008 Partnership and any Future Partnerships will be terminated approximately two years after their formation on the same basis as the 2007 Partnership, which termination is, or will be, described in the prospectus of the relevant Partnership.

8. The Partnership Filers are not, and will not be, operating businesses. Rather, each Partnership is, and each Future Partnership will be, a short-term special purpose vehicle that will be dissolved within approximately two years of its formation. The primary investment purpose of the Partnership Filers is not to achieve capital appreciation, although this is a secondary benefit, but rather to obtain for the Limited Partners the tax benefits that accrue when Resource Companies renounce resource exploration and development expenditures to the Partnership Filers through Flow-Through Shares.

9. The limited partnership units of the Partnership Filers (the **Units**) are not and will not be listed or quoted for trading on any stock exchange or market. The Units are not redeemable by the Limited Partners. Generally, Units issued by the Partnership Filers are not and will not be transferred by Limited Partners, since Limited Partners must be holders of the Units on the last day of each fiscal year of the Partnership Filer in order to obtain the desired tax benefits.

10. Since their formation, the activities of the Partnerships have primarily been limited to: (i) completing the issue of Units under their respective prospectuses, (ii) investing available funds in Flow-Through Shares of Resource Companies, and (iii) incurring expenses as described in their respective prospectuses. The activities of any Future Partnership will be similarly limited.

11. The prospectus, financial statements and management reports of fund performance provide, or will provide, sufficient information necessary for a Limited Partner to understand the business, financial position and future plans, including dissolution and the rollover transaction with the RS Fund (or another mutual fund corporation), for each Partnership Filer. Upon the occurrence of any material change to a Partnership Filer, Limited Partners would receive all relevant information from the material change report the Partnership Filer is required to file under the Legislation. Given the foregoing, the limited range of business activities carried on by the Partnership Filers, the short duration of the existence of the Partnership Filers and the nature of the investment of the Limited Partners, the preparation and distribution of an AIF by the Partnership Filers may impose a material financial burden on the Partnership Filers.

12. Under NI 81-106, investors purchasing Units of a Partnership Filer were, or will be, provided with a prospectus containing written policies on how the Flow-Through Shares or other securities held by the Partnership Filer are voted (the **Proxy Voting Policies**) and had, or will have, the opportunity to review the Proxy Voting Policies before deciding whether to invest in Units.

13. Given the short lifespan of a Partnership Filer, the production of a Proxy Voting Record would provide Limited Partners with very little opportunity for recourse if they disagreed with the manner in which the Partnership Filer exercised or failed to exercise its proxy voting rights, as the Partnership Filer would likely be dissolved by the time any potential change could materialize.

14. Preparing and making available to Limited Partners the Proxy Voting Records will not be of any benefit to the Limited Partners and may impose a material financial burden on the Partnership Filers.

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.

"Rhonda Goldberg"
Manager, Investment Funds Branch
Ontario Securities Commission

2.1.13 BMO Investments Inc. et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Relief granted to permit portfolio manager, on behalf of mortgage funds, to purchase and sell mortgages from and to certain affiliates – Section 7.2 of National Instrument 81-107 Independent Review Committee for Investment funds causes prior relief to expire on November 1, 2007 – New relief now issued on revised conditions which contemplate IRC approval.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 4.2, 19.1.
National Instrument 81-107 Independent Review Committee for Investment Funds, s. 7.2.

March 25, 2008

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

AND

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

AND

IN THE MATTER OF
BMO INVESTMENTS INC., BMO NESBITT BURNS INC.,
BMO HARRIS INVESTMENT MANAGEMENT INC. AND
MACKENZIE FINANCIAL CORPORATION
(the Filers)

AND

IN THE MATTER OF
BMO MORTGAGE AND SHORT TERM INCOME FUND,
BMO DIVERSIFIED INCOME FUND,
BMO SHORT-TERM INCOME CLASS,
BMO NESBITT BURNS BOND FUND,
BMO NESBITT BURNS BALANCED FUND,
BMO HARRIS CANADIAN BOND INCOME PORTFOLIO,
BMO HARRIS CANADIAN TOTAL RETURN BOND PORTFOLIO,
BMO HARRIS CANADIAN CORPORATE BOND PORTFOLIO
AND MACKENZIE SENTINEL SHORT-TERM INCOME FUND
(the Funds)

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (**Decision Maker**) in each of the Jurisdictions received an application from the Filers on behalf of the Funds under section 19.1 of National Instrument 81-102 *Mutual Funds* (**NI 81-102**) for relief from the prohibition in Section 4.2 of NI 81-102 in connection with transactions in mortgages between a Related Party (as defined below) and the Funds (the **Requested Relief**).

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

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

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

Interpretation

Defined terms contained in National Instrument 14-101 *Definitions* (**NI 14-101**) and in NI 81-102 have the same meaning in this Decision unless they are otherwise defined in this Decision. The following additional terms shall have the following meanings:

"NI 81-107" means National Instrument 81-107 *Independent Review Committee for Investment Funds*;

"Portfolio Manager" means each of Jones Heward Investment Counsel Inc. and Mackenzie Financial Corporation; and

"Related Party" means each of Bank of Montreal and/or MCAP Financial Corporation, Investors Group Trust Co. Ltd. and its affiliates and M.R.S. Trust Company.

Representations

1. BMO Investments Inc., BMO Nesbitt Burns Inc. and BMO Harris Investment Management Inc. are corporations incorporated under the laws of Canada. Mackenzie Financial Corporation is a corporation amalgamated under the laws of Ontario.

2. The Filers are the managers of the Funds listed on Schedule A. The Portfolio Manager and trustee (if applicable) of each Fund are also listed on Schedule A.

3. Each Filer is the manager of a Fund that has an investment objective that permits the Fund to invest in mortgages.

4. Each Fund is an open-end mutual fund, organized as either a trust or a class of a corporation, and is a reporting issuer under the legislation of each of the Jurisdictions, other than BMO Harris Canadian Bond Income Portfolio, BMO Harris Canadian Total Return Bond Portfolio and BMO Harris Canadian Corporate Bond Portfolio, which are not reporting issuers in any of the territories.

5. Each Filer has appointed an independent review committee (**IRC**) under NI 81-107 for its Funds.

6. Each Filer has appointed a Portfolio Manager to provide portfolio management and investment advisory services to the applicable Fund.

7. Each of the Related Parties is an associate or affiliate of a Fund's manager, portfolio manager or trustee. Each of the Funds may purchase the mortgages for their portfolios from such Related Party, as set forth on Schedule A.

8. Bank of Montreal and/or MCAP Financial Corporation have agreed to repurchase from their applicable Funds any mortgage that is in default or is not a valid first mortgage. M.R.S. Trust Company has agreed to repurchase from its applicable Fund any mortgage that is not a valid first mortgage.

9. Neither the Related Party, nor any of its directors, officers or employees participates in the formulation of investment decisions made on behalf of, or advice given to, the applicable Fund by its Portfolio Manager, and in circumstances where the Related Party holds mortgages beneficially on behalf of the Portfolio Manager of the Fund, no director, officer or employee actively involved in the formulation of investment decisions for the Fund by its Portfolio Manager is involved in the mortgage business of the Related Party. In all circumstances, the decisions to purchase mortgages for a Fund's portfolio from a Related Party are made based on the judgement of responsible persons uninfluenced by considerations other than the best interests of the Fund.

10. Section 4.2 of NI 81-102 prohibits a mutual fund from purchasing a security from or selling a security to an associate or affiliate of the manager, portfolio adviser or trustee of the mutual fund.

11. Each Fund is prohibited by section 4.2 of NI 81-102 from purchasing mortgages from or selling mortgages to its Related Parties.

12. The Funds are not able to rely on the exemption contained in paragraph 4.3(1) of NI 81-102 because purchases of mortgages will not be made on an exchange as required by paragraph 4.3(1) of NI 81-102.

13. The Funds are not be able to rely on the exemption contained in paragraph 4.3(2) of NI 81-102 because the mortgages will not be purchased from another mutual fund.

14. The Filers believe that some of the Funds received the Requested Relief previously (the **Prior Relief**). Section 7.2 of NI 81-107 terminated the Prior Relief.

15. The provisions of National Policy Statement No. 29 – Mutual Funds Investing in Mortgages (**NP 29**) set out guidelines relating to the acquisition of mortgages by a mutual fund from lending institutions with whom such fund does not deal at arm's length and provide certain protections to the investing public.

16. The IRC of each Fund will consider the policies and procedures of the applicable Filer and will provide its approval on whether the proposed transactions in mortgages achieve a fair and reasonable result for the Fund in accordance with section 5.2(2) of NI-81-107.

17. To the extent that a Fund is purchasing mortgages from, or selling mortgages to, a Related Party, this fact is set out, and will continue to be set out, in the annual information form of the applicable Fund.

Decision

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

The decision of the Decision Makers is that the Requested Relief is granted to each Filer and its Fund(s) on the conditions that:

(a) the purchase or sale is consistent with, or is necessary to meet, the investment objective of the Fund;

(b) the IRC of the Fund has approved the transaction in accordance with section 5.2(2) of NI 81-107;

(c) the Filer, as manager of the Fund, complies with section 5.1 of NI 81-107;

(d) the Filer, as manager of the Fund, and the IRC of the Fund comply with section 5.4 of NI 81-107 for any standing instructions the IRC provides in connection with the transactions;

(e) the Fund keeps the written records required by section 6.1(2)(g) of NI 81-107; and

(f) the mortgages are acquired from a Related Party or sold to a Related Party in accordance with NP 29 (or any successor policy or instrument) and disclosed in accordance with NP 29 (or any successor policy or instrument).

"Vera Nunes"
Assistant Manager, Investment Funds

SCHEDULE "A"

List of Managers, Funds, Portfolio Managers, Trustees and Related Parties

Manager	Funds	Portfolio Manager	Trustee	Related Party
BMO Investments Inc.	• BMO Mortgage and Short Term Income Fund • BMO Diversified Income Fund • BMO Short-Term Income Class	Jones Heward Investment Counsel Inc.	BMO Investments Inc.	Bank of Montreal and/or MCAP Financial Corporation
BMO Nesbitt Burns Inc.	• BMO Nesbitt Burns Bond Fund • BMO Nesbitt Burns Balanced Fund	Jones Heward Investment Counsel Inc.	officers and/or directors of BMO Nesbitt Burns Inc.	Bank of Montreal and/or MCAP Financial Corporation
BMO Harris Investment Management Inc.	• BMO Harris Canadian Bond Income Portfolio • BMO Harris Canadian Total Return Bond Portfolio • BMO Harris Canadian Corporate Bond Portfolio	Jones Heward Investment Counsel Inc.	BMO Trust Company	Bank of Montreal and/or MCAP Financial Corporation
Mackenzie Financial Corporation	• Mackenzie Sentinel Short-Term Income Fund	Mackenzie Financial Corporation	Mackenzie Financial Corporation	M.R.S. Trust Company and/or Investors Group Trust Co. Ltd. and its affiliates

2.1.14 Tembec Holdings Inc. - 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).

Montreal, March 28, 2008

Osler, Hoskin & Harcourt S.E.N.C.R.L./s.r.l.
1000, De La Gauchetière West
Suite 2100
Montréal, Québec H3B 4W5

Attention: Mr. Jean-Pierre Blanchette

Re: Tembec Holdings Inc. (the "Applicant") - Application to Cease to be a Reporting Issuer under the securities legislation of Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia and Newfoundland & Labrador (the "Jurisdictions")

Dear Sir:

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,

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

"Marie-Christine Barrette"
Manager of the Financial Disclosure Department

2.1.15 Cyries Energy Inc. - 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: Cyries Energy Inc., 2008 ABASC 171

March 31, 2008

Bennett Jones LLP
4500 Bankers Hall East
855 - 2nd Street SW
Calgary, AB T2P 4K7

Attention: Michael Der

Dear Sir:

Re: Cyries Energy Inc. (the Applicant) - Application for a decision under the securities legislation of Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia and Newfoundland and Labrador (the Jurisdictions) that the Applicant is not a reporting issuer

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 that the Applicant is not a reporting issuer.

As the Applicant has represented to the Decision Makers that:

(a) the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 security holders in each of the jurisdictions in Canada and fewer than 51 security holders in total in Canada;

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

(c) the Applicant is applying for a decision that it is not a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer; and

(d) 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 and that the Applicant's status as a reporting issuer is revoked.

"Agnes Lau, CA"
Associate Director, Corporate Finance
Alberta Securities Commission

2.1.16 Marathon Oil Canada Corporation (formerly Western Oil Sands Inc.) - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – issuer is not a reporting issuer.

Applicable Ontario Statutory Provisions

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

Citation: Marathon Oil Canada Corporation (formerly Western Oil Sands Inc.), 2008 ABASC 161

March 31, 2008

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN,
QUÉBEC, NEW BRUNSWICK, NOVA SCOTIA,
MANITOBA, ONTARIO 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
MARATHON OIL CANADA CORPORATION
(FORMERLY WESTERN OIL SANDS INC.)
(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 each of the Jurisdictions (the **Legislation**) that the Filer be deemed to have ceased to be a reporting issuer or the equivalent under the Legislation (the **Reporting Issuer Relief**).

2. Under the Mutual Reliance Review System for Exemptive Relief Applications:

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

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

Interpretation

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

Representations

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

   (a) The Filer is a corporation incorporated under the laws of the Province of Alberta on June 18, 1999.

   (b) The Filer is a "reporting issuer" or the equivalent in each of the Jurisdictions and is not in default of any of the requirements of the Legislation of any of the Jurisdictions.

(c) The Filer's head office is located in Calgary, Alberta.

(d) The authorized share capital of the Filer consists of an unlimited number of Class A Common Shares (the **Western Shares**), an unlimited number of Non-Voting Convertible Class B Equity Shares, an unlimited number of Class C Preferred Shares and an unlimited number of Class D Preferred Shares, issuable in series. On October 18, 2007, all of the issued and outstanding Western Shares were beneficially owned by Marathon Oil Corporation (**Marathon**) through its indirect wholly-owned subsidiary, 1339971 Alberta Ltd. (**AcquisitionCo**). In addition, US$450,000,000 principal amount of 8 3/8% senior secured non-convertible notes due May 1, 2012 (the **Notes**), which were issued pursuant to a trust indenture dated as of April 23, 2002 (the **Indenture**), were issued and outstanding as of November 30, 2007.

(e) Pursuant to an arrangement agreement among the Filer, Marathon, AcquisitionCo and WesternZagros Resources Inc. dated July 30, 2007, as amended and restated on September 14, 2007 and as further amended on October 16, 2007 (the **Arrangement Agreement**), Marathon acquired all of the Western Shares through its indirect wholly-owned subsidiary, AcquisitionCo. The consideration for the Western Shares consisted of cash, shares of Marathon common stock (**Marathon Shares**), exchangeable shares in the capital of AcquisitionCo (**Exchangeable Shares**) or a combination thereof. Holders of Western Shares (the **Western Shareholders**) also received securities of a newly incorporated company, WesternZagros Resources Ltd. The Arrangement Agreement was implemented by way of a court-approved plan of arrangement (the **Arrangement**) under the Business Corporations Act (Alberta) pursuant to the terms of the Arrangement Agreement.

(f) The Arrangement required, among other things: (i) an application to the Court of Queen's Bench of Alberta (the **Court**) for an interim order (the **Interim Order**) requesting that certain requirements and procedures be specified for a special meeting (the **Western Meeting**) of the Western Shareholders for the purpose of approving the Arrangement; (ii) the approval of the Western Shareholders at the Western Meeting requiring the affirmative vote of not less than 66 2/3% of the votes validly cast at the Western Meeting by Western Shareholders; and (iii) the final approval of the Court (the **Final Order**). The Interim Order was granted by the Court on September 14, 2007. At the Western Meeting, Western Shareholders voted 99.3% in favour of the Arrangement. The Final Order was granted by the Court on October 16, 2007, and the Arrangement became effective on October 18, 2007.

(g) As a result of the foregoing, all of the issued and outstanding Western Shares are currently held indirectly by Marathon through AcquisitionCo.

(h) Western Oil Sands Inc. changed its name to Marathon Oil Canada Corporation on October 18, 2007.

(i) The Western Shares were delisted from the Toronto Stock Exchange at the close of trading on October 19, 2007.

(j) On November 14, 2007, the Filer made an offer, which it is obligated to make by the terms of the Indenture upon a change of control, for all of its outstanding Notes at a purchase price in cash equal to 101% of the aggregate principal amount of the Notes, plus accrued and unpaid interest, if any, thereon to the date of purchase (the **Change of Control Offer**). Pursuant to the Change of Control Offer, which expired on December 21, 2007, US$2,182,000 principal amount of Notes were repurchased by the Filer. As a result, US$447,818,000 principal amount of Notes were issued and outstanding following the expiry of the Change of Control Offer.

(k) To the best of the Filer's knowledge, as informed by D.F. King & Co., Inc., a U.S.-based, full-service proxy solicitation and corporate/financial communications firm, there are 5 beneficial holders of the Notes (the Noteholders) with addresses in Canada holding an aggregate of $5,248,000 principal amount of Notes, representing not more than 1.2% of the outstanding principal amount of the Notes. The geographical distribution of the beneficial Noteholders in the Jurisdictions is as follows:

Jurisdiction	Number of Noteholders	Principal Amount
British Columbia	3	$1,323,000
Ontario	2	$3,925,000
Totals	**5**	**$5,248,000**

(l) The Notes are not listed on any exchange or marketplace. The Notes are registered under U.S. securities laws. Under the terms of the Indenture, the Filer is required to furnish to the Noteholders and to prospective investors, upon request, any information required to be delivered pursuant to Rule 144A(d)(4) under the United States Securities Act of 1933 (the *U.S. Securities Act*) so long as the Notes are not freely transferable under the U.S. Securities Act.

(m) Under the terms of the Indenture, the Filer is not required to maintain its status as a reporting issuer or the equivalent in any of the Jurisdictions.

(n) No securities of the Filer are traded on a marketplace as defined in National Instrument 21-101 Marketplace Operation.

(o) The Filer has no outstanding securities, including debt securities, other than the Western Shares and the Notes.

(p) The Filer has no plans to seek public financing by offering its securities in Canada.

(q) The Filer is applying for the Reporting Issuer Relief in all of the jurisdictions in which it is currently a reporting issuer or the equivalent.

Decision

5. Each of the Decision Makers is satisfied that the tests contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decisions described herein have been met.

6. The decision of the Decision Makers under the Legislation is that the Reporting Issuer Relief is granted.

"Agnes Lau, CA"
Associate Director, Corporate Finance
Alberta Securities Commission

2.1.17 Heritage Oil Corporation - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Filer obtaining relief from continuous disclosure requirements, certification requirements, audit committee requirements, corporate governance disclosure requirements, insider reporting requirements and SEDI requirements in connection with a plan of arrangement - relief granted subject to conditions.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am, ss. 107, 108, 121(2)(a)(ii).
National Instrument 51-102 Continuous Disclosure Obligations.
Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings.
Multilateral Instrument 52-110 Audit Committees.
National Instrument 58-101 Disclosure of Corporate Governance Practices.
National Instrument 55-102 System for Electronic Disclosure by Insiders (SEDI).

Citation: Heritage Oil Corporation, 2008 ABASC 164

March 31, 2008

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

AND

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

AND

IN THE MATTER OF
HERITAGE OIL 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 each of the Jurisdictions (the **Legislation**) that:

   (a) the requirements contained in National Instrument 51-102 *Continuous Disclosure Obligations* (**NI 51-102**) shall not apply to the Filer;

   (b) the requirements contained in Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (**MI 52-109**) shall not apply to the Filer;

   (c) the requirements contained in National Instrument 52-110 *Audit Committees* (**NI 52-110**) shall not apply to the Filer;

   (d) the requirements contained in the Legislation with respect to "insider reporting requirements", as defined in section 1.1 of National Instrument 14-101 *Definitions*, shall not apply to any insider of the Filer in respect of the Filer;

   (e) the requirements contained in National Instrument 55-102 *System for Electronic Disclosure by Insiders (SEDI)* shall not apply to any insider of the Filer in respect of the Filer; and

(f) the requirements contained in National Instrument 58-101 *Disclosure of Corporate Governance Practices* (**NI 58-101**) shall not apply to the Filer,

in each case provided that certain conditions are satisfied (the **Requested Relief**).

2. Under the Mutual Reliance Review System for Exemptive Relief Applications:

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

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

Interpretation

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

Representations

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

(a) The Filer is incorporated under the *Business Corporations Act* (Alberta) (the **ABCA**), and has its head office and registered office located in Calgary, Alberta.

(b) The Filer is a reporting issuer in the Jurisdictions.

(c) The authorized share capital of the Filer consists of an unlimited number of common shares (**Heritage Shares**), of which approximately 25,487,749 Heritage Shares are issued and outstanding as of the date hereof.

(d) The Heritage Shares are listed on the Toronto Stock Exchange (the **TSX**). The Heritage Shares are also listed for trading on the Frankfurt Stock Exchange without the consent of the Filer.

(e) The Filer has issued 8% Senior Unsecured Convertible Bonds (the **Bonds**), which are convertible into Heritage Shares in accordance with the terms of the Bonds.

(f) The Filer is an oil and gas exploration and production company, whose business consists of the exploration for, and development, production and acquisition of, foreign petroleum and natural gas interests.

(g) Substantially all of the assets and all of the operating assets of the Filer are located outside of Canada.

(h) The Chief Executive Officer and Chief Financial Officer of the Filer currently reside in Switzerland.

(i) The Filer is contemplating a reorganization (the **Reorganization**) by way of a plan of arrangement under the ABCA that would effectively re-domicile the Filer from Alberta to Jersey, Channel Islands.

(j) Pursuant to the Reorganization, Heritage Oil Limited, a Jersey, Channel Islands corporation (**Heritage Jersey**) will ultimately become the indirect holder of all of the Heritage Shares, and the Filer will create a new class of exchangeable shares (**Exchangeable Shares**). The Reorganization will not result in a substantive change in the underlying business of the Filer.

(k) The Reorganization will include a share for share exchange pursuant to which holders of Heritage Shares who are non-residents of Canada for purposes of the *Income Tax Act* (Canada) will exchange their shares for ordinary shares of Heritage Jersey (**Heritage Jersey Shares**).

(l) Holders of Heritage Shares who are residents of Canada for purposes of the *Income Tax Act* (Canada) will have the choice of exchanging their Heritage Shares for either Exchangeable Shares or Heritage Jersey Shares.

(m) Upon the entering into of a voting and exchange trust agreement and a support agreement among the Filer, Heritage Jersey and certain of their affiliates, the Exchangeable Shares will provide holders of such shares with, as nearly as practicable, the same rights, privileges and restrictions as the holders of the Heritage Jersey Shares, and in addition, will provide the holders the right to exchange their Exchangeable Shares for Heritage Jersey Shares on a one for one basis.

(n) The Exchangeable Share structure is being implemented to provide a tax efficient way for the Filer's Canadian resident shareholders to participate in the Reorganization.

(o) Immediately following the completion of the Reorganization, the terms and conditions of the Bonds will be amended so that such bonds will be convertible into Heritage Jersey Shares.

(p) In connection with the Reorganization, application will be made to admit the Heritage Jersey Shares to trading on the main market of the London Stock Exchange (**LSE**), and following the completion of the listing on the LSE, Heritage Jersey will be subject to the securities legislation and regulatory requirements of the United Kingdom including those of the United Kingdom Listing Authority (**UKLA**) and the LSE listing rules (collectively, the **UK Rules**).

(q) In connection with the Reorganization, the Filer has made an application to have the Exchangeable Shares listed on the TSX, and the Heritage Shares delisted from the TSX. The TSX has provided conditional approval for the listing of the Exchangeable Shares.

(r) Management believes that Heritage Jersey will be a "designated foreign issuer" within the meaning of National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers* (**NI 71-102**) after the completion of the Reorganization as Heritage Jersey will be a reporting issuer in the Jurisdictions and:

(i) will not have a class of securities registered under section 12 of the 1934 Act and will not be required to file reports under section 15(d) of the 1934 Act;

(ii) will be subject to the foreign disclosure requirements of the UK Rules; and

(iii) the total number of equity securities owned, directly or indirectly, by residents of Canada will not exceed 10 per cent, on a fully-diluted basis, of the total number of equity securities outstanding of Heritage Jersey, calculated in accordance with sections 1.2 and 1.3 of NI 71-102.

(s) Following the completion of the Reorganization, the Filer will be a reporting issuer in the Jurisdictions. However, the Filer will not fall within section 13.3 of NI 51-102, which provides an exemption from the application of NI 51-102 for certain exchangeable security issuers.

(t) The relevant provisions of subsection 13.3(2) of NI 51-102 state:

"(2) Except as provided in this subsection, an exchangeable security issuer satisfies the requirements in this Instrument if:

(c) the exchangeable security issuer does not issue any securities, and does not have any securities outstanding, other than

(i) designated exchangeable securities;

(ii) securities issued to and held by the parent issuer or an affiliate of the parent issuer;

(iii) debt securities issued to and held by banks, loan corporations, loan and investment corporations, savings companies, trust corporations, treasury branches, savings or credit unions, financial services cooperatives, insurance companies or other financial institutions; or

(iv) securities issued under exemptions from the registration requirement and prospectus requirement in section 2.35 of National Instrument 45-106 *Prospectus and Registration Exemptions*;"

(u) With respect to subparagraph 13.3(2)(c)(i), while the Bonds will be amended to be convertible into Heritage Jersey Shares, such bonds will not give the holder voting rights in Heritage Jersey and thus fall outside of the definition of 'designated exchangeable securities'.

(v) With respect to subparagraph 13.3(2)(c)(ii), the Bonds will not be held by Heritage Jersey or an affiliate thereof.

(w) With respect to subparagraph 13.3(2)(c)(iii), the Bonds will not be exclusively held by the types of institutions listed therein.

(x) With respect to subparagraph 13.3(2)(c)(iv), the Bonds were not issued pursuant to the exemption in section 2.35 of National Instrument 45-106 *Prospectus and Registration Exemptions* (**NI 45-106**).

(y) In addition, the Filer will not be eligible for relief from MI 52-109 pursuant to section 4.3, from NI 52-110 pursuant to section 1.2(f), or from NI 58-101 pursuant to section 1.3(c) because each of those sections specifically refer to section 13.3 of NI 51-102 as the applicable test.

(z) Other than the Bonds, the Filer has not issued and will not issue any securities other than those referred to in Subsection 13.3(2)(c) of NI 51-102.

Decision

5. 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.

6. The decision of the Decision Makers under the Legislation is that the Requested Relief is granted provided that the following conditions are met:

(a) Heritage Jersey is the direct or indirect beneficial owner of all of the issued and outstanding voting securities of the Filer;

(b) Heritage Jersey is a designated foreign issuer (as that term is defined in NI 71-102);

(c) the Filer does not issue any securities other than:

(i) Exchangeable Shares;

(ii) securities issued to, and held by, Heritage Jersey or an affiliate of Heritage Jersey;

(iii) debt securities issued to and held by banks, loan corporations, loan and investment corporations, savings companies, trust corporations, treasury branches, savings or credit unions, financial services cooperatives, insurance companies or other financial institutions; or

(iv) securities issued under exemptions from the registration requirement and prospectus requirement in section 2.35 of NI 45-106.

(d) the Filer files on SEDAR copies of all documents that Heritage Jersey is required to file with the LSE and UKLA at the same time as, or as soon as practicable after, the filing by Heritage Jersey of those documents with the LSE or UKLA;

(e) the Filer concurrently sends to all registered and beneficial holders of Exchangeable Shares, as well as all registered and beneficial holders of Bonds, all disclosure materials that are sent to the holders of Heritage Jersey Shares, in the manner and at the time required by the UK Rules and the requirements of the LSE and UKLA;

(f) Heritage Jersey complies with the UK Rules and the requirements of the LSE and UKLA in respect of making public disclosure of material information on a timely basis, and immediately issues in Canada and files on SEDAR any news release that discloses a material change in its affairs;

(g) the Filer complies with the requirements of the Legislation to issue a news release and file a material change report on SEDAR in accordance with Part 7 of NI 51-102 for all material changes in respect of the Filer's affairs that are not also material changes in Heritage Jersey's affairs;

(h) Heritage Jersey includes in all mailings of proxy solicitation materials to registered and beneficial holders of Exchangeable Shares a clear and concise statement that:

(i) explains the reason the mailed material relates solely to Heritage Jersey;

(ii) indicates that the Exchangeable Shares are the economic equivalent to Heritage Jersey Shares; and

(iii) describes the voting rights associated with the Exchangeable Shares;

(i) no insider of the Filer receives, in the ordinary course, information as to material facts or material changes concerning Heritage Jersey before the material facts or material changes are generally disclosed; and

(j) no insider of the Filer is an insider of Heritage Jersey in any capacity other than by virtue of being an insider of the Filer.

"Blaine Young"
Associate Director, Corporate Finance

2.1.18 Rider Resources Ltd. - s. 1(10)

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).

March 28, 2008

Burnet, Duckworth & Palmer LLP
1400, 350 - 7 Avenue SW
Calgary, AB T2P 3N9

Attention: Kent W. Breedlove

Dear Sir:

Re: Rider Resources Ltd. (the Applicant) - Application to Cease to be a Reporting Issuer under the securities legislation of Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia, New Brunswick and Newfoundland and Labrador (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 28th day of March, 2008.

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

2.1.19 Keyera Energy Mutual Fund Corp. - s. 1(10)

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).

March 28, 2008

Stikeman Elliott
4300 Bankers Hall West
888 - 3rd Street SW
Calgary, AB T2P 5C5

Attention: Veronica Tang

Dear Madam:

Re: Keyera Energy Mutual Fund Corp. (the Applicant) - Application to Cease to be a Reporting Issuer under the securities legislation of Alberta, Ontario, Québec, Nova Scotia, New Brunswick and Newfoundland and Labrador (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 28th day of March, 2008.

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

2.1.20 Collicutt Energy Services Ltd. - s. 1(10)

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).

March 24, 2008

Borden Ladner Gervais LLp
1200 Waterfront Centre
200 Burrard Street, P.O.Box 48600
Vancouver, BC V7X 1T2

Attention: Warren Learmonth

Re: Collicutt Energy Services Ltd. (the Applicant) - Application to Cease to be a Reporting Issuer under the securities legislation of Alberta, Saskatchewan, Ontario, Nova Scotia, New Brunswick and Prince Edward Island (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 24th day of March, 2008.

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

2.1.21 Arkema - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Securities Act (Ontario), ss.25 and 53 - Application for relief from the dealer registration requirement and prospectus requirement in respect of certain trades made in connection with an employee share offering by a French issuer. The offering involves the use of collective employee shareholding vehicles, each a fonds commun de placement d'enterprise (FCPE). The issuer cannot rely on the employee exemption in section 2.24 of National Instrument 45-106 Prospectus and Registration Exemptions as the shares are not being offered to Canadian participants directly by the issuer, but through the FCPEs. The offering does not contain a "leveraged fund" component. Canadian participants will not be induced to participate in the offering by expectation of employment or continued employment. Canadian participants will receive certain disclosure documents. The FCPEs are subject to the supervision of the French Autorité des marchés financiers. Relief granted, subject to conditions.

Securities Act (Ontario), s.25 - Application for relief from the dealer registration requirement and adviser registration requirement for the manager of the FCPEs. The manager will not be involved with providing advice to Canadian participants and its activities do not affect the underlying value of the shares being offered. Relief granted in respect of specified activities of the manager, subject to conditions.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 25, 53, 74.
National Instrument 45-106 Prospectus and Registration Exemptions, ss. 2.24, 2.28.
National Instrument 45-102 Resale of Securities, s. 2.14.

March 28, 2008

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO AND QUÉBEC
(THE "JURISDICTIONS")

AND

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

AND

IN THE MATTER OF
ARKEMA
(THE "FILER")

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**") for:

1. an exemption from the dealer registration requirements and the prospectus requirements so that such requirements do not apply to:

   (a) trades in units ("**Units**") of two French collective employee shareholding vehicles, Arkema Actionnariat International Relais 2008 FCPE (the "**Temporary Fund**") and Arkema Actionnariat International FCPE (the "**Fund**", and together with the Temporary Fund, the "**Funds**", each a *fonds commun de placement d'entreprise* or "**FCPE**") made pursuant to the global employee share offering of the Filer (the "**Employee Share Offering**") to or with Qualifying Employees (as defined below) who elect to participate in the Employee Share Offering (the "**Canadian Participants**");

   (b) trades of shares of the Filer (the "**Shares**") by the Temporary Fund to Canadian Participants upon the redemption of Units by Canadian Participants; and

2. an exemption from the adviser registration requirements and dealer registration requirements so that such requirements do not apply to the manager of the Funds, Crédit Agricole Asset Management (the "**Manager**"), to the extent that its activities described in paragraph 11 hereof require compliance with the adviser registration requirements and dealer registration requirements,

   (collectively, the "**Initial Requested Relief**")

3. an exemption from the dealer registration requirements of the Legislation so that such requirements do not apply to the first trade in any Shares acquired by Canadian Participants under the Employee Share Offering,

   (the "**First Trade Registration 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. The Filer is a corporation formed under the laws of France. The ordinary shares of the Filer are listed on Euronext Paris. It is not and has no current intention of becoming a reporting issuer (or equivalent) under the Legislation.

2. Arkema Canada Inc. (the "**Canadian Affiliate**", together with the Filer and other affiliates of the Filer, the "**Arkema Group**") is a direct or indirect controlled subsidiaries of the Filer and is not and has no current intention of becoming reporting issuers under the Legislation.

3. Only persons who are employees of a participating member of the Arkema Group at the end of the subscription period for the Employee Share Offering and who have a seniority of a minimum of three months of employment at such time (the "**Qualifying Employees**") are invited to participate in the Employee Share Offering.

4. The Funds are FCPEs established by the Manager to facilitate the participation of Qualifying Employees in the Employee Share Offering and to simplify custodial arrangements for such participation. The Funds are not and have no current intention of becoming reporting issuers under the Legislation. The Funds are collective shareholding vehicles of a type commonly used in France for the conservation of shares held by employee investors and must be registered and approved by the French Autorité des marchés financiers (the "**French AMF**") at the time of their creation. Only participants in the Employee Share Offering are allowed to hold Units of the Funds, and such holdings will be in an amount reflecting the number of Shares held by the Funds on behalf of such Qualifying Employees.

5. The Manager is a portfolio management company governed by the laws of France. The Manager is registered with the French AMF to manage French investment funds and complies with the rules of the French AMF. The Manager is not and has no current intention of becoming a reporting issuer under the Legislation.

6. Qualifying Employees will be invited to participate in the Employee Share Offering under the following terms:

   (a) Canadian Participants will be issued Units of the Temporary Fund, which will subscribe for Shares on behalf of the Canadian Participants, at a subscription price that is equal to the price calculated as the average of the opening price of the Shares on the 20 trading days preceding March 4, 2008, the date that Arkema's board of directors approved the offering (the "**Reference Price**"), less a 20% discount;

   (b) the Shares will be held in the Temporary Fund and the Canadian Participant will receive Units in the Temporary Fund;

   (c) after completion of the Employee Share Offering, the Temporary Fund will be merged with the Fund (subject to the French AMF's approval). Units of the Temporary Fund held by Canadian Participants will be replaced with Units of the Fund on a pro rata basis and the Shares subscribed for under the Employee Share Offering will be held in the Fund;

   (d) the Units will be subject to a hold period of approximately five years (the "**Lock-Up Period**"), subject to certain exceptions prescribed by French law (such as a release on death or termination of employment);

   (e) any dividends paid on the Shares held in the Fund will be contributed to the Fund and used to purchase additional Shares. To reflect this reinvestment, new Units (or fractions thereof) will be issued to participants;

   (f) at the end of the Lock-Up Period, a Canadian Participant may (i) redeem his or her Units in the Fund in consideration for a cash payment equal to the then market value of the Shares held by the Fund, or (ii) continue to hold his or her Units in the Fund and redeem those Units at a later date; and

   (g) in the event of an early unwind resulting from the Canadian Participant exercising one of the exceptions to the Lock-Up Period prescribed by French law and meeting the applicable criteria, a Canadian Participant may (i) redeem Units in the Temporary Fund in consideration for the underlying Shares or a cash payment equal to the then market value of the Shares held by the Temporary Fund, or (ii) redeem Units in the Fund in consideration for a cash

payment equal to the then market value of the Shares held by the Fund.

7. The Shares subscribed for by the Canadian Participants under the Employee Share Offering will be contributed to the Funds and the Canadian Participant will receive one Unit for each contributed Share. The Units issued by the Funds will not be listed on any stock exchange.

8. Dividends paid on the Shares purchased under the Employee Share Offering will be contributed to the Funds and used to purchase additional Shares. The Canadian Participants will receive additional Units representing such contribution.

9. The Funds are collective shareholding vehicles commonly used in France for the conservation of shares held by employee-investors. The Funds are established for the purpose of providing Qualifying Employees with the opportunity to indirectly hold an investment in the Shares in connection with this Employee Share Offering. Each fund's portfolios will consist exclusively of Shares of the Filer and, from time to time, cash in respect of dividends paid on the Shares which will be reinvested in Shares. The Fund's portfolios may also include cash or cash equivalents pending investments in the Shares and for the purposes of Unit redemptions.

10. Shares issued in the Employee Share Offering will be deposited in the Funds through CACEIS Bank (the "**Depositary**"), a large French commercial bank subject to French banking legislation. Under French law, the Depositary must be selected by the Manager from among a limited number of companies identified on a list by the French Minister of the Economy, Finance and Industry and its appointment must be approved by the French AMF. The Depositary carries out orders to purchase, trade and sell securities in the portfolio and takes all necessary action to allow the Funds to exercise the rights relating to the securities held in its portfolio.

11. The Manager's portfolio management activities in connection with the Employee Share Offering and the Funds are limited to purchasing Shares from the Filer and selling such Shares as necessary in order to fund redemption requests. The Manager is also responsible for preparing accounting documents and publishing periodic informational documents as provided by the rules of the Funds and the distribution of a notice regarding the end of the Lock-up Period. The Manager's activities in no way affect the underlying value of the Shares. The Manager will not be involved in providing advice to any Canadian Participant.

12. The initial value of a Unit of the Temporary Fund is approximately equal to the subscription price of a Share under the Employee Share Offering. The value of a Unit under the Fund is based on the market price of the Shares, plus or minus 1%. The Unit value of the applicable fund will be calculated and reported to the French AMF on a regular basis, based on the net assets of such fund divided by the number of Units outstanding. The number of Units in the Funds will be adjusted on the basis of the market price of the Shares and other assets (cash, in exceptional circumstances) held by the Funds, effective from the first date on which the net asset value is calculated and whenever Shares or other assets are contributed to the Funds, as applicable. Upon such adjustments being made, a holder may be credited with additional Units or fractions of Units.

13. Subject to the Lock-Up Period described above, the Funds will redeem Units at the request of the Canadian Participants. The Canadian Participant will be paid on the basis of the net market price of the Shares corresponding to the Canadian Participant's Units, and will be settled by payment in cash or, where applicable, the equivalent number of Shares. The Funds, due to board lot sizes, will be able to liquidate positions in the Shares more readily and at a better price than an individual investor. The fees of the statutory auditors and a commission for the administrative management of the Funds will be paid by the participating Canadian Affiliate; the other charges relating to the Funds will be paid from the Funds' assets.

14. There are approximately 79 employees resident in Canada, with the greatest number of employees resident in the province of Québec, and the remainder of the employees resident in Ontario, who represent in the aggregate less than 5% of the number of employees worldwide.

15. Canadian Participants will not be induced to participate in the Employee Share Offering by expectation of employment or continued employment. The total amount invested by a Canadian Participant in the Employee Share Offering cannot exceed 25% of his or her gross annual remuneration for the 2007 calendar year or 25% of his or her estimated gross annual remuneration for the 2008 calendar year.

16. None of the Filer, the Manager or any of their employees, agents or representatives will provide investment advice to the Canadian Participants with respect to an investment in the Shares or the Units.

17. The Canadian Participants will receive an information package in the French or English language, as applicable, which will include a summary of the terms of the Employee Share Offering, a description of the relevant Canadian income tax consequences. The Canadian Participants will receive an initial statement of their

holdings under the Employee Share Offering, together with an updated statement annually. Canadian Participants may also consult the Filer's annual report posted on the Arkema website and will have access to the continuous disclosure materials relating to the Filer furnished to Arkema shareholders generally. In addition, upon request, a copy of the relevant Fund's rules (which are analogous to company by-laws) and the French Document de Référence filed with the French AMF in respect of the Shares will be available to participating employees.

18. The Units will not be listed on any exchange.

19. As of the date hereof and after giving effect to the Employee Share Offering, Canadian Participants do not and will not beneficially own more than 10% of the Shares and do not and will not represent in number more than 10% of the total number of holders of the Shares as shown on the books of the Filer.

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 Initial Requested Relief is granted provided that:

(1) the first trade in any Units or Shares acquired by Canadian Participants pursuant to this decision, in a Jurisdiction, is deemed a distribution or a primary distribution to the public under the Legislation of such Jurisdiction unless the following conditions are met:

(a) the issuer of the security

(i) was not a reporting issuer in any jurisdiction of Canada at the distribution date, or

(ii) is not a reporting issuer in any jurisdiction of Canada at the date of the trade;

(b) at the distribution date, after giving effect to the issue of the security and any other securities of the same class or series that were issued at the same time as or as part of the same distribution as the security, residents of Canada

(i) did not own directly or indirectly more than 10 percent of the outstanding securities of the class or series, and

(ii) did not represent in number more than 10 percent of the total number of owners directly or indirectly of securities of the class or series; and

(c) the trade is made

(i) through an exchange, or a market, outside of Canada, or

(ii) to a person or company outside of Canada; and

(2) in Quebec, the required fees are paid in accordance with Section 271.6(1.1) of the *Securities Regulation* (Quebec).

It is the further decision of the Decision Makers under the Legislation that the First Trade Registration Relief is granted provided that the conditions set out in paragraphs (1)(a), (b) and (c) under the decision granting the Initial Requested Relief are satisfied.

"Paul K. Bates"
Commissioner
Ontario Securities Commission

"Margot C. Howard"
Commissioner
Ontario Securities Commission

2.2 Orders

2.2.1 David Berry - s. 21.7

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

AND

IN THE MATTER OF
A REQUEST FOR A HEARING AND REVIEW
OF A DECISION OF A HEARING PANEL OF
MARKET REGULATION SERVICES INC.

AND

IN THE MATTER OF
THE UNIVERSAL MARKET INTEGRITY RULES

AND

IN THE MATTER OF
DAVID BERRY

ORDER
(Section 21.7 of the *Securities Act*)

WHEREAS David Berry ("Berry") was employed by Scotia Capital Inc. ("Scotia") from 1996 to 2005 as a trader (non-retail) and in 1998 was appointed Head of Preferred Trading responsible for trading Scotia's proprietary book of preferred shares;

AND WHEREAS in May 2005, Market Regulation Services Inc. ("RS") conducted a trade desk review, which raised questions regarding various short positions held in Berry's inventory account for the Preferred Share Trading Desk (the "Preferred Desk");

AND WHEREAS subsequent to the trade desk review, RS initiated an investigation into the conduct of Berry, Scotia and Marc McQuillen ("McQuillen"), a fully licensed trader who was Berry's assistant on the Preferred Desk;

AND WHEREAS on February 20, 2007, RS issued a Notice of Hearing and Statement of Allegations with respect to Berry, and an amended Notice of Hearing was issued by RS on June 12, 2007 (the "RS Proceeding");

AND WHEREAS in the context of the RS Proceeding, RS alleges that between June 3, 2004 and April 18, 2005, Berry engaged in certain conduct which resulted in Scotia contravening the Universal Market Integrity Rules ("UMIR");

AND WHEREAS Scotia and McQuillen, respectively, entered into settlement agreements with RS Staff relating to the matters at issue in the RS Proceeding, which were approved by RS Panels on February 26, 2007 and on February 28, 2007, respectively;

AND WHEREAS Berry filed a reply to RS's Notice of Hearing and Statement of Allegations on March 14, 2007 (the "Reply") in which Berry takes the position that:

(1) his conduct did not result in Scotia contravening UMIR, but that if breaches of UMIR did occur, they were the result of Scotia's own compliance failures (the "Scotia Defence"); and

(2) Scotia:

(i) was responsible for supervising his trading and educating him about securities regulatory requirements;

(ii) was directly aware of Berry's trading practices in general, and of the very trades in issue; and

(iii) expressly advised Berry that the impugned trading was not considered improper;

AND WHEREAS on October 15, 2007, in the context of the RS Proceeding, Berry brought a motion before RS for further disclosure, returnable November 2, 2007 ("Berry's Motion") requesting: (1) all materials relating to prior investigations or reviews by RS Staff of Berry's trading practices while employed at Scotia, other than the present investigation (the "Other RS Files"), and (2) communications and documents relating to the negotiations of the Scotia settlement and the McQuillen settlement (the "Settlement Materials");

AND WHEREAS the Chair of the RS Panel rendered his decision on November 8, 2007, denying Berry's Motion for further disclosure (the "RS Disclosure Decision");

AND WHEREAS on November 26, 2007, Berry filed an application with the Commission for a hearing and review of the RS Disclosure Decision (the "Application") pursuant to section 21.7 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended;

AND WHEREAS Berry seeks only review of the RS Disclosure Decision with respect to the Settlement Materials (because issues relating to the Other RS Files were settled prior to the Application being heard before the Commission);

AND WHEREAS a hearing was held on March 6, 2008 to consider the issues raised in the Application with respect to the Settlement Materials;

AND WHEREAS the Commission considered Berry's position as follows:

(1) RS alleges that Berry, as an employee of Scotia, is liable for Scotia's conduct pursuant to UMIR 10.3(4);

(2) the issue of whether representatives of Scotia had knowledge relevant to Berry's conduct may be raised in the RS Proceeding;

(3) Berry has indicated an intention to call individuals employed with Scotia (including McQuillen) as witnesses at the RS Proceeding (if RS Staff does not do so);

(4) the Settlement Materials may contain information relevant to Berry for the purposes of deciding which witnesses to call at the RS Proceeding; and

(5) the Settlement Materials may contain information which is necessary for Berry to make full answer and defence in the RS Proceeding;

AND WHEREAS the RS Proceeding is scheduled to commence on April 21, 2008, and we consider it appropriate to release our decision promptly, prior to the commencement of the RS Proceeding, and therefore, in advance of our written reasons;

AND WHEREAS the terms of this order will not prejudice the positions of Scotia or McQuillen in connection with their settlements;

AND UPON HAVING CONSIDERED written and oral submissions made by counsel for Berry, RS and Staff of the Commission;

AND FOR THE REASONS to be released in written form in due course;

IT IS HEREBY ORDERED that:

1. Subject to clause 3 below, RS shall provide Berry's counsel access to the Settlement Materials and, if requested, copies thereof for purposes relating to Berry's defence in the RS Proceeding.

2. Disclosure and use of the Settlement Materials will be on the basis that:

   (a) Berry and his counsel will not use the Settlement Materials other than in connection with Berry making full answer and defence to the allegations against him in the RS Proceeding;

   (b) any use of the Settlement Materials other than in connection with Berry making full answer and defence to the allegations against him in the RS Proceeding will constitute a violation of this Order;

   (c) RS shall maintain custody and control over the Settlement Materials so that copies of the Settlement Materials are not disseminated for any purpose other than as contemplated in clause 1 above;

   (d) the Settlement Materials shall not be used for any collateral or ulterior purpose; and

   (e) Berry and his counsel shall, promptly after the completion of the RS Proceeding and any appeals, return all copies of the Settlement Materials to RS or confirm that they have been destroyed.

3. The foregoing Order is subject to any claim by RS of solicitor-client privilege, or litigation "work product" privilege, and if asserted, the particulars of such a claim shall be set out by RS in a written list and provided to Berry's counsel with the Settlement Materials.

Dated at Toronto on this 26th day of March, 2008.

"Lawrence E. Ritchie"

"James E. A. Turner"

2.2.2 Jose Castaneda

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

AND

JOSE CASTANEDA

ORDER

WHEREAS on June 20, 2005 the Commission issued a Notice of Hearing pursuant to section 127 of the *Securities Act* (the "Act") in respect of the actions of Jose Castaneda ("Castaneda");

AND WHEREAS on June 20, 2005 Staff of the Commission ("Staff") filed a Statement of Allegations;

AND WHEREAS on December 19, 2005 Staff filed an Amended Statement of Allegations;

AND WHEREAS on March 27, 2008, Castaneda entered into a settlement agreement dated March 27, 2008 (the "Settlement Agreement") in relation to the matters set out in the Amended Statement of Allegations;

AND WHEREAS on March 27, 2008 the Commission issued a Notice of Hearing setting out that it proposed to consider the Settlement Agreement;

UPON reviewing the Settlement Agreement, the Notice of Hearing, the Amended Statement of Allegations, and upon considering submissions from Castaneda and from Staff of the Commission;

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

IT IS HEREBY ORDERED, PURSUANT TO SECTIONS 127 AND 127.1 OF THE ACT, THAT:

1. the Settlement Agreement dated March 27, 2008 between Staff of the Commission and Castaneda is approved;

2. pursuant to paragraph 1 of subsection 127(1), Castaneda is permanently restricted from registering under Ontario securities law;

3. pursuant to paragraph 2 of subsection 127(1), Castaneda is permanently prohibited from trading in securities;

4. pursuant to paragraph 2.1 of subsection 127(1), Castaneda is permanently prohibited from acquiring any securities;

5. pursuant to paragraph 3 of subsection 127(1), any exemptions contained in Ontario securities law do not apply to Jose Castaneda permanently; and

6. pursuant to paragraph 8 of subsection 127(1), Castaneda is permanently prohibited from becoming an officer or director of any issuer

Dated at Toronto, Ontario this 27th day of March, 2008

"Wendell S. Wigle"

"David L. Knight"

2.2.3 Hollinger Inc. et al.

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

AND

**HOLLINGER INC., CONRAD M. BLACK,
F. DAVID RADLER, JOHN A. BOULTBEE,
AND PETER Y. ATKINSON**

ORDER

WHEREAS on March 18, 2005 the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 127 and 127.1 of the Securities Act, R.S.O. 1990 c.S.5, as amended (the "Act") accompanied by a Statement of Allegations issued by Staff of the Commission ("Staff") with respect to Hollinger Inc. ("Hollinger"), Conrad M. Black ("Black"), F. David Radler ("Radler"), John A. Boultbee ("Boultbee") and Peter Y. Atkinson ("Atkinson") (collectively, the "Respondents");

AND WHEREAS the matter was set down for a hearing to commence on Wednesday, May 18, 2005;

AND WHEREAS the Commission granted a request for adjournment of this proceeding on consent of Staff and the Respondents from Wednesday, May 18, 2005 to Monday, June 27, 2005 in its Order dated May 10, 2005;

AND WHEREAS on June 27, 2005, the Commission granted a further request for adjournment of this proceeding on consent of Staff and the Respondents from Monday, June 27, 2005 to Tuesday, October 11, 2005 in its Order dated June 27, 2005;

AND WHEREAS the Commission held a contested hearing on October 11 and November 16, 2005, to determine the appropriate date for a hearing on the merits of the above matter;

AND WHEREAS on January 24, 2006, the Commission issued its Reasons and Order setting down the matter for a hearing on the merits commencing June 2007, subject to each of the individual respondents agreeing to execute an Undertaking to the Commission to abide by interim terms of a protective nature within 30 days of that Decision;

AND WHEREAS following the Reasons and Order dated January 24, 2006, all the individual respondents provided Undertakings in a form satisfactory to the Commission;

AND WHEREAS on March 30, 2006, the Commission issued an order with attached Undertakings provided by the individual Respondents in a form satisfactory to the Commission, and ordered, among other things, that the hearing on the merits commence on Friday, June 1, 2007 at 9:30 a.m., or as soon thereafter as may be fixed by the Secretary to the Commission and agreed to by the parties;

AND WHEREAS the individual Respondents further provided to the Commission Amended Undertakings stating that each of the respondents agree to abide by interim terms of a protective nature, as set out more fully in the Amended Undertakings, pending the Commission's final decision of liability and sanctions in the proceeding commenced by the Notice of Hearing;

AND WHEREAS on April 4, 2007, the Commission issued an order with attached Amended Undertakings provided by the individual Respondents in a form satisfactory to the Commission, and ordered that the hearing on the merits be scheduled to take place November 12 to December 14, 2007, and January 7 to February 15, 2008;

AND WHEREAS Black and Boultbee brought motions on the basis of certain grounds enumerated in Notices of Motion dated September 5, 2007 and September 6, 2007, respectively, requesting the following relief;

(i) an order adjourning the hearing of this matter, currently scheduled to take place on November 12 to December 14, 2007 and January 7, to February 15, 2008; and

(ii) an order to attend before the Commission on a date convenient in mid-December 2007, following the scheduled sentencing of the respondents Black and Boultbee in the criminal proceedings brought against them in the United States, for the purpose of obtaining further directions regarding the conduct of these proceedings;

AND WHEREAS on September 11, 2007, the Commission granted a request for adjournment of this proceeding on consent of Staff and the Respondents, and issued an order scheduling a hearing for December 11, 2007 for the purpose of addressing the scheduling of this proceeding;

AND WHEREAS Boultbee has requested an adjournment of the hearing on December 11, 2007 to a date in January, 2008, by letter addressed to the Secretary to the Commission dated November 29, 2007, for the purpose of addressing the scheduling of this proceeding;

AND WHEREAS on December 10, 2007, the Commission granted a request for adjournment of this proceeding on consent of Staff and the respondents, and issued an order scheduling a hearing for January 8, 2008 for the purpose of addressing the scheduling of this proceeding;

AND WHEREAS Black has requested an adjournment of the hearing on January 8, 2008 to a date in

late March 2008, by letter addressed to the Secretary to the Commission dated December 19, 2007, for the purpose of addressing the scheduling of this proceeding;

AND WHEREAS on January 7, 2008, the Commission granted a request for adjournment of this proceeding on consent of Staff and the respondents, and issued an order scheduling a hearing for March 28, 2008 for the purpose of addressing the scheduling of this proceeding;

AND WHEREAS Black and Boultbee have brought motions requesting an order adjourning the hearing of this matter to a convenient date in late September 2008, on the basis of certain grounds enumerated in Notices of Motion dated March 24 and March 25, 2008 respectively, including grounds related to the pending appeals of Black and Boultbee in the criminal proceedings brought against them in the United States;

AND WHEREAS the respondents and Staff of the Commission consent to the request for the adjournment of the hearing from March 28, 2008 to September 26, 2008;

IT IS ORDERED THAT:

(i) The hearing of this matter, currently scheduled for March 28, 2008, is adjourned; and

(ii) The hearing is scheduled for September 26, 2008 at 10:00 a.m., or such other date as may be agreed to by the parties and fixed by the Secretary to the Commission, for the purpose of addressing the scheduling of this proceeding.

DATED at Toronto this 27th day of March, 2008

"Lawrence E. Ritchie"

2.2.4 Saxon Financial Services et al. - s. 127(8)

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

AND

IN THE MATTER OF
SAXON FINANCIAL SERVICES,
SAXON CONSULTANTS LTD.,
INTERNATIONAL MONETARY SERVICES,
FXBRIDGE TECHNOLOGIES, INC.,
MEISNER CORPORATION,
MERCHANT CAPITAL MARKETS, S.A.,
MERCHANT CAPITAL MARKETS, MERCHANTMARX,
SIMON BACHUS, JOSEPH CUNNINGHAM,
RICHARD CLIFFORD, RYAN CASON, JOHN HALL,
DONNY HILL, JEREMY JONES, MARK KAUFMANN,
CONRAD PRAAMSMA, JUSTIN PRAAMSMA,
SCOTT SANDERS, JACK SINNI, MARC THIBAULT,
SEAN WILSON AND TODD YOUNG

ORDER
Subsection 127(8)

WHEREAS on July 26, 2007, the Ontario Securities Commission (the "Commission") ordered pursuant to clause 2 of subsection 127(1) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") that the Respondents, their officers, directors, employees and/or agents cease trading in all securities immediately (the "Temporary Order");

AND WHEREAS the Commission further ordered that pursuant to subsection 127(6) of the Act the Temporary Order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by the Commission.;

AND WHEREAS on July 26, 2007 the Commission issued a Notice of Hearing to consider, among other things, the extension of the Temporary Order, to be held on August 9, 2007 at 10:00 a.m.;

AND WHEREAS pursuant to subsections 127(1) and 127(8) of the Act, a hearing was held on August 9, 2007 where the Respondents, FxBridge Technologies, Inc., International Monetary Services, Simon Bachus and Joseph Cunningham, were in attendance and the hearing was adjourned to October 10, 2007 and the Temporary Order was extended on consent of all parties present during the period of the adjournment;

AND WHEREAS on October 10, 2007, a hearing was held and the Commission was advised that the Respondents, FxBridge Technologies, Inc. and Joseph Cunningham requested an adjournment of the hearing and a further extension of the Temporary Order during the period of the adjournment and the Respondents, International Monetary Services and Simon Bachus, consented to the adjournment and further extension of the Temporary Order during the period of the adjournment;

AND WHEREAS on December 14, 2007, a hearing was held and the Commission was advised that the Respondents, International Monetary Services and Simon Bachus requested an adjournment of the hearing and a further extension of the Temporary Order during the period of the adjournment and the Respondents, FxBridge Technologies, Inc. and Joseph Cunningham, consented to the adjournment and further extension of the Temporary Order during the period of the adjournment;

AND WHEREAS on March 28, 2008, a hearing was held and the Commission was advised that Staff of the Commission were not seeking an extension of the Temporary Order against International Monetary Services, Simon Bachus, Joseph Cunningham, FxBridge Technologies, Inc., Merchant Capital Markets, S.A., Merchant Capital Markets, and MerchantMarx;

AND WHEREAS the Commission is of the opinion that the time required to conclude a hearing could be prejudicial to the public interest;

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

AND WHEREAS pursuant to subsection 127(8) of the Act, satisfactory information has been provided to the Commission regarding International Monetary Services, Simon Bachus, Joseph Cunningham, FxBridge Technologies, Inc., Merchant Capital Markets, S.A., Merchant Capital Markets, and MerchantMarx;

AND WHEREAS pursuant to subsection 127(8) of the Act, satisfactory information has not been provided to the Commission by Saxon Financial Services, Saxon Consultants, Ltd., Meisner Corporation, Richard Clifford, Ryan Cason, John Hall, Donny Hill, Jeremy Jones, Mark Kaufman, Conrad Praamsma, Justin Praamsma, Scott Sanders, Jack Sinni, Marc Thibault, Sean Wilson, and Todd Young;

IT IS ORDERED pursuant to subsection 127(8) of the Act that:

(a) the hearing is adjourned to June 10, 2008 at 2:30 p.m.;

(b) the Temporary Order is not extended as against International Monetary Services, Simon Bachus, Joseph Cunningham, FxBridge Technologies, Inc., Merchant Capital Markets, S.A., Merchant Capital Markets, and MerchantMarx; and,

(c) the Temporary Order be extended as against Saxon Financial Services, Saxon Consultants, Ltd., Meisner Corporation, Richard Clifford, Ryan Cason, John Hall, Donny Hill, Jeremy Jones, Mark Kaufman, Conrad Praamsma, Justin Praamsma, Scott Sanders, Jack Sinni, Marc Thibault, Sean Wilson, and Todd Young during the period of the adjournment.

Dated at Toronto this 28th day of March, 2008.

"James E.A. Turner"

"Carol S. Perry"

2.2.5 Dupont Capital Management Corporation - s. 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 a pension fund sponsored by an affiliate of the applicant for the benefit of the employees of the affiliate, with respect to commodity futures contracts and/or commodity futures options that are traded on a commodity futures exchange.

Statutes Cited

Commodity Futures Act, R.S.O. 1990, c. C.20, as am., ss. 22(1)(b), 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
DUPONT CAPITAL MANAGEMENT CORPORATION

ORDER
(Section 80 of the CFA)

UPON the application (the **Application**) of Dupont Capital Management Corporation (the **Applicant**) for an order pursuant to section 80 of the CFA that the Applicant (including its directors, officers 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 the E.I. du Pont Canada Company Pension Plan (the **Fund**) with respect to commodity futures contracts and/or commodity futures options that are traded on a commodity futures exchange;

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

AND UPON the Applicant having represented to the Commission that:

1. The Applicant is a corporation incorporated under the laws of Delaware, is not ordinarily resident in Ontario and is a wholly-owned subsidiary of E.I. DuPont de Nemours and Company (**DuPont**).

2. The Applicant is registered as an investment adviser with the United States Securities and Exchange Commission (the **SEC**). The Applicant is not registered in any capacity under the CFA or the *Securities Act* (Ontario) (the **OSA**).

3. E.I. du Pont Canada Company (**DuPont Canada**) is incorporated under the laws of the *Canada Business Corporations Act*, and carries on manufacturing and other business activities in Canada. DuPont Canada is also a wholly-owned subsidiary of DuPont.

4. DuPont Canada established the Fund under the laws of Ontario for the benefit of its employees in Canada, and is the administrator and sponsor of the Fund.

5. DuPont Canada has decided that it is prudent to retain the investment services of the Applicant, an affiliated company, pursuant to an investment management agreement, to provide investment advice to the Fund with respect to securities, commodity futures contracts and/or commodity futures options.

6. Pursuant to section 7.6 (Advising Pension Funds of Affiliates) of OSC Rule 35-502 – *Non Resident Advisers* (**Rule 35-502**), the Applicant is exempt from the adviser registration requirement of the OSA with respect to acting as an adviser for the Fund since the Applicant is not ordinarily resident in Ontario and the Fund is sponsored by Dupont Canada, an affiliate of the Applicant, for the benefit of the employees of Dupont Canada.

7. 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.

8. 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 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 that is provided under section 7.6 of Rule 35-502.

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 the Applicant (including its directors, officers 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 the Fund, for a period of five years, provided that the Applicant (including its directors,

officers and employees) complies with all applicable registration and other regulatory requirements of the securities legislation of the United States and if applicable, the securities legislation of other jurisdictions.

March 28, 2008

"Carol S. Perry"
Commissioner
Ontario Securities Commission

"Margot C. Howard"
Commissioner
Ontario Securities Commission

2.2.6 Kasten Chase Applied Research Limited - s. 144

Headnote

Section 144 - Revocation of cease trade order - Issuer subject to cease trade order as a result of its failure to file interim financial statements and related management's discussion and analysis - Issuer has brought its filings up-to-date - Issuer is otherwise not in default of applicable securities legislation, except for certain matters which it intends to remedy.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 127(1), 127(5), 144.

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

AND

IN THE MATTER OF
KASTEN CHASE APPLIED RESEARCH LIMITED

ORDER
(Section 144)

WHEREAS the securities of Kasten Chase Applied Research Limited ("**Kasten Chase**" or the "**Company**") were subject to a temporary cease trade order dated September 15, 2006 made by the Director under paragraph 2 and paragraph 2.1 of subsection 127(1) and subsection 127(5) of the Act (the "**Temporary Cease Trade Order**") ordering that all trading in and all acquisitions of the securities of the Company, whether direct or indirect, cease immediately for a period of fifteen days from the date of the Temporary Cease Trade Order;

AND WHEREAS the securities of the Company are subject to a cease trade order dated September 27, 2006 made by the Director under paragraph 2 and paragraph 2.1 of subsection 127(1) of the Act (the "**Cease Trade Order**") ordering that all trading in and all acquisitions of the securities of the Company, whether direct or indirect, cease until further ordered by the Director;

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

AND WHEREAS the Company has represented to the Commission that:

1. The Company was amalgamated on January 1, 2004 under the *Business Corporations Act* (Ontario)(the "**OBCA**"), with its head office in Mississauga, Ontario, and subsequently continued (the "**Continuance**") into Alberta pursuant to the

Business Corporations Act (Alberta) (the "**ABCA**") on July 24, 2007. The Company's fiscal year end is December 31.

2. The Company is a reporting issuer in the provinces of Ontario, British Columbia, Alberta, Saskatchewan, Manitoba and Quebec.

3. The Company is authorized to issue an unlimited number of common shares of which 57,481,068 are issued and outstanding (the "**Common Shares**"). Other than the Common Shares, the Company has no securities, including debt securities, outstanding. The Common Shares of the Company are not listed or quoted on any exchange or market in Canada or elsewhere. The Company is also authorized to issue an unlimited number of preferred shares, issuable in series and up to 2,804,631 non-voting convertible redeemable preferred shares, which classes of securities existed prior to the Continuance and none of which are issued or outstanding. Upon the Continuance, the Company created a class of non-voting common shares, none of which are issued or outstanding.

4. On June 2, 2006, the Company ceased operations and filed for an assignment in bankruptcy under the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**"). Ernst & Young LLP was appointed as the trustee in bankruptcy (the "**Trustee**"). The Trustee's appointment was confirmed at the first meeting of creditors, which was held on June 20, 2006.

5. On June 30, 2006, the Common Shares of the Company were delisted from the Toronto Stock Exchange (the "**TSX**") for failure to meet the continued listing requirements of the TSX.

6. On September 15, 2006, the British Columbia Securities Commission issued a cease trade order for failure to file interim financial statements for the six-month period ended June 30, 2006 and the related management's discussion and analysis.

7. On September 15, 2006, the Director under the Act issued the Temporary Cease Trade Order for failure to file interim financial statements for the six-month period ended June 30, 2006 and related management's discussion and analysis. On September 27, 2006, the Director under the Act issued the Cease Trade Order.

8. On October 3, 2006, the Manitoba Securities Commission issued a cease trade order against the Company for failure to file interim financial statements for the six-month period ended June 30, 2006.

9. On October 3, 2006, the Autorité des Marchés Financiers issued a cease trade order against the Company for failure to file interim financial statements for the six-month period ended June 30, 2006.

10. On November 23, 2006, the Trustee obtained a court order authorizing the Trustee to prepare and file a proposal pursuant to the BIA (the "**Proposal**") in order to have the bankruptcy annulled. The Proposal was approved by a majority of creditors on December 7, 2006 and by the court on December 22, 2006. The bankruptcy has since been annulled.

11. On February 2, 2007, the Alberta Securities Commission issued a cease trade order against the Company for failure to file interim financial statements for the six-month period ended June 30, 2006 and the nine-month period ended September 30, 2006.

12. The Saskatchewan Financial Services Commission (the "**SFSC**") has not issued a cease trade order against the Company; however, the Company is currently noted in default on the SFSC's list of reporting issuers (the "**Saskatchewan Default Notation**") for failure to file interim financial statements for the six-month period ended June 30, 2006 and the nine-month period ended September 30, 2006, the related management's discussion and analysis and the related Chief Executive Officer and Chief Financial Officer certifications for these financial statements under Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (the "**MI 52-109 Certifications**"). The Company understands that upon revocation of the Cease Trade Order, the SFSC will be prepared to remove the Saskatchewan Default Notation.

13. On February 19, 2007, the Company held a special meeting of shareholders (the "**Special Meeting**") pursuant to a notice of meeting filed on January 9, 2007 and an information circular filed on January 31, 2007 (the "**Information Circular**") where, among other things, the following matters were approved by the requisite vote of shareholders:

    (a) the fixing of the number of members of the board of directors to be elected at five;

    (b) the election of the directors of the Company;

    (c) the appointment of KPMG LLP , Chartered Accountants, as the auditors of the Company;

    (d) the passing of a special resolution approving:

        (i) an investment proposal (the "**Investment Proposal**") of

Nova Bancorp Ltd. ("**Nova Bancorp**") including the (i) the subscription by Nova Bancorp and/or certain nominees for Common Shares for aggregate subscription proceeds of $200,000 and (ii) the subscription by Nova Bancorp and/or certain nominees for a principal amount of $1,250,000 in interest bearing secured notes of the Company;

(ii) the declaration of a dividend in connection with the Investment Proposal;

(iii) the amendment of the Company's articles to consolidate the number of authorized, issued and outstanding Common Shares on the basis of one consolidated Common Share for up to a maximum of each ten issued and outstanding Common Shares (the "**Consolidation Resolution**");

(iv) the Continuance; and

(v) the amendment of the Company's articles to create a class of non-voting common shares (the "**Capital Reorganization Resolution**"); and

(e) the passing of an ordinary resolution to approve:

(i) the repeal of the Company's existing by-laws and the adoption of new by-laws following the Continuance; and

(ii) a new stock option plan for the Company.

14. The Information Circular, prepared in accordance with Form 51-102F5 *Information Circular* under National Instrument 51-102 *Continuous Disclosure Obligations* ("**NI 51-102**"), and form of proxy for the Special Meeting were mailed to the registered holders and beneficial owners of securities of the Company in accordance with applicable securities legislation and the OBCA.

15. The Company filed via SEDAR, on September 27, 2007, audited annual financial statements for the year ended December 31, 2006, the related management's discussion and analysis and the related MI 52-109 Certifications (collectively, the "**2006 Annual Financial Statements**").

16. The Company filed via SEDAR:

(a) on September 27, 2007, interim financial statements for the three-month period ended March 31, 2007 and the six-month period ended June 30, 2007, the related management's discussion and analysis and the related MI 52-109 Certifications (corrected versions of the related MI 52-109 Certifications were subsequently filed on February 22, 2008); and

(b) on November 29, 2007, interim financial statements for the nine-month period ended September 30, 2007, the related management's discussion and analysis and the related MI 52-109 Certifications,

(collectively, the "**2007 Interim Financial Statements**").

17. As the Company was delisted from the TSX on June 30, 2006, it is a "venture issuer" as such term is defined in subsection 1.1(1) of NI 51-102 and is therefore not required to file an annual information form for the year ended December 31, 2006, pursuant to section 6.1 of NI 51-102.

18. On February 21, 2008, the Company filed a copy of its certificate and articles of continuance on SEDAR. The certificate and articles of continuance of the Company effected the Capital Reorganization Resolution, but not the Consolidation Resolution. The Company has not yet adopted new by-laws as a result of the Continuance, but plans to do so following revocation of the Cease Trade Order. Forthwith after they are adopted, the Company will file a copy of the new by-laws on SEDAR.

19. Except for the filing of interim financial statements and related management's discussion and analysis for the six-month period ended June 30, 2006 and the nine-month period ended September 30, 2006, both periods which occurred prior to and in the same year as the 2006 Annual Financial Statements, the Company is up-to-date on its continuous disclosure obligations.

20. Other than a confirmation letter executed by the Trustee and Nova Bancorp dated December 21, 2006 (the "**Confirmation Letter**") setting out the terms of the Investment Proposal and transactions contemplated thereunder, the Company has not entered into any letters of intent, contracts or agreements in respect of the Investment Proposal or the transactions contemplated thereunder, nor has the Company accepted any subscriptions for its securities or provided any undertakings to issue its securities. On February 26, 2008, the

Company has filed a copy of the Confirmation Letter on SEDAR as a material contract.

21. Prior to bankruptcy, the Company's business involved the development and application of technology to provide secure information management solutions for stored data, secure workgroup collaboration, and secure remote access to enterprise networks.

22. The Company has no immediate business plans following the revocation of the Cease Trade Order other than to search for a business with high-growth potential (a "**Prospect Company**"), which could benefit from a transaction with Kasten Chase thereby allowing the Prospect Company to benefit from the tax attributes of the Company.

23. The Company has not had any "material changes" within the meaning of the Act since it was first cease traded by the British Columbia Securities Commission on September 15, 2006 and is not in default of requirements to file material change reports under applicable securities legislation.

24. The Company is not in default of any requirement in applicable securities legislation in any jurisdiction, except for (a) the existence of the Cease Trade Order, (b) the existence of similar orders in British Columbia, Alberta, Manitoba and Quebec; (c) the Saskatchewan Default Notation; (d) failure to comply with the delivery of financial statement and MD&A requirements in sections 4.6 and 5.6 of NI 51-102; (e) failure to include in the Information Circular the disclosure required by Form 52-110F2 under Multilateral Instrument 52-110 *Audit Committees* and by Form 58-101F2 under National Instrument 58-101 *Disclosure of Corporate Governance Practices*; and (f) the possible contravention of the Cease Trade Order described in paragraph 25 below. To remedy the default described in (d) above, the Company will mail the 2006 Annual Financial Statements, the 2007 Interim Financial Statements and any other financial statements and related MD&A filed after the 2007 Interim Financial Statements, with the management information circular that will be sent to the registered and beneficial owners of its securities in connection with its next annual meeting (the "**Next Information Circular**"). To remedy the defaults described in (e) above, the Company will include the disclosure required by Form 52-110F2 and Form 58-101F2 in the Next Information Circular.

25. Although the Confirmation Letter, the Investment Proposal and the Information Circular contemplated the revocation of the Cease Trade Order before any securities of the Company were issued, the Company's actions in entering into the Confirmation Letter and holding a shareholders' meeting to approve the Investment Proposal may have contravened the terms of the Cease Trade Order since they contemplated issuance of the Company's securities to Nova Bancorp.

26. The Company's SEDAR profile and SEDI issuer profile supplement are up-to-date.

27. The Company has paid all outstanding filing fees, participation fees and late filing fees, as applicable, in each of the jurisdictions in which it is a reporting issuer.

28. The Company has not held annual shareholders meetings since the time it was cease traded. Therefore, prior to the Continuance, the Company was in default of the requirement to hold an annual meeting pursuant to clause 94(1)(a) of the OBCA. Since the Continuance, the Company has been in default of the requirement to hold an annual meeting pursuant to clause 132(1)(b) of the ABCA. The Company has provided the Commission with an undertaking that it will hold an annual meeting within three months after the date on which the Cease Trade Order is revoked.

29. The Company has concurrently filed applications for revocations of cease trade orders with each of the British Columbia Securities Commission, the Alberta Securities Commission, the Manitoba Securities Commission and the Autorité des Marchés Financiers. The Company is not subject to a cease trade order in any other jurisdiction.

30. Forthwith after the revocation of the Cease Trade Order, the Company will issue and file a news release and file a material change report on SEDAR disclosing the revocation of the Cease Trade Order and outlining the Company's future plans.

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

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

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

DATED this19th day of March, 2008.

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

2.2.7 Sulja Bros. Building Supplies, Ltd. (Nevada) et al.

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

AND

IN THE MATTER OF
SULJA BROS. BUILDING SUPPLIES, LTD. (NEVADA),
SULJA BROS. BUILDING SUPPLIES LTD.,
KORE INTERNATIONAL MANAGEMENT INC.,
PETAR VUCICEVICH AND ANDREW DEVRIES

ORDER

WHEREAS on December 22, 2006, the Ontario Securities Commission (the "Commission") ordered pursuant to sections 127(1) and 127(5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") that immediately for a period of 15 days from the date thereof: (a) all trading in securities of Sulja Bros. Building Supplies, Ltd. (Nevada) ("Sulja Nevada") cease; and (b) any exemptions in Ontario securities law do not apply to the Respondents (the "Temporary Order");

AND WHEREAS on December 27, 2006, the Commission issued a Notice of Hearing and Statement of Allegations in this matter;

AND WHEREAS the Respondents, Sulja Nevada and Sulja Bros. Building Supplies Ltd. ("Sulja Ontario"), consent to the continuation of the Temporary Order;

AND WHEREAS the Respondents, Kore International, Petar Vucicevich and Andrew DeVries, did not appear, though served with notice of this Hearing;

AND WHEREAS on January 8, 2007, the Temporary Order was extended to March 23, 2007;

AND WHEREAS on March 23, 2007, the Temporary Order was extended to July 5, 2007;

AND WHEREAS on July 5, 2007, the Temporary Order was extended to September 7, 2007;

AND WHEREAS on September 7, 2007, the Temporary Order was extended to October 31, 2007;

AND WHEREAS on October 31, 2007, the Temporary Order was extended to January 22, 2008;

AND WHEREAS on January 22, 2008, the Temporary Order was extended to March 28, 2008;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this order in order to permit Staff to determine how to proceed in this matter within the period of this extension;

IT IS ORDERED THAT the Temporary Order is extended to May 23, 2008.

DATED at Toronto this 28th day of March, 2008.

"James E. A. Turner"

"Margot C. Howard"

2.2.8 Shallow Oil & Gas Inc. et al. - ss. 127(1), 127(8)

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

AND

IN THE MATTER OF
SHALLOW OIL & GAS INC., ERIC O'BRIEN,
ABEL DA SILVA, GURDIP SINGH GAHUNIA
also known as MICHAEL GAHUNIA, and
ABRAHAM HERBERT GROSSMAN
also known as ALLEN GROSSMAN

ORDER
(Sections 127(1) & 127(8))

WHEREAS on January 16, 2008 the Ontario Securities Commission ("the Commission") issued a Temporary Order pursuant to subsections 127(1) and (5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") that: (i) all trading in securities by Shallow Oil & Gas Inc. ("Shallow Oil") shall cease and that all trading in Shallow Oil securities shall cease; and (ii) Eric O'Brien ("O'Brien"), Abel Da Silva ("Da Silva"), Gurdip Singh Gahunia, also known as Michael Gahunia ("Gahunia"), and Abraham Herbert Grossman, also known as Allen Grossman ("Grossman"), cease trading in all securities (the "Temporary Order");

AND WHEREAS on January 16, 2008, the Commission ordered that the Temporary Order shall expire on the 15th day after its making unless extended by order of the Commission;

AND WHEREAS on January 18, 2008 the Commission issued a Notice of Hearing to consider, among other things, the extension of the Temporary Order, such hearing to be held on January 30, 2008 commencing at 2:00 p.m.;

AND WHEREAS Staff of the Commission ("Staff") served all of the respondents with copies of the Temporary Order and the Notice of Hearing as evidenced by the two Affidavits of Wayne Vanderlaan sworn on January 24 and 29, 2008, and the two Affidavits of Diana Page both sworn on January 21, 2008, and filed with the Commission;

AND WHEREAS a hearing to extend the Temporary Order was held on January 30, 2008 commencing at 2:00 p.m. before Vice-Chair Turner, and Staff and Grossman appeared;

AND WHEREAS Shallow Oil, O'Brien, Da Silva, and Gahunia did not appear;

AND WHEREAS Grossman contested the extension of the Temporary Order;

AND WHEREAS the hearing to consider the extension of the Temporary Order was adjourned to January 31, 2008 at 10:00 a.m. to be heard before a panel of the Commission;

AND WHEREAS on January 31, 2008, a panel of the Commission ordered pursuant to subsection 127(8) of the Act that the Temporary Order be extended to March 31, 2008; and that the hearing be adjourned to Monday, March 31, 2008, at 2:00 p.m.;

AND WHEREAS a hearing to consider extending the Temporary Order was held on March 31, 2008 commencing at 2:00 p.m. and Staff and Grossman appeared, presented evidence and made submissions;

AND WHEREAS the panel of the Commission considered the evidence and submissions made to it;

AND WHEREAS the panel of the Commission concluded that satisfactory information has not been provided to the Commission by Grossman, as contemplated by subsection 127(8) of the Act;

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

IT IS HEREBY ORDERED pursuant to subsection 127(8) of the Act that the Temporary Order is extended to Wednesday, June 18, 2008; and

IT IS FURTHER ORDERED that the hearing in this matter is adjourned to Wednesday, June 18, 2008, at 10:00 a.m.

DATED at Toronto this 31st day of March, 2008.

"James E. A. Turner"

"David L. Knight"

2.2.9 Firestar Capital Management Corp. 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
FIRESTAR CAPITAL MANAGEMENT CORP.,
KAMPOSSE FINANCIAL CORP.,
FIRESTAR INVESTMENT MANAGEMENT GROUP,
MICHAEL CIAVARELLA AND MICHAEL MITTON**

**ORDER
(Section 127 of the Securities Act)**

WHEREAS on December 10, 2004, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to s.127 of the *Securities Act*, R.S.O. 1990, c.S.5, to consider whether it is in the public interest to extend the Temporary Orders made on December 10, 2004 ordering that trading in shares of Pender International Inc. by Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Mitton ("Mitton"), and Michael Ciavarella ("Ciavarella") (collectively, the "Respondents") cease until further order by the Commission (the "Temporary Orders");

AND WHEREAS on December 17, 2004, the Commission ordered that the hearing to consider whether to extend the Temporary Orders should be adjourned until February 4, 2005 and the Temporary Orders continued until that date;

AND WHEREAS on December 17, 2004, the Commission ordered that the Temporary Order against Mitton should also be expanded such that Mitton shall not trade in any securities in Ontario until the hearing on February 4, 2005;

AND WHEREAS a Notice of Hearing and Statement of Allegations were issued on December 21, 2004;

AND WHEREAS on February 2, 2005, the hearing to consider whether to continue the Temporary Orders was adjourned until May 26, 2005 and the Temporary Orders were continued until May 26, 2005;

AND WHEREAS on March 9, 2005, the hearing to consider whether to continue the Temporary Orders was adjourned until June 29 and 30, 2005 and the Temporary Orders were continued until June 30, 2005;

AND WHEREAS on June 29, 2005, the hearing to consider whether to continue the Temporary Orders was adjourned until November 23 and 24, 2005 and the Temporary Orders were continued until November 24, 2005;

AND WHEREAS on November 21, 2005, the hearing to consider whether to continue the Temporary Orders was adjourned until January 30 and 31, 2006 and the Temporary Orders were continued until January 31, 2006;

AND WHEREAS on January 30, 2006, the hearing to consider whether to continue the Temporary Orders was adjourned until July 31, 2006 and the Temporary Orders were continued until July 31, 2006;

AND WHEREAS on July 31, 2006, the hearing to consider whether to continue the Temporary Orders was adjourned until October 12, 2006 and the Temporary Orders were continued until October 12, 2006;

AND WHEREAS on October 12, 2006, the hearing to consider whether to continue the Temporary Orders was adjourned until October 12, 2007 and the Temporary Orders were continued until October 12, 2007;

AND WHEREAS on October 12, 2007, the hearing to consider whether to continue the Temporary Orders was adjourned until March 31, 2008 and the Temporary Orders were continued until March 31, 2008;

AND WHEREAS none of the Respondents appeared at the hearing on March 31, 2008;

AND WHEREAS Ciavarella and Mitton were charged on September 26, 2006 under the *Criminal Code* with offences of fraud, conspiracy to commit fraud, laundering the proceeds of crime, possession of proceeds of crime, and extortion for acts related to this matter;

AND WHEREAS on March 22, 2007, Mitton was convicted of numerous charges under the *Criminal Code* and sentenced to a term of imprisonment of seven years;

AND WHEREAS Staff has not been notified that the Respondents oppose the making of this order;

AND WHEREAS no counsel appeared for Kamposse Financial Corp. and Mitton;

AND WHEREAS Ciavarella is continuing his preliminary hearing before the Ontario Court of Justice;

AND WHEREAS Staff of the Commission ("Staff") received information from Ciavarella by way of his criminal counsel, Mr. Michael Lacy, that he and the companies of which he is the directing mind do not oppose the making of this order;

AND WHEREAS Ciavarella is subject to an order of the Ontario Court of Justice which inter alia prohibits him from trading in securities;

IT IS ORDERED that the hearing to consider whether to continue the Temporary Orders is adjourned to June 2, 2008;

IT IS ORDERED that the Temporary Orders currently in place as against Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Ciavarella and Michael Mitton are further continued until June 2, 2008, or until further order of this Commission;

DATED at Toronto this 31st day of March, 2008.

"Wendell S. Wigle"

"David L. Knight"

2.2.10 Land Banc of Canada Inc. et al. - ss. 126, 127

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

AND

IN THE MATTER OF
**LAND BANC OF CANADA INC., **
LBC MIDLAND I CORPORATION,
FRESNO SECURITIES INC.,
RICHARD JASON DOLAN, MARCO LORENTI,
AND STEPHEN ZEFF FREEDMAN

ORDER
SECTION 126 and 127

WHEREAS on the 23rd day of April, 2007, the Ontario Securities Commission (the "Commission") ordered, pursuant to clause 2 of subsection 127(1) and subsection 127(5) of the Securities Act, R.S.O. 1990, c. S.5, as amended (the "Act") that all trading by Land Banc of Canada ("LBC"), LBC Midland I Corporation ("Midland"), Fresno Securities Inc. ("Fresno"), Richard Jason Dolan ("Dolan"), Marco Lorenti ("Lorenti") and Stephen Zeff Freedman ("Freedman"), (the "Respondents"), in any securities of Midland or any other corporation controlled by LBC, Dolan or Lorenti shall cease (the "Temporary Order");

AND WHEREAS the Commission further ordered as part of the Temporary Order that pursuant to clause 3 of subsection 127(1) and subsection 127(5) of the Act that any exemptions contained in Ontario securities law do not apply to the Respondents;

AND WHEREAS on the 23rd day of April, 2007, the Commission issued a Direction under s.126(1) of the Act to the Bank of Montreal branch at 2851 John St., in Markham, Ontario (the "BMO Markham Branch") to retain all funds, securities or property on deposit in the name of or otherwise under control of Midland at the BMO Markham Branch (the "Direction");

AND WHEREAS on the 30th of April, 2007 the Direction was continued on consent at the Superior Court of Justice (the "Court") until further notice of the Court but without prejudice to Midland to apply to the Commission to vary the Direction under s.126(7);

AND WHEREAS on May 1, 2007, the Commission issued a Notice of Hearing and Statement of Allegations in this matter;

AND WHEREAS on May 8, 2007, the Commission continued the Temporary Order against LBC, Midland, Dolan and Lorenti with certain amendments respecting Dolan and Lorenti until May 17, 2007;

AND WHEREAS on May 10, 2007, the Commission continued the Temporary Order against Fresno and Freedman with certain exceptions until the date

of the Hearing of this matter or until further order of the Commission;

AND WHEREAS on May 17, 2007, the Commission continued the Temporary Order against LBC, Midland, Dolan and Lorenti with certain amendments respecting Dolan and Lorenti until June 29, 2007;

AND WHEREAS on June 29, 2007, the Commission continued the Temporary Order against LBC, Midland, Dolan and Lorenti with certain amendments respecting Dolan and Lorenti until August 7, 2007;

AND WHEREAS on August 7, 2007, the Commission continued the Temporary Order against LBC, Midland, Dolan and Lorenti with certain amendments respecting Dolan and Lorenti until September 19, 2007;

AND WHEREAS on September 18, 2007, the Commission continued the Temporary Order against LBC, Midland, Dolan and Lorenti with certain amendments respecting Dolan and Lorenti until October 24, 2007;

AND WHEREAS on October 24, 2007, the Commission continued the Temporary Order against LBC, Midland, Dolan and Lorenti with certain amendments respecting Dolan and Lorenti until December 3, 2007;

AND WHEREAS on December 3, 2007, the Commission continued the Temporary Order against LBC, Midland, Dolan and Lorenti with certain amendments respecting Dolan and Lorenti until February 14, 2008;

AND WHEREAS on December 3, 2007, after further consideration amongst the parties, the Commission continued the Temporary Order against LBC, Midland, Dolan and Lorenti with certain amendments respecting Dolan and Lorenti until February 15, 2008;

AND WHEREAS on February 15, 2008, the Commission continued the Temporary Order against LBC, Midland, Dolan and Lorenti with certain amendments respecting Dolan and Lorenti until April 1, 2008;

AND WHEREAS on April 1, 2008, a hearing was held and the Commission was advised that Staff of the Commission were not seeking an extension of the Temporary Order against LBC, Midland, Dolan and Lorenti;

AND WHEREAS pursuant to subsection 127(8) of the Act, satisfactory information has been provided to the Commission regarding LBC, Midland, Dolan and Lorenti;

AND WHEREAS upon submissions from counsel for Staff of the Commission and from counsel for LBC, Midland, Dolan and Lorenti;

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

IT IS ORDERED THAT

1. the Temporary Order is not extended as against LBC, Midland, Dolan and Lorenti;

2. the Direction is continued until April 30, 2008 subject to payments approved by Staff in writing; and

3. this Order shall not affect the right of LBC, Midland, Dolan and Lorenti to apply to the Commission to clarify or revoke the Direction prior to April 30, 2008 upon three days notice to Staff of the Commission.

Dated at Toronto this 1st day of April, 2008

"Patrick J. LeSage"

"Margot C. Howard"

2.2.11 LandBankers International MX, S.A. DE C.V. et al. - ss. 127(1), 127(5)

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

AND

**IN THE MATTER OF
LANDBANKERS INTERNATIONAL MX, S.A. DE C.V.;
SIERRA MADRE HOLDINGS MX, S.A. DE C.V.;
L&B LANDBANKING TRUST S.A. DE C.V.;
BRIAN J. WOLF ZACARIAS;
ROGER FERNANDO AYUSO LOYO;
ALAN HEMINGWAY; KELLY FRIESEN;
SONJA A. MCADAM; ED MOORE; KIM MOORE;
JASON ROGERS; AND DAVE URRUTIA**

**TEMPORARY ORDER
(Sections 127(1) and (5))**

WHEREAS it appears to the Ontario Securities Commission that:

1. LandBankers International MX, S.A. de C.V. ("LandBankers") is a company based in Puerto Vallarta, Mexico;

2. Sierra Madre Holdings MX, S.A. de C.V. ("Sierra Madre") has been described in promotional material as being a Mexican corporation but also a limited partnership. Sierra Madre is related to LandBankers and based in Puerto Vallarta, Mexico. Sierra Madre is also known as SMHMX;

3. L&B LandBanking Trust S.A. de C.V. acts as the General Partner of Sierra Madre, with offices in Puerto Vallarta, Mexico;

4. Brian J. Wolf Zacarias, a resident of Puerto Vallarta, Mexico, is the senior officer and major owner of LandBankers. He is also known as Brian Wolf, Brian Zacharias, Brian Zacirias, Brian Zacharias Wolf, and Brian Zacharias Wolfe;

5. Roger Fernando Ayuso Loyo, a resident of Puerto Vallarta, Mexico is the President of LandBankers. He is also known as Roger Ayuso;

6. Alan Hemingway, a resident of Puerto Vallarta, Mexico, formerly of British Columbia, is the Chief Executive Officer of Sierra Madre. He is also known by a different spelling of his last name: "Hemmingway";

7. Kelly Friesen, a resident of Warman, Saskatchewan, and Sonja A. McAdam of Christopher Lake, Saskatchewan, are involved in the promotion of LandBankers securities;

8. Ed Moore, Kim Moore, Jason Rogers and Dave Urrutia are all residents of Puerto Vallarta, Mexico and are all involved in the promotion of LandBankers securities and Sierra Madre securities;

9. Neither LandBankers nor Sierra Madre are reporting issuers in Ontario;

10. None of the respondents are registered with the Commission to trade in securities;

11. The respondents have traded in the securities of LandBankers and Sierra Madre with members of the Canadian public;

12. The respondents have solicited or have sold to Ontario residents the securities of LandBankers and Sierra Madre in breach of sections 25 and 53 of the *Securities Act*, R.S.O. 1990, c.S.5, as amended (the "*Act*");

13. Certain directors or officers of LandBankers and Sierra Madre have authorized, permitted or acquiesced in the non-compliance with Ontario securities law;

14. The respondents are also respondents in proceedings in other Canadian jurisdictions and are subject to temporary cease trade orders in other Canadian jurisdictions;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this order and that the time required to conclude a hearing could be prejudicial to the public interest;

AND WHEREAS by Commission order made April 4, 2007 pursuant to subsection 3.5(3) of the *Act*, any one of W. David Wilson, James E.A. Turner, Lawrence E. Ritchie, Robert L. Shirriff, Harold P. Hands, Paul K. Bates and David L. Knight, acting alone, is authorized to make orders under section 127 of the *Act*;

IT IS ORDERED pursuant to section 127(5) of the *Act* that:

(a) pursuant to clause 2 of section 127(1), all trading in securities of LandBankers and Sierra Madre shall cease;

(b) pursuant to clause 2 of section 127(1), all trading in any securities by the respondents shall cease; and

(c) pursuant to clause 3 of section 127(1), any exemptions contained in Ontario securities law do not apply to the respondents.

IT IS FURTHER ORDERED that pursuant to section 127(6) of the Act this order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by order of the Commission.

DATED at Toronto this 27th day of March, 2008.

"David Wilson"

2.2.12 MRS Sciences Inc. (formerly Morningside Capital Corp.) et al. - s. 127(1)

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

AND

**IN THE MATTER OF
MRS SCIENCES INC.
(FORMERLY MORNINGSIDE CAPITAL CORP.),
AMERICO DEROSA, RONALD SHERMAN,
EDWARD EMMONS AND IVAN CAVRIC**

**ORDER
(Subsection 127(1) of the *Securities Act*)**

WHEREAS a Notice of Hearing was issued on November 30, 2007 against MRS Sciences Inc., Americo DeRosa, Ronald Sherman, Edward Emmons and Ivan Cavric;

WHEREAS in December 2007, Staff served MRS Sciences Inc., Americo DeRosa, Edward Emmons and Ivan Cavric in December 2007 as evidenced by the affidavits of service filed as Exhibits;

AND WHEREAS on December 21, 2007, counsel for Ivan Cavric advised that he also appeared as agent for MRS Sciences Inc., Americo DeRosa, and Edward Emmons;

AND WHEREAS on December 21, 2007, Staff and counsel for Ivan Cavric and agent for MRS Sciences Inc., Americo DeRosa and Edward Emmons consented to and the Commission ordered an adjournment of this matter to January 31, 2008 at 10:00 a.m.;

AND WHEREAS in January 2008, five volumes of Staff's disclosure were couriered to counsel for Ivan Cavric and to counsel for Edward Emmons and Americo DeRosa;

AND WHEREAS on January 16, 2008, counsel for Ivan Cavric confirmed that he was also acting on behalf of Edward Emmons and Americo DeRosa;

AND WHEREAS on January 30, 2008, Staff and counsel for Ivan Cavric, Edward Emmons and Americo DeRosa consented to and the Commission ordered the matter adjourned to February 26, 2008 to permit Staff to effect service on Ronald Sherman;

AND WHEREAS on February 20, 2008, Staff served the Notice of Hearing and Statement of Allegations dated November 29, 2007 and the Commission orders dated December 28, 2007 and January 30, 2008 on Ronald Sherman as evident from the affidavit of Larry Masci sworn February 26, 2008 filed as an exhibit;

AND WHEREAS on February 26, 2008, the agent for Ronald Sherman agreed to accept delivery of Staff's disclosure on behalf of Ronald Sherman;

AND WHEREAS on February 26, 2008, counsel for Ivan Cavric, Edward Emmons and Americo DeRosa requested a short adjournment to consider whether his clients will bring any pre-hearing motions;

AND WHEREAS on February 26, 2008, the Commission adjourned this matter to March 25, 2008 at 9:30 a.m.;

AND WHEREAS Staff have filed an Amended Statement of Allegations dated March 25, 2008 which amends the previous title of proceeding on the Statement of Allegations dated November 29, 2007;

AND WHEREAS counsel for Ivan Cavric, Edward Emmons and Americo DeRosa confirmed that he was also acting on behalf on behalf of Ronald Sherman but not, at this time, on behalf of MRS Sciences Inc;

AND WHEREAS on March 25, 2008, Staff of the Commission requested that hearing dates be scheduled and counsel for Americo DeRosa, Ronald Sherman, Edward Emmons and Ivan Cavric is opposed to setting hearing dates at this time on the basis that counsel may bring pre-hearing motions;

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

IT IS ORDERED that: (i) the Hearing will start on October 8, 2008 at 10:00 a.m. and continue on October 9 and 10, 2008 and, if necessary, October 15 and 16, 2008; (ii) a pre-hearing conference and any prehearing motions shall be brought before mid-August 2008; and (iii) any motion to adjourn the hearing shall be brought before September 10, 2008.

Dated at Toronto this 25th day of March, 2008.

"Wendell S. Wigle"

"David L. Knight"

2.2.13 Authorization Order - s. 3.5(3)

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

AND

IN THE MATTER OF
AN AUTHORIZATION PURSUANT
TO SUBSECTION 3.5(3) OF THE ACT

AUTHORIZATION ORDER
(Subsection 3.5(3))

WHEREAS a quorum of the Ontario Securities Commission (the "Commission") may, pursuant to subsection 3.5(3) of the Act, in writing authorize any member of the Commission to exercise any of the powers and perform any of the duties of the Commission, except the power to conduct contested hearings on the merits.

AND WHEREAS, by an authorization order made on April 4, 2007, pursuant to subsection 3.5(3) of the Act (the "Authorization") the Commission authorized each of W. David Wilson, James E. A. Turner, Lawrence E. Ritchie, Robert L. Shirriff, Harold P. Hands, Paul K. Bates and David L. Knight, acting alone, to exercise, subject to subsection 3.5(4) of the Act, the powers of the Commission to grant adjournments and set dates for hearings, to hear and determine procedural matters, and to make and give any orders, directions, appointments, applications and consents under sections 5, 11, 12, 17, 19, 20, 122, 126, 127, 128, 129, 144, 146 and 152 of the Act that the Commission is authorized to make and give, except the power to conduct contested hearings on the merits.

NOW, THEREFORE, IT IS ORDERED that the Authorization is hereby revoked as of 5:00 p.m. on April 1, 2008; and

THE COMMISSION HEREBY AUTHORIZES, pursuant to subsection 3.5(3) of the Act, each of W. David Wilson, James E. A. Turner, Lawrence E. Ritchie, Paul K. Bates and David L. Knight, acting alone, to exercise, subject to subsection 3.5(4) of the Act, the powers of the Commission to grant adjournments and set dates for hearings, to hear and determine procedural matters, and to make and give any orders, directions, appointments, applications and consents under sections 5, 11, 12, 17, 19, 20, 122, 126, 127, 128, 129, 144, 146 and 152 of the Act that the Commission is authorized to make and give, except the power to conduct contested hearings on the merits; and

THE COMMISSION FURTHER ORDERS that this Authorization Order shall have full force and effect as at 5:00 p.m. on April 1, 2008 until revoked or such further amendment may be made.

DATED at Toronto, this first day of April, 2008.

"W. David Wilson"
Chair

"James E. A. Turner"
Vice-Chair

Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions, Orders and Rulings

3.1.1 Hacik Istanbul - s. 8

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

AND

IN THE MATTER OF
HACIK ISTANBUL

REASONS AND DECISION
(Section 8 of the Securities Act)

Hearing:	February 21, 2008		
Decision:	March 27, 2008		
Panel:	Wendell S. Wigle, Q.C. Carol S. Perry	- -	Commissioner and Chair of the Panel Commissioner
Counsel:	Michelle Vaillancourt James Miglin (student-at-law)	-	For Staff of the Ontario Securities Commission
	Aliamisse Mundulai	-	For Hacik Istanbul

REASONS AND DECISION

A. Overview

(i) Background

[1] This is an application (the "Application") brought by Hacik Istanbul (the "Applicant") pursuant to subsection 8(2) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") for the Ontario Securities Commission (the "Commission") to review a decision of a Director of the Commission, dated August 10, 2007 (the "Director's Decision").

[2] The Director refused to grant the Applicant transfer of his registration as a mutual fund salesperson on the grounds that the Applicant did not demonstrate the high standards of integrity required of a professional in the securities industry.

[3] A hearing was held before a Panel of the Commission on February 21, 2008 to consider the Application.

(ii) The Applicant

[4] The Applicant has been registered with the Commission as a mutual funds salesperson since June 30, 1991. From November 8, 2000 to April 18, 2007, the Applicant was sponsored by BMO Investments Inc. and employed by the parent company Bank of Montreal ("BMO"). The Applicant was terminated by BMO for cause because he improperly issued unearned Air Miles to himself and his spouse on a number of occasions dating back to 2002.

[5] Subsequent to his termination, the Applicant sought new employment. On May 12, 2007, the Applicant applied to the Commission to transfer his mutual funds salesperson registration to a new employer, Investment House of Canada Inc.

(iii) History of Proceedings

[6] On June 5, 2007, the Applicant received a letter from the Individual Registration Officer, Registrant Regulation of the Capital Markets Branch of the Commision, which informed the Applicant that his request to transfer his mutual funds salesperson registration to the Investment House of Canada Inc. was denied. Specifically, this letter stated:

> Staff has recommended to the Director that this application for registration be refused. Through an internal branch audit conducted by your former sponsoring firm, you were found to have misappropriated your client's loyalty points. Although your firm was able to recoup a portion of the loyalty points, these points were not voluntarily surrendered by you. For these reasons, staff feels that you do not meet the requirements for registration. It is staff's opinion that you lack the integrity required of a securities industry professional and are therefore unsuitable for registration.

[7] On June 12, 2007, the Applicant notified the Commission that he wished to exercise his right for an Opportunity to be Heard ("OTBH") by the Director pursuant to subsection 26(3) of the Act. By letter dated June 18, 2007, the Applicant elected to conduct the OTBH in writing. Both Commission Staff and the Applicant provided written submissions to the Director.

[8] Staff also provided the Applicant with a memorandum prepared by Ms. Rita Lo, Registration Research Officer, dated July 18, 2007, which outlined the reasons why the Applicant's request to transfer his mutual funds salesperson registration to his new employer was denied. The reasons stated in this memorandum were as follows:

- The Applicant admitted his wrongdoings to corporate security of BMO;
- The Applicant did not return the unearned Air Miles to BMO on his own initiative;
- The Applicant only returned 2,400 Air Miles out of a total of 6,500 Air Miles;
- The Applicant did not provide complete, full and accurate disclosure to Staff, and instead the Applicant told Staff that it was BMO's responsibility to reconcile the problem with the outstanding Air Miles. On this point, Staff took the following position: "His untrue statement and wilful cover-ups of his expensing the outstanding [Air Miles] demonstrates his lack of integrity in both his actions while at BMO and after his termination";
- The Air Miles incident did not only involve the Applicant's spouse, but also the Applicant himself. On this point, Staff took the following position: "The Applicant failed to realize that his misappropriation of client [Air Miles] was equivalent to a theft, a criminal offence, though not in terms of money. His dispute that only he and his wife were involved – how about those affected clients whose entitlements to their mileages were deprived by this misconduct. As such, his statement indicated his lack of integrity, professional competence, and judgement. It also calls into question his fitness for registration"; and
- The Applicant's misappropriation of client assets (i.e. the Air Miles) was not an isolated incident. On this point, Staff took the following position: "As stated in BMO's letter, there were several incidents dating back to 2002 where the [Air Miles] were credited and redeemed to the Applicant's spouse. These series of transgression[s] were [an] indication that his self-interest took precedence over his client interest and the standard of conduct and code of ethics. This calls into question his trustworthiness and overall character."

(iv) Reasons for the Director's Decision to Refuse Registration

[9] The Director's Decision was issued on August 10, 2007. The Director refused to grant registration on the basis that:

> Mr. Istanbul took Air Miles that did not belong to him and deposited them in his spouse's account. This was an act of dishonesty. Mr. Istanbul refers to the misappropriation as being a single Air Miles incident, however, this was not a single act but numerous acts over a period of five years.
>
> The Registrant did not deal fairly, honestly and in good faith with all of his clients nor his employer, BMO, over the last five years. Mr. Istanbul has clearly demonstrated a lack of integrity.
>
> I find that the Registrant has not demonstrated the high standards of integrity required of a professional in the securities industry. Therefore, I refuse to grant the registration of Hacik Istanbul. (*Director's Decision Re Hacik Istanbul* (2007), 30 O.S.C.B. 7179 at paras. 19 to 21)

(v) The Application for Hearing and Review Pursuant to Subsection 8(2) of the Act

[10] By letter dated September 5, 2007, the Applicant gave notice to the Commission for a hearing and review of the Director's Decision in conformity with subsection 8(2) of the Act, and on October 29, 2007, the Applicant filed his Application according to the procedure set out in Rule 7 of the Commission's *Rules of Practice*, (1997), 20 O.S.C.B. 1947.

[11] In the Application, the Applicant takes the position that paragraphs 8, 9, 12, 17, 18 and 20 of the Director's Decision are incorrect, and that paragraph 14 of the Director's Decision lacks relevance. The Applicant takes the following position in the Application:

- The financial loss to BMO due to the misappropriation of Air Miles was miscalculated;
- The Applicant's conduct in question is not connected to the capital markets since it did not involve investment dealing and the conduct was not in any way directly related to the Applicant's job function or technical responsibilities or expertise;
- The Applicant's conduct did not jeopardize client well being, nor did it affect the Applicant's overall relationship with his clients;
- The Applicant did not misappropriate Air Miles that should have been awarded to his bank's clients. No clients were deprived of Air Miles;
- The Applicant did express regret for his actions and admitted to improperly issuing Air Miles and took full responsibility for his actions;
- The Applicant claims that his behaviour is justified because the general use and subsequent abuse of Air Miles coupons became common place among bank staff and that the Air Miles coupons were available to each and every BMO employee to use freely according to their own discretion;
- Paragraph 20 of the Director's Decision, which states "the registrant did not deal fairly, honestly and in good faith will all of his clients", is inaccurate as this matter did not involve any BMO clients; and
- The Applicant points out that during his seven years of employment with BMO, he performed his responsibilities in a professional and conscientious manner, and maintained an excellent employment record with above-average to high performance review ratings.

B. A Hearing and Review Pursuant to Section 8 of the Act is a Hearing De Novo

[12] A hearing and review of a decision of the Director is governed by section 8 of the Act, which states the following:

> Review of Director's decision
>
> **8.** (1) Within 30 days after a decision of the Director, the Commission may notify the Director and any person or company directly affected of its intention to convene a hearing to review the decision.
>
> Same
>
> (2) Any person or company directly affected by a decision of the Director may, by notice in writing sent by registered mail to the Commission within thirty days after the mailing of the notice of the decision, request and be entitled to a hearing and review thereof by the Commission.
>
> Power on review
>
> (3) Upon a hearing and review, the Commission may by order confirm the decision under review or make such other decision as the Commission considers proper.
>
> Stay
>
> (4) Despite the fact that a person or company requests a hearing and review under subsection (2), the decision under review takes effect immediately, but the Commission may grant a stay until disposition of the hearing and review.

[13] Pursuant to subsection 8(3) of the Act, a hearing and review of a Director's Decision is a hearing *de novo*. This subsection gives the Commission the power to either confirm the Director's Decision or make such other decision as the Commission considers proper.

[14] As established by the case law, a Commission Panel may substitute its own decision for that of the Director "[…] when conducting a review of the Director's decision pursuant to section 8 of the Act, [the Commission is] not bound in any way by the Director's determination" (See *Re Triax Growth Fund Inc.* (2005), 28 O.S.C.B. 10139 at para. 25). Further, the Commission recently confirmed in *Re Michalik* (2007), 30 O.S.C.B. 6717, that a review of a decision of a Director is conducted as a hearing *de novo* (see paras. 42 and 43).

[15] As a result, the Applicant does not have the onus of demonstrating that the Director was in error in making his decision. The Applicant has the same onus before the Commission as he had before the Director. Therefore, this is a fresh consideration of the matter, as if it had not been heard before and no decision had been previously rendered. (*Re Biocapital Biotechnology* (2001), 24 O.S.C.B. 2843 at p. 8 of 12; and *Re JDS Uniphase Ltd.* (1999), 22 O.S.C.B. 5303 at page 3 of 13).

C. The Issue

[16] As this is a hearing de novo, the issue before us is the same as was presented to the Director for determination. Therefore, we must determine whether the Applicant's registration as a mutual funds salesperson should be transferred to his prospective new employer, Investment House of Canada Inc.

D. The Errors in the Director's Decision

[17] At the outset of this hearing, Staff conceded that certain facts referred to in the Director's Decision regarding the manner in which the Applicant misappropriated Air Miles were incorrect. At paragraph 8 of their written submissions, Staff clarify that:

> […] the misappropriation of Air Miles to the Applicant's spouse occurred entirely through the use of coupon cards and that Air Miles were not credited to the Applicant's spouse through applications for loans or mortgages by the Applicant's clients as indicated in the Director's Decision. Paragraphs 8, 17 and 20 of the Decision should therefore be read in light of this correction.

[18] While we find it troubling that incorrect facts were put before the Director and were relied upon in coming to his conclusion, this is a hearing *de novo* and our role is not to assess the correctness of the Director's Decision, but to hear this matter anew. Our decision in this matter is based solely on the evidence and submissions presented before us at the hearing held on February 21, 2008.

E. The Evidence

(i) The Applicant

[19] The Applicant adduced the following evidence at the hearing:

- An affidavit, sworn February 5, 2008 (the "Affidavit").
- Two letters from clients, dated March 1, 2004 and March 9, 2007, which attested to the Applicant's high quality of work and customer service while employed at BMO; and
- A brief of documents, which contained statistics on the Applicant's sales performance at BMO and copies of his performance reviews.

[20] The Applicant did not take the stand for direct examination. His Affidavit sets out his understanding of the facts in this matter, and we have set out the relevant excerpts of his Affidavit below.

[21] With respect to the Air Miles, the Applicant states:

> The [Air Miles] Reward Miles program are cards which [BMO] issues and provides to employees of the bank at various level[s], so that they can use them to provide a "thank you" reward to [BMO] clients who have an [Air Miles] collection card or number as appreciation for their loyalty and business with [BMO]. [BMO] provides the [Air Miles] Reward Miles to the employees and employees distribute the [Air Miles] Reward Miles as they wish and at their own discretion while dealing with a specific customer at the time and they are freely distributed, and there are no specific criteria to be applied in awarding the Reward Miles to customers.
>
> (Affidavit, at para. 7)

[22] The Affidavit also states that the Applicant's wife was a long standing customer of BMO and was issued Air Miles from time to time, by the Applicant and by others. With respect to the Applicant's wife, the Affidavit states that:

> My wife, in particular has maintained throughout the course of time I worked for the Bank of Montreal, personal bank accounts, investment and business accounts, and Master Card accounts on her personal name as well as jointly with me. (Affidavit, at para. 6)

[23] Subsequent to the Applicant's termination at BMO, the Affidavit states that the Applicant sought new employment and was offered employment with the Investment House of Canada Inc., subject to the transfer of the Applicant's registration as a mutual funds salesperson. The Applicant states in his Affidavit that:

> I have been informed by the management at the Investment House of Canada Inc., that any time I am able to transfer my Mutual Funds registration, they will be glad to offer me employment. (Affidavit, at para. 20)

[24] However, the Applicant did not provide any documentary evidence from Investment House of Canada Inc. with respect to his job offer, and Investment House of Canada Inc. did not appear at the hearing.

[25] The Affidavit also states that the Applicant has been unable to secure employment due to the fact that his registration as a mutual funds salesperson is not current and in good standing. As a result, the Applicant states that:

> There has been tremendous financial pressure and hardship on myself and my family, and in particular my Daughter, as I am unable to continue to work and to provide them with economic security as I used to do before. (Affidavit, Para. 19)

(ii) Staff

(1) Cross-Examination of the Applicant

[26] Staff cross-examined the Applicant on his Affidavit. During cross-examination, the Applicant made the following admissions:

- Each Air Miles coupon was worth 10 Air Miles points;
- The Applicant issued Air Miles coupons to his wife approximately two to three times per week;
- On any given day when the Applicant issued Air Miles to his wife, he would normally complete about two coupons in favour of his wife;
- In the first five months of fiscal year 2007, the Applicant issued 1,230 Air Miles points to his wife (however, the Applicant did not agree with the dollar value attributed to these points);
- It was inappropriate for the Applicant to reward Air Miles to his wife on a discretionary basis for transactions conducted in a joint account when the Applicant was the other holder in the account; and
- It was inappropriate for the Applicant to issue Air Miles to himself through the use of Air Miles coupons during the period of February 28, 2002 to May 21, 2003.

[27] Staff also pointed out during cross-examination that according to BMO, the Applicant's wife did not have substantial business with the bank, as stated in the Applicant's affidavit. Corporate Security at BMO discovered that:

> A review of Mrs. Istanbul's finances failed to reveal the supposedly high investments that her husband had offered as the reasons for rewarding Air Miles to her. In fact, it was observed that the majority of her business is at another institution. The totality of her dealings with BMO accounted to nominal-balance joint accounts and zero-balance credit facilities.

[28] The Applicant did not provide any evidence to contradict the findings of BMO Corporate Security.

(2) Staff's Witness

[29] Staff called one witness, Mr. William Lander Crook ("Mr. Crook"), an area manager with BMO in Scarborough. As well, Staff introduced Staff's New Brief of Evidence through this witness.

[30] Staff's New Brief of Evidence contained Policy 420-19 – Customer Service Request/Problem Resolution, dated December 17, 2004 ("BMO Policy 420-19"). Mr. Crook testified that BMO Policy 420-19 governs the use of the Air Miles recovery coupon (the coupon that the Applicant was using to award Air Miles to his wife). BMO Policy 420-19 states that:

> The Service Recovery Coupon (formally known as Getting it Right Coupon) is an interactive tool for use with personal/commercial customers in the branch distribution channel. It was developed to:
>
> - encourage employees to thank clients for bringing their problem to our attention
> - assure customers that we are committed to ensuring their satisfaction
> - compensate them for the inconvenience caused by our error.

[31] Mr. Crook also explained that these coupons were distributed to clients to encourage clients to let the bank know about the problems they were having. Specifically, Mr. Crook stated that:

> […] we want to acknowledge the customer's problem, deal with it, and it's almost like a token of appreciation, acknowledging it, saying we're committed to solving the problem, and then give a token, 10 Air Miles as a credit to their Air Miles collector number.

[32] Mr. Crook also testified that these coupons were made available to all employees, and BMO staff were encouraged to use them when the occasion is correct; however, the coupons were not controlled in any way.

[33] According to Mr. Crook, the coupon governed by BMO Policy 420-19 was never meant to be used to reward clients for business, instead this coupon was meant to reflect that there was a breakdown in service and that the bank wanted to open the door to have the conversation with the client on the service issue so that it can be remedied.

[34] With respect to the Applicant's use of the Air Miles coupons, Mr. Crook testified that an investigation was launched following the discovery of an abnormal amount of Air Miles being awarded to Mrs. Istanbul. An email from Ms. Lynnore Moreno, Team Leader, National Services of BMO ("Moreno") to Ray Abi-Abdallah, the Applicant's Branch Manager, dated March 26, 2007, pointed out that:

> I don't know if you are aware that your Branch has been awarding [Air Miles] (offer Code 2REL81 10AMRMS) to one particular customer – Mrs. Annie Istanbul, since 2002. As of today, she had been awarded almost 6,500 [Air Miles]. As the offer code is specifically meant to "to resolve client's problem", this situation raises a red flag the fact that the client's problem has never been resolved since 2002, and has even gone worse to a point where BMO has awarded her 310 [Air Miles] for the month of February, 2007 alone, and 320 for March, 2007 (up to March 22, 2007 only).

[35] Subsequent to this email, Moreno provided data regarding the activity of Mrs. Istanbul's Air Miles collector number, and Corporate Security of BMO launched an investigation into the matter.

[36] Mr. Crook also gave testimony with respect to a memorandum dated April 11, 2007, prepared by Philip Wilson, a Senior Investigator of Corporate Security with BMO. This document described the findings of the investigation, namely:

- The Applicant was awarding an abnormal amount of Air Miles to one particular customer, Mrs. Annie Istanbul, his wife. The investigation revealed that this started in 2002 and to date there had been approximately 6,500 Air Miles awarded to her which equates to approximately $1,700 from BMO;
- The Applicant admitted to issuing his wife the Air Miles as he believed that these vouchers were to be used for rewarding a good customer with high investments. He stated that he did the same thing for all his top customers. However, when asked to name the other top customers, he couldn't. Mr. Istanbul also advised that many other of the branch staff used these coupons in the same manner;
- A review of Mrs. Istanbul's finances failed to reveal the supposedly "high investments" that her husband had offered as the reasons for awarding Air Miles to her. In fact, it was observed that the majority of her business is at another institution. The totality of her dealings with BMO amounted to nominal balance joint accounts and zero balance credit facilities and an RRSP, with no investments (i.e. no substantial holdings). A $30K cheque processed to the joint account recently was for an outside investment in a spousal RSP the Applicant made for his wife. We also see payments for VW Credit Canada for his car loan, and pre-authorized monthly investments with Scotia McLeod; and

- A detailed review of all Air Miles problem resolution awards, processed at Kennedy Park Plaza Branch, was conducted for the first five months of fiscal 2007. The Branch issued a total of 1620 Air Miles representing 162 conflict resolutions, of which 1230 Air Miles were awarded to Annie Istanbul, representing 123 conflict resolutions or 76% of all such awards.

[37] This memorandum also recommended that the matter be referred to the Toronto Police, and Mr. Crook testified that to his knowledge, the matter was referred to the Toronto Police.

[38] Also, Mr. Crook prepared a chart to accompany the memorandum, which set out the percentage of Air Miles that were distributed to Mrs. Istanbul from November 2006 to March 2007. The data in this chart revealed that Mrs. Istanbul received:

- 90.0% of Air Miles issued from BMO Branch 423 in November 2006;
- 88.9% of Air Miles issued from BMO Branch 423 in December 2006;
- 60.7% of Air Miles issued from BMO Branch 423 in January 2007;
- 68.5% of Air Miles issued from BMO Branch 423 in February 2007; and
- 81.3% of Air Miles issued from BMO Branch 423 in March 2007.

[39] Mr. Crook also explained that there were 14 other employees at the same branch as the Applicant who would be interacting with clients and have the opportunity to distribute Air Miles coupons; however, the statistics revealed an odd pattern, namely, that a large percentage of the Air Miles (75.9%) were going to one individual, the Applicant's wife.

[40] With respect to the monetary value of the Air Miles misappropriated by the Applicant, Mr. Crook explained that there is a cost to the Air Miles product that gets charged back to BMO; whenever Air Miles are awarded, they are charged out to BMO at around $0.27 cents per Air Mile. Therefore, 6,500 Air Miles would cost BMO $1,700.

[41] During cross-examination, counsel for the Applicant asked Mr. Crook some questions about the Applicant's performance at BMO. Mr. Crook explained that he only had peripheral knowledge of the Applicant's performance, as the Applicant did not report directly to him. Further, Mr. Crook explained that the investigation of the Applicant was limited to the Applicant's use of Air Miles coupons and not his performance as a financial planner.

[42] Counsel for the Applicant also asked Mr. Crook to speak to the letters of reference provided by two of the Applicant's clients and to the Applicant's performance rating given to him by his manager, Samuel Chan. With respect to the Applicant's performance rating, Mr. Crook noted that the document gave the Applicant an overall performance rating of "successfully meeting expectations".

[43] Further, during cross-examination, counsel for the Applicant questioned Mr. Crook about the data collected regarding the Air Miles points and the pattern that emerged in the data. Counsel for the Applicant pointed out that on some occasions other clients received more than one Air Miles coupon on a given day. Mr. Crook explained that the fact a client received more than one Air Miles coupon on a given day would not be out of the question; instead, what would be problematic would be a pattern of continual awarding of Air Miles coupons to the same client over a long period of time. Mr. Crook explained that the statistics established a pattern that was not favourable to the Applicant and his wife.

F. Submissions

[44] Both counsel for the Applicant and counsel for Staff gave written and oral submissions.

(i) The Applicant

[45] Counsel for the Applicant submitted that the transfer of the Applicant's registration as a mutual funds salesperson should be granted because, pursuant to subsection 26(1) of the Act, the Applicant fulfills the suitability requirement and the transfer of his registration would not be objectionable. According to counsel for the Applicant, the events which led to the termination of the Applicant's employment do not warrant the refusal of the transfer of the Applicant's registration as a mutual funds salesperson to another employer.

[46] With respect to suitability, counsel for the Applicant submitted that the Applicant has been registered as a mutual funds salesperson since June 30, 1991, and there has never been a client complaint against him. Further, the Applicant is suitable for registration because his performance reviews in his capacity as a financial planner at BMO have consistently been above average, and the issue relating to the misappropriation of Air Miles coupons is not directly related to the Applicant's work as a financial planner and is not related to the capital markets. While counsel for the Applicant admitted that there was inappropriate

dealing on behalf of the Applicant at his last place of employment, this conduct was not related to transactions in the markets. The Applicant takes the position that no evidence was submitted to the Commission that indicates that he is a person who cannot be trusted in dealing in the capital markets. In addition, the Applicant conduct relating to the misappropriation of Air Miles did not relate to or affect his clients.

[47] With respect to the Applicant's registration being objectionable, counsel for the Applicant submitted that BMO (or any other third party) never objected to the Applicant's registration. This is evident from a letter written by Betty Davis, Manager, Registration Department of BMO Investments Inc., dated May 3, 2007, which states:

> Mr. Istanbul has been terminated from Bank of Montreal. This matter has not been reported to any regulatory agency. The completion of the investigation by Corporate Security reported that the matter may be passed over to the law enforcement agency for possible criminal charges.

[48] According to counsel for the Applicant, the fact that the Applicant acted inappropriately with respect to issuing Air Miles to himself and his spouse is not in itself objectionable. While there has been inappropriate handling of property of the former employer, this is a matter to be dealt with in the employment context by the employer, and the employer did terminate the Applicant. The Applicant takes the position that to revoke registration of the Applicant has a much more significant effect; it takes away the Applicant's livelihood. In the view of the Applicant, one can have issues with his employer, and these issues could be of a criminal or quasi-criminal nature, but they may not relate to the registrant's ability to deal in the capital markets.

[49] Counsel for the Applicant also pointed out that since April 18, 2007, the Applicant has been unemployed since his registration as a mutual funds salesperson was suspended. This suspension is automatic pursuant to subsection 25(2) of the Act. It was submitted by counsel for the Applicant that this Panel take into consideration this suspension and the fact that the Applicant has not been able to earn a livelihood when determining an appropriate course of action in this matter.

(ii) Staff

[50] Staff submitted that section 26 of the Act governs the analysis in this matter. According to Staff, the question for the Panel to determine is whether the Applicant is suitable for registration, or whether his registration is objectionable.

[51] Staff pointed out that the term "suitable" is not defined in the legislation; however, in the recent Commission decision *Re Michalik*, the Commission established that there are three components to suitability, namely, integrity, competency and financial solvency. According to Staff, this matter relates solely to the Applicant's integrity.

[52] Staff take the position that the Applicant lacks the requisite integrity for registration for two main reasons: (1) the nature of his wrongful conduct, including evidence that reveals the Applicant improperly issued Air Miles, which is a misappropriation of BMO's property; and (2) the Applicant failed to provide full, plain and truthful disclosure to Staff regarding his conduct.

[53] With respect to the Applicant's improper conduct, Staff pointed out that the Applicant used the Air Miles coupons for a purpose for which they were not intended. Further, the conduct of the Applicant was not a one-time incident, rather the conduct was repeated, deliberate and prolonged over a period of time from 2002 to 2007.

[54] Staff also emphasized that the Applicant provided the following inaccurate and false information to the Commission:

- The Applicant claimed his wife merited the Air Miles because she had substantial investments,; however, no proof of these substantial investments was adduced. The evidence reveals that her holdings are joint accounts with her husband and do not have substantial balances; and

- The Applicant rationalized that his behaviour regarding the misappropriation of Air Miles coupons was acceptable because the Air Miles coupons were not locked up and anyone could have access to them and use them inappropriately, however, the investigation at BMO revealed that no other employees were abusing the Air Miles coupons.

[55] Accordingly, it is Staff's position that the Applicant does not possess the requisite level of integrity to be a registrant. Staff submitted that registration is a privilege and not a right. Further, registrants are put in a position of trust, and the Applicant's conduct with respect to the misappropriation of Air Miles demonstrates that the Applicant is not trustworthy. As a result, Staff request that the Applicant's request to transfer his registration be refused.

G. Analysis

(i) Registration Under the Act

(1) The Purpose of the Registration Regime

[56] As established by section 1.1 of the Act, the purpose of the 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. Moreover, the Commission explained in *Re Michalik*, *supra* that "[when] exercising its discretion to review the decision of a Director, the Commission is required to act in the public interest with due regard to its mandate/purpose under the Act, set out in section 1.1 of the Act" (at para. 44).

[57] As set out in paragraph (iii) of subsection 2.1(1) of the Act, one of the primary means for achieving the purposes of the Act is the requirement "for the maintenance of high standards of fitness and business conduct to ensure honest and responsible conduct by market participants". Maintaining high standards of fitness and business conduct for registrants is important because registrants are in a position where they may potentially harm the public, thus the conduct of registrants is a matter of public interest.

[58] As part of the Commission's public interest mandate, it is the role of the Commission:

> to protect the public interest by removing from the capital markets -- wholly or partially, permanently or temporarily, as the circumstances may warrant -- those whose conduct in the past leads us to conclude that their conduct in the future may well be detrimental to the integrity of those capital markets. We are not here to punish past conduct; that is the role of the courts, particularly under section 118 of the Act. We are here to restrain, as best we can, future conduct that is likely to be prejudicial to the public interest in having capital markets that are both fair and efficient. In so doing we must, of necessity, look to past conduct as a guide to what we believe a person's future conduct might reasonably be expected to be; we are not prescient, after all. (*Re Mithras Management Ltd.*, (1990), 13 O.S.C.B. 1600 at 1610 and 1611)

(2) The Statutory Framework

[59] Paragraph (a) of subsection 25(1) of the Act creates a requirement for salespersons of securities (such as mutual funds) to be registered:

> **25.** (1) No person or company shall,
>
> (a) trade in a security or act as an underwriter unless the person or company is registered as a dealer, or is registered as a salesperson or as a partner or as an officer of a registered dealer and is acting on behalf of the dealer; or
>
> […]
>
> and the registration has been made in accordance with Ontario securities law and the person or company has received written notice of the registration from the Director and, where the registration is subject to terms and conditions, the person or company complies with such terms and conditions. R.S.O. 1990, c. S.5, s. 25 (1); 1994, c. 11, s. 359; 1999, c. 9, s. 199.

[60] Registration is a privilege that is granted to individuals and entities that have demonstrated their suitability. The case law confirms that no person has a right to be registered (*Re Kippax* (2003), 26 O.S.C.B. 8205 at para. 2). The Commission emphasized this principle in *Re Trend Capital Services Inc.*:

> The regime of securities regulation established by the Act and the Regulations, and discussed in decisions of the Commission and the Courts makes it clear that obtaining registration entitling persons to deal with the public is a privilege and not a right and that this must constantly be borne in mind. (*Re Trend Capital Services Inc.* (1992), 15 O.S.C.B. 1711 at pp. 1764 and 1765)

[61] Since registration is a privilege, the Act contemplates that when the employment of a registrant is terminated, registration is suspended until reinstatement of the registration has been approved by the Director. This is provided for in subsection 25(2) of the Act, which reads as follows:

> (2) The *termination of the employment* of a salesperson with a registered dealer shall *operate as a suspension of the registration* of the salesperson until notice in writing has been received by the

> Director from another registered dealer of the employment of the salesperson by the other registered dealer and the reinstatement of the registration has been approved by the Director. [Emphasis Added]

[62] Therefore, the effect of the Applicant being terminated from his position at BMO is a suspension of his registration as a mutual funds salesperson.

[63] Section 26 of the Act specifies the test that must be applied when determining whether to grant registration. Section 26 of the Act states:

> Granting of registration
>
> **26.** (1) Unless it appears to the Director that the applicant is not suitable for registration, renewal of registration or reinstatement of registration or that the proposed registration, renewal of registration, reinstatement of registration or amendment to registration is objectionable, the Director shall grant registration, renewal of registration, reinstatement of registration or amendment to registration to an applicant.
>
> Terms and conditions
>
> (2) The Director may in his or her discretion restrict a registration by imposing terms and conditions thereon and, without limiting the generality of the foregoing, may restrict the duration of a registration and may restrict the registration to trades in certain securities or a certain class of securities.
>
> Refusal
>
> (3) The Director shall not refuse to grant, renew, reinstate or amend registration or impose terms and conditions thereon without giving the applicant an opportunity to be heard.

[64] According to subsection 26(1) of the Act, registration will be granted unless the applicant is not suitable for registration or the registration is objectionable. In this case, Staff takes the position that the Applicant is not suitable for registration.

(3) Suitability and Integrity

[65] Suitability is not defined in the Act; however, the case law has established that there are three criteria for determining suitability for registration: integrity, proficiency and financial solvency (see *Re Goldman Sachs Asset Management L.P.* (2006), 29 O.S.C.B. 4349 at para. 6; and *Re Hansberger Global Investors Inc.* (2005), 28 O.S.C.B. 6899 at para. 6). In this case, Staff takes the position that the Applicant does not satisfy the criterion of integrity, and is therefore not suitable for registration.

[66] Integrity is not defined in the Act. Staff relied on *Re Wall* (2007), 30 O.S.C.B. 7521, a decision of a Director of the Commission which addresses the issue of integrity. This decision explains that:

> OSC staff look at the honesty and the character of the applicant when analyzing integrity. In particular, staff examines the applicant's dealings with clients, compliance with Ontario securities law and other applicable laws and the use of prudent business practices. (*Re Wall*, *supra* at para. 23)

[67] We accept that conduct related to registrants' activities in matters not related to securities laws may be relevant because it may indicate compromised integrity, particularly where there is a connection between the conduct and the registrant's role and/or position as a securities industry professional.

[68] In our view, an assessment of integrity should also be guided by the criteria set out in paragraph 2.1(1)(iii) of the Act. This provision states that an important principle that the Commission shall consider in pursuing the purposes of the Act is "the maintenance of *high standards of fitness and business conduct* to ensure *honest and responsible conduct* by market participants" [Emphasis added].

(4) Application of Registration Criteria to the Applicant

[69] In order to determine whether the Applicant possesses the required integrity we must consider the principles stated above.

[70] We acknowledge that the conduct of the Applicant did not affect his clients, and it is not alleged that he breached Ontario securities law. Specifically, it is clear that no clients were harmed by his conduct with respect to the misappropriation of Air Miles. We also acknowledge that in his role as a mutual funds salesperson, the Applicant received favourable performance reviews and there was no evidence of any client problems or complaints.

[71] What is at issue is whether the Applicant's breach of trust and dishonesty demonstrates a standard of business conduct that is below the level required of a securities industry professional.

[72] This is not the case of an isolated inappropriate act. The evidence shows that: (1) the Applicant misappropriated property of his employer (the Air Miles coupons) from 2002 to 2007; (2) the Applicant only returned 2,400 Air Miles to BMO; (3) the remaining 4,100 Air Miles were already used and the Applicant did not reimburse BMO for these Air Miles. We also find that the Applicant was not always honest and cooperative in his disclosure to BMO. For example, the Applicant claimed that all other BMO employees were using the Air Miles coupons in the same fashion, and that his wife had substantial holdings with BMO; however, the evidence presented did not support this. Further, the Applicant stated that he treated all his clients similarly and distributed the Air Miles coupons to all clients that merited them. However, the evidence showed that the Applicant only issued Air Miles coupons on a regular and repeated basis to his wife.

[73] There is also a self-dealing aspect to the Applicant's conduct. By improperly issuing Air Miles to his wife, the Applicant engaged in conduct that benefited not only his spouse but also himself. Further we note that during the period from 2002 to 2007 the Applicant also issued Air Miles directly to himself. The Applicant justified the issuance of Air Miles coupons to his wife on the basis that she had significant holdings with the bank; however, four out of the five accounts in question were held jointly by the Applicant and his wife. Thus, the Applicant as a joint holder of four of the accounts knowingly benefited. This aspect of his conduct is troubling to us because registrants should be able to identify and avoid conflicts of interest that result from a non-arm's length relationship.

[74] We find there is a connection between the conduct of the Applicant and the position that he held with BMO. It was as a registrant employed by BMO that he was given access to the Air Miles coupons to use at his discretion with clients. He abused this trust and misappropriated Air Miles for his own and his wife's benefit.

[75] We also have concerns regarding the Applicant's truthfulness in his disclosure and cooperation with Staff. While inadvertent non-disclosure of information to Staff may not, in and of itself, warrant a denial of registration, it is not acceptable for a registrant who was terminated for cause by his employer to not provide Staff with accurate information regarding the circumstances surrounding his termination.

[76] Having found that the Applicant has demonstrated a standard of business conduct below that required of a securities industry professional, we must now assess the proper action to take in this matter. The question before us is, does the conduct of the Applicant give us concern that his future conduct will be detrimental to the integrity of the capital markets?

[77] The case law establishes that we are not here to punish, but to protect the public interest by removing from the capital markets those whose conduct in the future may well be detrimental to the integrity of the capital markets (see *Re Mithras Management Ltd.*, *supra* at 1610 and 1611).

[78] While, terms and conditions may be imposed on a registrant to address specific circumstances, Staff submitted that in this case it would be inappropriate. To support this position, Staff relied on *Re Jaynes* (2000), 23 O.S.C.B. 1543 at 1548, which states:

> While terms and conditions restricting registration may be appropriate in a wide variety of circumstances, they should not be used to "shore up" a fundamentally objectionable registration. To do so would be to create the very real risk that a client's interests cannot be effectively served due to the severity and extent of the restrictions imposed.

[79] The Applicant did not ask that terms and conditions be attached to his registration, and in any event, it is our view that it would not be appropriate in this case.

[80] Taking all of the Applicant's conduct into consideration, we find the Applicant lacks the trustworthiness and integrity required of a registrant. We, therefore, find the Applicant is not suitable for registration.

H. Conclusion

[81] For the reasons stated above, it is hereby ordered that the Applicant's request for transfer of his registration as a mutual funds salesperson be denied.

Dated at Toronto on this 27th day of March, 2008

"Wendell S. Wigle"

"Carol S. Perry"

3.1.2 Jose Castaneda

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

AND

JOSE CASTANEDA

SETTLEMENT AGREEMENT BETWEEN
JOSE CASTANEDA AND
STAFF OF THE ONTARIO SECURITIES COMMISSION

I. INTRODUCTION

1. By Notice of Hearing dated March 27, 2008, the Ontario Securities Commission (the "Commission") announced that it proposed to hold a hearing to consider whether, pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5 (the "*Act*"), it is in the public interest for the Commission to make an order approving the settlement agreement entered into between Staff of the Commission and the Respondent Jose Castaneda.

II. JOINT SETTLEMENT RECOMMENDATION

2. Staff of the Commission ("Staff") recommend settlement with Jose Castaneda (referred to hereafter as the "Respondent") in accordance with the terms and conditions set out below. The Respondent agrees to the settlement on the basis of the facts set out in Part IV herein and consents to the making of an Order in the form attached as Schedule "A" on the basis of the facts set out in Part IV herein.

3. The terms of this settlement agreement, including the attached Schedule "A" (collectively, the "Settlement Agreement"), will be released to the public only if and when the Settlement Agreement is approved by the Commission.

III. ACKNOWLEDGEMENT

4. Staff and the Respondent agree, solely for the purposes of this Settlement Agreement and any order of the Commission contemplated hereby, with the facts and conclusions set out in Part IV of this Settlement Agreement. Staff and the Respondent agree that this Settlement Agreement is without prejudice to the Respondent in any past, present or future civil proceeding which may be brought by any person. Nothing in this Settlement Agreement is intended to be an admission of civil liability by the Respondent to any person or company; such liability is expressly denied.

IV. AGREED FACTS

(a) Background

5. The Respondent is an individual residing in Ontario and is not currently registered with the Ontario Securities Commission ("Commission") in any capacity.

(b) Prior Cease Trade Order and Settlement Agreement

6. For approximately two years from September 1996 - September 1998, the Respondent was employed as a trader for Koman Investment Inc. During this time, the Respondent acted as an account executive for several clients, purchasing and selling speculative foreign exchange contracts with full discretionary authority.

7. The Respondent was never registered with the Commission to trade in these types of securities and several of his clients suffered significant trading losses.

8. As a result of a Staff investigation into the Respondent's unregistered trades, the Commission issued a temporary cease trade order on September 10, 1998 against the Respondent and others pursuant to clause 2 of subsection 127(1) of the *Act* (the "Cease Trade Order").

9. Staff of the Commission and the Respondent entered into a Settlement Agreement on May 31, 2000 (the May 2000 Settlement Agreement) whereby the Respondent acknowledged that he had traded without the appropriate registration and without an exemption from the registration requirements, contrary to section 25 of the *Act* and contrary to the public interest.

10. The May 2000 Settlement Agreement was approved by the Commission on June 7, 2000. On that date and pursuant to the agreed upon terms of the May 2000 Settlement Agreement, the Respondent was reprimanded by the Commission, prohibited from trading in any securities pursuant to clause 2 of subsection 127(1) of the *Act* for a period of five years, and agreed not to apply for registration in any capacity under the *Act* for a period of fifteen years.

11. The Cease Trade Order issued by the Commission on September 10, 1998 remained in effect until the Commission approved the May 2000 Settlement Agreement on June 7, 2000.

(c) Violation of the Cease Trade Order and May 2000 Settlement Agreement

12. Between 1999 and 2003, the Respondent continued to participate in the same type of unauthorized trading activity which resulted in the Cease Trade Order and the sanctions under the May 2000 Settlement Agreement.

13. During this time period, the Respondent entered into joint venture profit-sharing agreements with numerous individuals that authorized the Respondent to engage in "speculative short term trading of currency forward or spot contracts" at his absolute discretion. The Respondent improperly traded in both foreign currencies and commodity futures for his clients as set out in greater detail below. All amounts are in Canadian dollars unless otherwise indicated.

14. The Respondent did not inform any of these individuals that the Commission had issued the Cease Trade Order or that he had entered into the May 2000 Settlement Agreement with the Commission.

(d) Joint Venture Agreement with John M.

15. Sometime in the fall of 1999, the Respondent met John M. ("John") at John's office. The Respondent informed John that he was engaged in the business of foreign currency trading. The Respondent represented to John that any monies invested with him would be pooled with other investors in an investment fund or "club" for trading purposes.

16. Shortly after their initial meeting, John entered into a joint venture profit-sharing agreement with the Respondent and began investing money with him. Over a period of roughly 18 months, John invested approximately $200,000 with the Respondent. In early 2001, at John's request, the Respondent returned the entirety of his funds plus some profits at John's request.

(e) Joint Venture Agreement with Paul M. and Clara M.

17. The Respondent entered into a supposed joint venture profit-sharing agreement with Paul M. and Clara M. ("Paul and Clara") on February 11, 2000. The stated investment objective of the agreement was to make "substantial gains in the long term through speculative 'short term' trading of currency forward or spot contract". The agreement granted the Respondent full discretionary authority over any funds provided.

18. Prior to entering the Agreement, the Respondent told Paul and Clara that he was doing a lot of foreign trading for numerous investors.

19. Between February 11, 2000 and July 2, 2002, Paul and Clara gave the Respondent $900,000 in Canadian funds to invest pursuant to the joint venture agreement. During this time period, the Respondent actively traded in foreign currencies and commodity futures over the Internet, primarily through the services of Peregrine Financial Group.

20. Although he never provided them with any account statements, the Respondent consistently informed Paul and Clara that he was making money for them through currency trading and was reinvesting their profits. By March of 2003, the Respondent reported to Paul and Clara that their initial investment had grown substantially.

21. In the summer of 2003, the Respondent informed Paul and Clara that all of their money was gone. Paul and Clara lost the entire amount invested with the Respondent.

(f) Joint Venture Agreement with Andrew M.

22. Andrew M. ("Andrew") was introduced to the Respondent through John, his brother. Andrew met with the Respondent in November, 2000. At that meeting, The Respondent represented to Andrew that he managed an investment group involved in currency trading. Andrew entered into a supposed joint venture profit-sharing agreement with the Respondent. Andrew gave the Respondent $50,000 for trading purposes, pursuant to the profit-sharing agreement.

23. In May, 2003, the Respondent informed Andrew that all of his money had been lost in trading on the spot currency market and that he would not receive any return on his investment.

V. VIOLATIONS OF THE ACT AND CONDUCT CONTRARY TO THE PUBLIC INTEREST

24. The Respondent's conduct constituted trading in securities without being registered as required by subsection 25(1) of the *Act*, contrary to paragraph 122(1)(c) of the *Act*.

25. The Respondent's conduct constituted trading in securities while he was prohibited from trading by order of the Ontario Securities Commission, contrary to paragraph 122(1)(c) of the *Act*.

26. The Respondent's conduct was contrary to the public interest.

VI. MITIGATING FACTORS

27. The Respondent cooperated with Staff's investigation.

28. For the conduct set out above, Staff brought proceedings against the Respondent in front of the Ontario Court of Justice pursuant to paragraph 122(1)(c) of the *Act* for trading in securities while prohibited from doing so in and trading in securities without being registered to do so. The Respondent pled guilty to both charges and on January 18, 2008 was sentenced by Justice Fairgrieve to a term of imprisonment of six months on each charge to be served concurrently.

29. The Respondent also pled guilty to one count of fraud over $5000 pursuant to subsection 380(1) of the *Criminal Code (Canada)* R.S.C. 1985, c. C-46 (the "*Criminal Code*")related to his conduct set out herein. On January 18, 2008, the Respondent was sentenced by Justice Fairgrieve to a term of imprisonment of two years less one day to be served concurrently with his sentence of six months for violations of the *Act*.

30. In addition, Justice Fairgrieve ordered the Respondent to make restitution in the amount of $798,500 to Paul and Clara and in the amount of $50,000 to Andrew pursuant to paragraph 738(1)(a) of the *Criminal Code*. The Respondent had previously made partial restitution to Paul and Clara in the amount of $1,500.

VII. TERMS OF SETTLEMENT

31. The Respondent agrees to the following terms of settlement, to be set out in an order by the Commission as follows:

(a) pursuant to paragraph 1 of subsection 127(1) of the *Act*, that the Respondent be permanently restricted from registering in any capacity under Ontario securities law;

(b) pursuant to paragraph 2 of section 127(1) of the *Act*, that the Respondent be permanently prohibited from trading in securities;

(c) pursuant to paragraph 2.1 of section 127(1) of the *Act*, that the Respondent be permanently prohibited from acquiring any securities;

(d) pursuant to paragraph 3 of subsection 127(1) of the *Act*, that any exemptions contained in Ontario securities law do not apply to the Respondent permanently; and

(e) pursuant to paragraph 8 of subsection 127(1) of the *Act*, that the Respondent be permanently prohibited from becoming an officer or director of any issuer.

VIII. STAFF COMMITMENT

32. If this Settlement Agreement is approved by the Commission, Staff will not initiate any proceeding under Ontario securities law in respect of any conduct or alleged conduct of the Respondent in relation to the facts set out in Part IV of this Settlement Agreement, subject to the provisions of paragraph 36 below.

IX. PROCEDURE FOR APPROVAL OF SETTLEMENT

33. Approval of this Settlement Agreement shall be sought at a hearing of the Commission on a date agreed to by Staff and the Respondent.

34. Staff and the Respondent may refer to any part, or all, of the Settlement Agreement at the Settlement Hearing. Staff and the Respondent also agree that if this Settlement Agreement is approved by the Commission, it will constitute the entirety of the evidence to be submitted respecting the Respondent in this matter, and the Respondent agrees to waive his rights to a full hearing, judicial review or appeal of the matter under the *Act*.

35. Staff and the Respondent agree that if this Settlement Agreement is approved by the Commission, neither Staff nor the Respondent will make any public statement inconsistent with this Settlement Agreement.

36. If this Settlement Agreement is approved by the Commission and, at any subsequent time, the Respondent fails to honour any of the Terms of Settlement set out in Part VII herein, Staff reserve the right to bring proceedings under Ontario securities law against the Respondent based on, but not limited to, the facts set out in Part IV of the Settlement Agreement, as well as the breach of the Settlement Agreement.

37. If, for any reason whatsoever, this Settlement Agreement is not approved by the Commission or an Order in the form attached as Schedule "A" is not made by the Commission, each of Staff and the Respondent will be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing of the allegations in the Notice of Hearing and Statement of Allegations, unaffected by this Settlement Agreement or the settlement negotiations.

38. Whether or not this Settlement Agreement is approved by the Commission, the Respondent agrees that he will not, in any proceeding, refer to or rely upon this Settlement Agreement or the negotiation or process of approval of this Settlement Agreement as the basis for any allegation against the Commission of lack of jurisdiction, bias, appearance of bias, unfairness, or any other remedy or challenge that may otherwise be available.

X. DISCLOSURE OF AGREEMENT

39. The terms of this Settlement Agreement will be treated as confidential by all parties hereto until approved by the Commission, and forever if, for any reason whatsoever, this Settlement Agreement is not approved by the Commission, except with the written consent of both the Respondent and Staff or as may be required by law.

40. Any obligations of confidentiality shall terminate upon approval of this Settlement Agreement by the Commission.

XI. EXECUTION OF SETTLEMENT AGREEMENT

41. This Settlement Agreement may be signed in one or more counterparts which together shall constitute a binding agreement.

42. A facsimile copy of any signature shall be effective as an original signature.

Dated this 27th day of March, 2008

"Paul DeSouza"
Witness

"Jose Castaneda"
Jose Castaneda

Dated this 27th day of March, 2008

STAFF OF THE ONTARIO SECURITIES COMMISSION

"Michael Watson"
Michael Watson
Director, Enforcement Branch

Schedule "A"

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

AND

JOSE CASTANEDA

ORDER

WHEREAS on June 20, 2005 the Commission issued a Notice of Hearing pursuant to section 127 of the *Securities Act* (the "Act") in respect of the actions of Jose Castaneda ("Castaneda");

AND WHEREAS on June 20, 2005 Staff of the Commission ("Staff") filed a Statement of Allegations;

AND WHEREAS on December 19, 2005 Staff filed an Amended Statement of Allegations;

AND WHEREAS on March 27, 2008, Castaneda entered into a settlement agreement dated March 27, 2008 (the "Settlement Agreement") in relation to the matters set out in the Amended Statement of Allegations;

AND WHEREAS on March 27, 2008 the Commission issued a Notice of Hearing setting out that it proposed to consider the Settlement Agreement;

UPON reviewing the Settlement Agreement, the Notice of Hearing, the Amended Statement of Allegations, and upon considering submissions from Castaneda and from Staff;

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

IT IS HEREBY ORDERED, PURSUANT TO SECTIONS 127 AND 127.1 OF THE ACT, THAT:

1. the Settlement Agreement dated March 27, 2008 between Staff of the Commission and Castaneda is approved;

2. pursuant to paragraph 1 of subsection 127(1), Castaneda is permanently restricted from registering under Ontario securities law;

3. pursuant to paragraph 2 of subsection 127(1), Castaneda is permanently prohibited from trading in securities;

4. pursuant to paragraph 2.1 of subsection 127(1), Castaneda is permanently prohibited from acquiring any securities;

5. pursuant to paragraph 3 of subsection 127(1), any exemptions contained in Ontario securities law do not apply to Jose Castaneda permanently; and

6. pursuant to paragraph 8 of subsection 127(1), Castaneda is permanently prohibited from becoming an officer or director of any issuer

Dated at Toronto, Ontario this 27th day of March, 2008

Wendell S. Wigle, Q.C. David L. Knight, F.C.A.

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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

**** NO UPDATES THIS WEEK APRIL 2 2008**

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
Bennett Environmental Inc.	01 Apr 08	14 Apr 08			
Atlantis Systems Corp.	01 Apr 08	14 Apr 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		
Peace Arch Entertainment Group Inc.	13 Dec 07	24 Dec 07	24 Dec 07		
SunOpta Inc.	20 Feb 08	04 Mar 08	04 Mar 08		

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Chapter 5

Rules and Policies

5.1.1 Notice of OSC Rule 24-502 – Exemption from Transitional Rule: Extension of Transitional Phase-In Period in NI 24-101

NOTICE OF
ONTARIO SECURITIES COMMISSION RULE 24-502
EXEMPTION FROM TRANSITIONAL RULE:
EXTENSION OF TRANSITIONAL PHASE-IN PERIOD IN
NATIONAL INSTRUMENT 24-101 — *INSTITUTIONAL TRADE MATCHING AND SETTLEMENT*

A. INTRODUCTION

On March 25, 2008, the Ontario Securities Commission (OSC or Commission) made OSC Rule 24-502 *Exemption from Transitional Rule: Extension of Transitional Phase-In Period in National Instrument 24-101 - Institutional Trade Matching and Settlement* (the Rule) under the *Securities Act* (Ontario) (the Act). The Rule was not published for comment because, in the Commission's view, the Rule effectively grants an exemption or removes a restriction in National Instrument 24-101 - *Institutional Trade Matching and Settlement* (NI 24-101 or the Instrument) and is not likely to have a substantial effect on the interests of persons or companies other than those who benefit under it (see clause 143.2(5)(b) of the Act).

The Commission understands that the securities regulatory authorities in other jurisdictions of the Canadian Securities Administrators (CSA) have granted, or are expected to grant in due course, blanket orders to address the subject matter of the Rule.

B. DELIVERY OF RULE TO MINISTER

Under subsection 143.3 of the Act, the Rule was delivered to the Minister of Finance on April 1, 2008. Unless the Minister rejects the Rule or returns it to the Commission for further consideration, it will come into force on June 30, 2008.

C. BACKGROUND TO AND PURPOSE OF RULE

The background to, and purpose of, the Rule are described in greater detail in CSA Notice 24-307—*Exemption from Transitional Rule: Extension of Transitional Phase-in Period in National Instrument 24-101* (CSA Notice) published concurrently with this OSC notice and rule.[1]

In particular, we believe that the market efficiency gains and cost benefits of moving to matching on T that were originally intended with NI 24-101 will be negatively impacted if the transitional phase-in period is not extended, as many market participants are not ready for such a move. The decision to move to matching by midnight on T should, for the time being, largely remain a business-driven decision. Consequently, we are deferring the current July 1, 2008 effective date in the Instrument for the midnight on T matching requirement to July 1, 2010. We are also extending the transitional phase-in period in the Instrument for the registrant exception reporting requirement (the phase-in reporting period) by an additional period of 24 months.

In making the Rule, the Commission relied in part on a letter from the Canadian Capital Markets Association (CCMA) dated November 8, 2007 and a presentation by the CCMA on December 13, 2007. OSC staff also consulted with the CSA-Industry Working Group on the issues raised by the CCMA, as described in the CSA Notice. In addition, the Rule has been adopted in part because the Commission acknowledges that granting relief from NI 24-101's transitional provisions on a case-by-case basis would be impractical. The Commission also understands that the other CSA jurisdictions have granted, or are expected to grant, relief through blanket orders. Accordingly, the Commission has adopted the Rule as an Ontario-only amendment to NI 24-101.

D. SUMMARY OF RULE

The Rule specifically amends subsections (1), (2) and (3) of section 10.2 of NI 24-101. The amendments defer the midnight on T matching requirement to July 1, 2010, extend the phase-in reporting period to January 1, 2012, and make consequential amendments to the percentages and dates for exception reporting purposes. The Rule also makes minor changes to Form 24-101F1.

[1] See Chapter 1 of this Bulletin.

As a result of the Rule, the coming-into-force and transitional provisions for the midnight on T matching and exception reporting requirements of the Instrument are as follows:

For DAP/RAP trades executed:	Matching deadline for trades executed anytime on T (Part 3 of Instrument)	Percentage trigger of DAP/RAP trades for registrant exception reporting (Part 4 of Instrument)
after September 30, 2007 but before January 1, 2008	12:00 p.m. (noon) on T+1	Less than 80% matched by deadline
after December 31, 2007 but before July 1, 2010	12:00 p.m. (noon) on T+1	Less than 90% matched by deadline
after June 30, 2010 but before January 1, 2011	11:59 p.m. on T	Less than 70% matched by deadline
after December 31, 2010 but before July 1, 2011	11:59 p.m. on T	Less than 80% matched by deadline
after June 30, 2011 but before January 1, 2012	11:59 p.m. on T	Less than 90% matched by deadline
after December 31, 2011	11:59 p.m. on T	Less than 95% matched by deadline

E. AUTHORITY FOR RULE

The Commission has authority to make the Rule pursuant to paragraphs 2(i), 11 and 12 of subsection 143(1) of the Act.

- Paragraph 11 of subsection 143(1) of the Act allows the Commission to make rules *regulating* the listing *or trading of publicly traded securities*, including requiring reporting of trades and quotations.
- Paragraph 2(i) of subsection 143(1) of the Act allows the Commission to make rules in respect to *standards of practice and business conduct of registrants in dealing with their customers and clients and prospective customers and clients*.
- Paragraph 12 of subsection 143(1) of the Act allows the Commission to make rules regulating recognized stock exchanges, recognized self-regulatory organizations, recognized quotation and trade reporting systems, and recognized clearing agencies.

In addition, clause 143.2(5)(b) of the Act permits the Commission to make the Rule without publishing the Rule for comment.

F. QUESTIONS

Please refer any of your questions to:

Maxime Paré
Senior Legal Counsel,
Market Regulation
Ontario Securities Commission
(416) 593-3650
mpare@osc.gov.on.ca

Emily Sutlic
Legal Counsel,
Market Regulation
Ontario Securities Commission
(416) 593-2362
esutlic@osc.gov.on.ca

G. TEXT OF THE RULE

The text of the Rule follows.

April 4, 2008

ONTARIO SECURITIES COMMISSION RULE 24-502
EXEMPTION FROM TRANSITIONAL RULE:
EXTENSION OF TRANSITIONAL PHASE-IN PERIOD IN
NATIONAL INSTRUMENT 24-101 — *INSTITUTIONAL TRADE MATCHING AND SETTLEMENT*

Interpretation

1.1 Terms defined in National Instrument 24-101 *Institutional Trade Matching and Settlement* (NI 24-101) and used in this rule have the same meaning as in NI 24-101.

Exemption from existing transition rule, extension of phase-in period

1.2 (1) Subsections 10.2 (1), (2) and (3) of NI 24-101 do not apply in Ontario.

(2) A reference to "the end of T" in subsections 3.1(1) and 3.3(1) of NI 24-101 shall each be read as a reference to "12:00 p.m. (noon) on T+1" for trades executed before July 1, 2010.

(3) A reference to "the end of T+1" in subsections 3.1(2) and 3.3(2) of NI 24-101 shall each be read as a reference to "12:00 p.m. (noon) on T+2" for trades executed before July 1, 2010.

(4) A reference to "95 percent" in sections 4.1(a) and (b) of NI 24-101 shall each be read as a reference to:

(a) "80 percent", for trades executed after September 30, 2007, but before January 1, 2008;

(b) "90 percent", for trades executed after December 31, 2007, but before July 1, 2010;

(c) "70 percent", for trades executed after June 30, 2010, but before January 1, 2011;

(d) "80 percent", for trades executed after December 31, 2010, but before July 1, 2011; and

(e) "90 percent", for trades executed after June 30, 2011, but before January 1, 2012.

Form 24-101F1–Revised

1.3 Form 24-101F1 is amended by striking out footnotes "*" and "**" and substituting the following:

* For DAP/RAP trades executed during a transitional period after the Instrument comes into force and before January 1, 2012, this percentage will vary depending on when the trade was executed. ** The time set out in Part 3 of the Instrument is 11:59 p.m. on, as the case may be, T or T+1. For DAP/RAP trades executed during a transitional period after the Instrument comes into force and before July 1, 2010, this timeline is being phased in and is 12:00 p.m. (noon) on, as the case may be, T+1 or T+2.

Effective Date

1.4 This rule comes into force on June 30, 2008.

Expiration

1.5 This rule expires on January 1, 2012.

Chapter 6

Request for Comments

6.1.1 OSC Notice 11-762 - Request for Comments Regarding Statement of Priorities for Fiscal Year Ending March 31, 2009

OSC NOTICE 11-762 - REQUEST FOR COMMENTS
REGARDING STATEMENT OF PRIORITIES
FOR FISCAL YEAR ENDING MARCH 31, 2009

The *Securities Act* requires the Commission to deliver to the Minister and publish in its Bulletin by June 30 of each year a statement of the Chairman setting out the proposed priorities of the Commission for its current fiscal year in connection with the administration of the Act, the regulations and rules, together with a summary of the reasons for the adoption of the priorities.

In an effort to obtain feedback and specific advice on our proposed objectives and initiatives, the Commission is publishing a draft Statement of Priorities which follows this Request for Comments. The Commission will consider the feedback, and make any necessary revisions prior to finalizing and publishing its 2008/2009 Statement of Priorities.

The Statement of Priorities, once approved by the Minister, will serve as the guide for the Commission's ongoing operations. At that time we will also publish a report on our progress against our 2007/2008 Priorities on our website.

Comments

Interested parties are invited to make written submissions by June 3, 2008 to:

Robert Day
Manager, Business Planning
Ontario Securities Commission
20 Queen Street West
Suite 1900, Box 55
Toronto, Ontario M5H 3S8
[416] 593-8179
rday@osc.gov.on.ca

April 4, 2008

ONTARIO SECURITIES COMMISSION
STATEMENT OF PRIORITIES
FOR
FISCAL 2008/2009

JUNE 2008

Introduction

The *Securities Act* requires the Ontario Securities Commission (OSC) to publish in its Bulletin and to deliver to the Minister by June 30 of each year a statement by the Chair setting out the proposed priorities for the Commission for the current financial year. The OSC remains committed to delivering its regulatory services in a businesslike manner and to working closely with its colleagues within the Canadian Securities Administrators (CSA) and with market participants to ensure that the regulatory system remains relevant to the changing marketplace.

Our Mandate

The OSC's mandate is set by statute:

To provide protection to investors from unfair, improper or fraudulent practices and to foster fair and efficient capital markets and confidence in capital markets.

Our Role

The OSC safeguards and strengthens the integrity and soundness of Ontario's securities markets for the benefit of domestic and international investors, issuers, intermediaries and other market participants. We operate in a flexible and accountable manner that is responsive to the dynamic securities markets we regulate. We strive to cooperate with other regulators in Canada and internationally.

Our Environment

The OSC faces multiple challenges as it works to achieve its mandate of protecting investors while fostering fair and efficient capital markets. These challenges include: working within a fragmented and cumbersome structure of provincial securities regulators as well as other financial service sector regulators; establishing clear and measurable enforcement priorities; increasing the level of engagement among investors to understand the risks they are exposed to; understanding the longer term impacts on the markets as they evolve; and encouraging a high standard of conduct by registrants and promoting attention to compliance programs among participants. These challenges persist and require our continued focus to ensure confidence in our markets.

Properly functioning capital markets that inspire a high degree of confidence among investors and market participants, both inside and outside Canada, make a significant contribution to Ontario's economic performance. The capital markets are an essential part of the engine for economic growth in Ontario, and we believe regulatory reform can benefit investors, business and the province as a whole. We recognize the need to intensify cooperation with our regulatory counterparts in the banking, pension and insurance sectors to ensure an integrated view of market impacts and investor protection. In addition, the OSC will continue to co-operate with other provincial, territorial and international regulators to foster a harmonized and modernized regulatory framework, although over the longer term we support efforts to move towards a more efficient and effective, unified securities regulatory structure.

Concerted efforts continue to be made to improve enforcement of securities regulation in Canada in terms of acting on recommendations from numerous studies, enhancing jurisdictional cooperation and seeking amendments to the criminal code and new investigative powers to name a few. There remains, however, a wide perception that securities enforcement processes are inadequate. More than ever, we recognize the challenge to establish clear enforcement priorities and the means to assess our performance against measurable targets to demonstrate that our system is effective and that investors can rely on the integrity of our markets.

Investors continue to be increasingly reliant on the capital markets for their retirement savings. As our markets become more competitive and investment products evolve both in number and complexity, our role in fostering confidence in the fairness and efficiency of the capital markets continues to increase. Some investors and market participants are actively engaged in understanding potential risks and returns available in the markets; others less so. Our challenge is to increase the level of engagement among investors and market participants so that risks are understood and investment decisions are informed thereby contributing to confidence in our markets.

Related to the challenge of encouraging investor engagement in the face of increasingly numerous and complex product types is the challenge of ensuring adequate and appropriate disclosure of information by issuers as well as oversight of the various distribution channels employed.

A challenge we face is to better understand evolution in the marketplace and to adopt regulatory approaches that address adverse impacts of change. For example, imperfect information flows, unintended consequences and uncompetitive practices can arise as markets evolve. These potentially adverse impacts need to be addressed without unduly impairing market efficiency through excessive regulation or costs of compliance. We want to protect the rights and interests of investors, while allowing market participants to take reasonable risks and compete effectively both at home and abroad. Technology and product innovation continue to spur competition in the Canadian and Ontario securities markets. Generally, heightened competition is desirable since it leads to increased efficiency in the marketplace and greater choice for investors as well as other market participants. However, competition can, if only temporarily, lead to imbalances in the markets as the implications and potential impacts of market changes are fully appreciated over time.
Potential strains arising due to recent adverse market conditions may distract market participants from focus on compliance requirements towards other business activities. We must encourage market participants to maintain vigilance in their compliance activities. A reduced focus on core compliance activities could lead to a weakening of investor protection and a greater incidence of non-compliance and even financial crime.

Governance and accountability remain continuing priorities of the OSC. We must ensure that the OSC conducts itself as an efficient, accountable and flexible organization as it serves investors, issuers of securities, intermediaries and other market participants. We will continue to maintain excellent internal controls and promote high staff morale.

Our Goals

The OSC's mandate is to provide protection to investors from unfair, improper or fraudulent practices and to foster fair and efficient capital markets and confidence in those markets. To meet this mandate, the Commission identified, in 2007, four strategic goals over the five year period ending in 2012. They are:

1. Identify the important issues and deal with them in a timely way;

2. Deliver fair, vigorous and timely enforcement and compliance programs;

3. Champion investor protection, especially for retail investors; and

4. Support and promote a more flexible, efficient and accountable organization.

The Statement of Priorities is an annual document required under the *Securities Act*. This year's Statement sets out the Commission's strategic goals along with specific initiatives for the 2008/09 fiscal year in support of each of those goals.

GOAL 1 – Identify the important issues and deal with them in a timely way.

Our goal is to deal with today's concerns, while anticipating tomorrow's challenges. We want to be a strategic leader in fulfilling our mandate to Ontario investors and the Ontario marketplace. We will:

- Consult and collaborate with investors, issuers, intermediaries, other industry participants and professionals;

- Identify trends and emerging issues, and develop solutions to address them in a risk-based framework;

- Work with the Government of Ontario, other securities regulators and market participants to strengthen the Canadian securities regulatory system. We will support efforts to move towards a common securities regulator. We will also continue to further harmonize, streamline and modernize securities laws and ease the regulatory burden on market participants;

- Continue to examine alternative securities regulatory approaches that provide a balanced regulatory approach and adopt best regulatory practices from other Canadian and international jurisdictions to support Ontario markets and investors. We will work to enhance the global competitiveness of our capital markets as well as foster co-operative relationships with other securities regulators;

- Use the full range of tools available to achieve our mandate, and assign priorities to all our work based on our strategic goals; and

- Ensure our priorities are communicated in a timely and effective manner.

Specifically we plan to:

- Work to strengthen the registration regime by harmonizing, streamlining and modernizing current registration requirements including:

  i) reviewing and responding to comments on NI 31-103 *National Registration System* and related instruments and preparing to implement the new registration regime;

  ii) developing interface policies to support passport for registration; and

  iiii) supporting the Ministry in finalizing legislative amendments that would, if approved, support the new registration regime;

- To improve accountability and enhance the integrity of financial reporting, implement the revised National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* to bring greater transparency to the state of internal control over financial reporting by reporting issuers other than TSX Venture issuers;

- Improve disclosure of executive compensation by amending National Instrument 51-102 *Continuous Disclosure Obligations;*

- Address evolving market developments by proposing amendments to the Alternative Trading System (ATS) rules (National Instrument 21-101 *Marketplace Operation* and National Instrument 23-101 *Trading Rules*);

- Complete an assessment of the policy and operating implications of adopting International Financial Reporting Standards (IFRS) as the basis for financial reporting by reporting issuers and propose changes to our rules as necessary to facilitate the transition;

- Publish final amendments to National Instrument 81-106 *Investment Fund Continuous Disclosure* to provide guidance on fair-value principles;

- Play a leading role with the CSA to review issues and develop a response to the ABCP/credit issues falling within the jurisdiction of securities regulators. The OSC's participation on the IOSCO Task Force on Credit Rating Agencies and the IOSCO Subprime Task Force complements and provides insight in support of the work undertaken by the CSA;

- Participate actively as an observer on the committee that will be appointed to review the *Securities Act*;

- Work with CSA jurisdictions and the SEC to develop a proposed framework for discussions on mutual recognition that would exempt Canadian exchanges and possibly dealers from registration in the US by complying with Canadian securities regulatory requirements;

- Support the government's work to modernize the *Commodity Futures Act*.

- Chair the IOSCO Task Force on Corporate Governance that is examining the protection of minority shareholders in listed issuers. The Task Force is surveying IOSCO members to compile information about rules and practices in other jurisdictions. A report of the findings will be published in 2008-2009;

- Complete a review of the regulation of non-conventional investment funds and begin to develop proposals for a framework for the regulation of all investment funds; specifically, we plan to begin by codifying frequently-granted relief given under National Instrument 81-102 *Mutual Funds;*

- Ensure OSC priorities are communicated in a timely and effective manner across all communications vehicles, including executive speeches, publications, media releases, website content and investor-related materials; and

- Continue to re-assess the effectiveness of National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* and propose amendments to the rule as appropriate;

GOAL 2 – Deliver fair, vigorous and timely enforcement and compliance programs.

Timely and appropriate compliance and enforcement are integral to fostering confidence in capital markets and preventing harm to investors. To address this, we will:

- Enhance our focus on compliance reviews of market participants to identify and prevent violations of Ontario securities law and ensure effective coordination among OSC branches in addressing improper market conduct;

- Identify gaps in the enforcement framework and co-operate with other regulators and agencies to find practical solutions;

- Improve the effectiveness of our enforcement work through reduced timelines for completing investigations and bringing regulatory proceedings forward;

- Provide leadership and assistance to improve collaboration among Canadian and *international regulatory* and criminal law enforcement agencies;

- Foster inter-jurisdictional co-operation to improve the coordination of investigative efforts, enforcement, and legal tools for enforcement; and

- Increase our transparency through timely and effective communications of enforcement actions where warranted.

Specifically we plan to:

- Continue to articulate and promote a coherent statement of compliance and enforcement priorities;

- Work to better identify those activities seen as posing greatest risk to our investors and their confidence in the capital markets and focus enforcement resources on those matters;

- Continue to increase use of coordinated inter-Branch compliance field reviews of market participants;

- Focus compliance efforts on new and high-risk market participants;

- Continue to enhance our risk-based approach to compliance oversight to make it more effective and efficient;

- Continue to improve the integration of our investigation and litigation processes;

- Assess all enforcement investigations at the outset and on an ongoing basis to determine whether seeking interim relief (such as a temporary cease trade order, freeze order, etc.) is in the public interest;

- Continue to increase the number of enforcement proceedings commenced within four months of the date of the recommendation to commence litigation, where there have not been settlement discussions, and increase the overall number of proceedings commenced;

- Expand our specialized multi-disciplinary unit dedicated to investigating fraudulent securities transactions such as illegal distributions and unregistered trading in securities in order to increase the effectiveness of the protection provided to investors against frauds and scams by increasing the number of investigations and early interventions. Give specific priority to illegal distributions and other scams which target seniors;

- Continue to work with the International Organization of Securities Commissions (IOSCO) and other international bodies to enhance global co-operation in enforcement matters;

- Develop a new approach to insider trading investigations, including tools aimed at allowing us to target “recidivist” insider traders who have organized their affairs to improperly use undisclosed material information;

- Implement further improvements to the electronic processing and storage of documentary evidence to permit more efficient and effective access by investigators and counsel and provide enhanced disclosure of documents by creating a document control unit for the processing and storage of electronic documentary evidence; and

- Work with the CSA Enforcement Committee in communicating enforcement and compliance initiatives through the redevelopment of the CSA Enforcement Report.

GOAL 3 – Champion investor protection, especially for retail investors.

The interests and needs of investors, particularly retail investors, will continue to be strongly reflected in all the OSC's operations. In addition to our enforcement activities, investor education and awareness and timely access to accurate information are important components of investor protection. We will:

- Continue to reflect investor interests in all that we do;
- Continue to support investor education initiatives;
- Continue to support and grow plain-language initiatives for investors to achieve better communications;
- Work with the self-regulatory organizations (SROs) to improve investor access to timely and affordable means of complaint handling and redress. This includes improving investor awareness of, and access to, existing mechanisms for resolution of complaints and restitution, such as those offered by the Ombudsman for Banking Services and Investments (OBSI);
- Work with the SROs and lead or support initiatives that recognize the importance of the adviser to the retail investor, and strengthen and improve the adviser/retail investor relationship;
- Communicate our commitment to investor protection and the importance of that commitment;
- Increase and enhance targeted outreach efforts to investors; and
- Increase the involvement of other industry groups, such as SROs, through their participation and information exchange.

Specifically we plan to:

- Work with the Joint Forum of Financial Market Regulators to publish a final framework for point-of-sale disclosure that would require clear, concise and plain-language product and sales fee disclosure for investors in mutual funds and segregated funds;
- Continue to work with the Joint Forum of Financial Market Regulators to enhance the effectiveness of the Financial Services OmbudsNetwork to improve resolution of customer complaints;
- Monitor compliance issues with the new investment funds long form prospectus 41-101 *General Prospectus Requirements*; adjust prospectus review procedures; and compile issues for possible one-year amendments;
- Develop proposals to modernize securities regulation of scholarship plans;
- Establish a standing committee with the SROs and OBSI to discuss and coordinate work on investor initiatives and engage retail investors in the regulatory process;
- Work with the CSA Investor Education Committee to produce brochures, web materials and other information for investors that is consistent, accurate and timely;
- Maximize the use of communications channels, including the web and partnerships with community organizations, to effectively reach targeted investor groups across Ontario;
- Implement a focussed 'Investor Assistance section' within the Inquiries & Contact Centre to continue to increase our responsiveness to retail investor needs; and
- Continue to explore opportunities for enabling investors to receive, compare and analyze financial information through eXtensible Business Reporting Language (XBRL).

GOAL 4 – Support and promote a more flexible, efficient and accountable organization.

The OSC's strength is its people. We will make the best use of all our resources, including people, technology, research and financial, to achieve timely and effective execution of all that we do. We expect OSC Commissioners and employees to maintain the highest standards of conduct and personal integrity and to deal openly and fairly with all of our stakeholders. We shall continue to constantly advance our business competence and effectiveness. We will:

- Continuously monitor and improve the efficiency and effectiveness of our operations;
- Be responsive and flexible as an organization and treat all stakeholders with respect and fairness;
- Identify skills requirements and ensure that we attract, retain and motivate staff who possess the required skills, and continue improving and enhancing our succession plans;
- Leverage information technology effectively to support our operations and optimize our electronic interface with our stakeholders;
- Secure the most appropriate resources and justify their acquisition through cost- benefit analyses and similar tools;
- Increase the knowledge management and risk analysis capabilities of the OSC;
- Supplement OSC staff resources with external resources where appropriate; and
- Identify those situations where greater reliance on other jurisdictions or organizations is appropriate.

Specifically we plan to:

- Develop and adopt an updated conflict of interest policy (Code of Conduct) that would appropriately strengthen the Commission's standards of ethics, integrity and accountability consistent with the new Public Service of Ontario Act.
  - i) Submit the policy to Conflict of Interest Commissioner for approval;
  - ii) Implement policies and procedures for oversight of the Code of Conduct, employee trading procedures and to manage staff complaints and issues;
- Implement improved internal knowledge-management initiatives across the OSC that will enable us to respond to issues and take decisions, that are consistent and reflect current technologies and practices;
- Enhance our service and operational efficiency by increasing and improving the self-service options provided through our website and telephone technology;
- Continue to improve the efficiency and effectiveness of our Inquiries & Contact Centre operations by streamlining the inquiries and complaints-handling processes and providing specialized assistance for people contacting the OSC; and
- Complete a redevelopment of the OSC website to better respond to the needs of our stakeholders and contribute positively to effectiveness, responsiveness, transparency and accountability.

2008/2009 Financial Outlook

The coming year is the final year of our three-year cycle for setting fees, which began April 1, 2006. The budget for 2008/09 is for a deficit. This is consistent with our plan to reduce our surplus and return the surplus to market participants by way of fees that are lower than would otherwise be the case.

2009 Budget versus 2008 Forecasted Actual

(Thousands)	2008 Forecasted	2009 Budget	Change $$$	Change %
Revenues	$78,615	$79,064	$449	0.6%
Expenses	$75,425	$86,172	$10,747	14.2%
Excess/(deficit) of revenue over expenses	$3,190	-$7,108	-$10,298	
Capital expenditures	$759	$5,669	$4,910	646.9%

Revenues for 2008/09 are forecast to increase by 0.6% due solely to market forces, which affect the revenues of registrants and the capital of issuers, on which the fees are based. No increases in fees are proposed. Higher than anticipated market growth in 2007/08 resulted in actual revenues that were $3.4 million higher than originally forecast.

The 2008/09 expense budget is $86.2 million, an increase of $10.7 million or 14.2% over the forecast actual results for 2007/08. Salaries and benefits comprise $62.1 million or 72% of the budget and are the key driver accounting for more than 60% of the total proposed increase. This is the only area of expenditure that exceeds 10% of expenses. Most of the increase in salaries and benefits reflects cost momentum from prior staffing decisions including the full year costs for staff hired during 2007/08, the planned filling of previously approved positions and the impact of performance-based salary increases. Other costs, such as occupancy costs of $6.5 million and training of $1.2 million, are correlated with staff numbers. Professional services are proposed to increase by $2.2 million or 37% above our last year's actual. One-time investments in IT infrastructure, which flow out of our IT Strategic Plan and will enhance our operational efficiency, re-design of the OSC website and completing our OSC Stakeholder Survey are some of the key drivers of the increase.

Key one-time increases in the capital budget are $3.0 million for leasehold improvements and $1.9 for IT infrastructure. Significant growth in hearing activity has generated needs for expanded Hearing Room facilities and additional working space for Commissioners. Creating enough contiguous space for our expanded Commission requirements will necessitate moving other OSC groups. The key initiatives driving higher IT infrastructure spending are:

- to improve and increase storage to facilitate current and future document management processes (including software in Enforcement), an OSC-wide document management system and business continuity;
- information security, access and identity; and
- for redevelopment and content management of the OSC website.

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
01/12/2008	1	1335308 Alberta Ltd. - Common Shares	18,500.00	NA
03/11/2008	50	Abitibi Mining Corp. - Flow-Through Units	706,500.00	6,855,000.00
02/29/2008	3	ACM Commercial Mortgage Fund - Units	350,000.00	3,479.00
03/12/2008	9	Advent International GPE VI-F Limited Partnership - Limited Partnership Interest	828,036,000.00	828,036,000.00
01/31/2008	119	Aerocast Inc. - Special Warrants	182,100.00	728,400.00
03/13/2008	67	AeroMechanical Services Ltd. - Units	4,500,000.00	4,500,000.00
10/01/2007	1	Agilith North American Diversified Fund L.P. - Limited Partnership Units	2,746,432.04	2,746.43
03/18/2008	56	Alexis Minerals Corporation - Units	11,700,000.20	16,714,286.00
03/17/2008	61	Arctic Star Diamond Corp. - Flow-Through Units	3,012,050.75	7,614,400.00
03/17/2008	61	Arctic Star Diamond Corp. - Non-Flow Through Units	3,012,050.75	14,383,775.00
08/31/2007 to 10/31/2007	2	Arrow Asian Income Fund - Units	255,000.00	28,542.51
01/01/2007 to 12/31/2007	3	Arrow Canadian Income Fund - Units	179,296.80	7,788.48
01/01/2007 to 12/31/2007	1	Arrow Clocktower Global Fund - Units	457,757.82	2,542.04
01/01/2007 to 12/31/2007	2	Arrow Elkhorn US Long/Short Fund - Units	136,598.53	1,630.21
01/01/2007 to 12/31/2007	1	Arrow Elmwood Fund - Units	304.80	26.42
01/01/2007 to 12/31/2007	5	Arrow Focus Fund - Units	385,970.49	3,322.90
03/25/2008	26	ASG Limited Partnership No. 28 - Limited Partnership Units	1,837,000.00	1,837.00
02/28/2007 to 12/31/2007	4	Asian Opportunities Fund - Units	750,000.00	53,810.27
03/11/2008	19	Bearclaw Capital Corp. - Common Shares	1,280,500.00	3,201,250.00
03/12/2008	13	Brock Income Trust - Trust Units	573,300.00	88,200.00
03/23/2008	8	Brockville Retail Limited Partnership - Limited Partnership Units	255,000.00	255.00

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
03/20/2008 to 03/25/2008	7	BTI Photonics Systems Inc. - Preferred Shares	5,745,014.68	1,392,768.00
03/18/2008	1	Cadillac Ventures Inc. - Common Shares	0.00	1,875,000.00
02/29/2008	1	Calloway Real Estate Investment Trust - Units	0.00	1,348,223.00
07/04/2007 to 12/31/2007	1	Canadian Dollar Liquidity Fund - Units	287,781,861.00	287,781,861.00
03/13/2008	13	Canadian North Sea Energy Limited - Common Shares	289,289.25	1,425,000.00
03/17/2008	367	Canadian Phoenix Resources Corp. - Units	25,299,750.00	202,398,000.00
03/14/2008	14	Cannasat Therapeutics Inc. - Common Share Purchase Warrant	500,000.05	3,333,333.00
01/05/2007 to 12/31/2007	275	Clocktower Global Fund - Units	10,668,309.89	768,994.59
03/15/2008 to 03/21/2008	7	CMC Markets Canada Inc. - Contracts for Differences	137,700.00	7.00
03/12/2008	3	Columbus Gold Corporation - Units	640,000.00	800,000.00
02/04/2008 to 02/25/2008	2	Consumer Discretionary Selt - Common Shares	3,812,239.21	120,000.00
03/17/2008	1	Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A. - Note	75,000,000.00	1
02/21/2008	31	Cyberplex Inc. - Common Shares	5,000,000.00	8,333,334.00
03/20/2008	1	C.A. Bancorp Canadian Realty Finance Corporation - Common Shares	440,000.00	44,000.00
02/28/2007 to 12/31/2007	7	Delaney Capital Balanced Fund - Units	1,707,450.00	16,227.99
01/17/2007 to 12/31/2007	93	Delaney Capital Equity Fund - Units	6,925,581.33	36,967.63
02/29/2008	1	Diamonds Trust Series I - Common Shares	12,142.24	100.00
01/01/2007 to 01/31/2007	1	Emerging Europe Debt - Units	60,000.00	5,331.91
03/12/2008	4	Empirical Inc. - Debentures	305,000.00	4.00
02/21/2008	1	Energy select Sector SPDR - Common Shares	1,837,621.98	25,000.00
03/16/2008	6	Equimor Mortgage Investment Corporation - Special Shares	139,890.10	NA
03/10/2008	1	Excalibur Limited Partnership - Limited Partnership Unit	174,580.00	0.63
09/26/2007	1	Exponent Private Equity Partners II, LP - Limited Partnership Interest	60,765,000.00	30,000,000.00
03/19/2008	1	Fem Med Formulas Limited Partnership - Units	100,000.00	100,000.00

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
02/01/2008 to 02/25/2008	3	Financial Select Sector SPDR - Common Shares	13,124,225.01	489,000.00
03/25/2008	2	First Leaside Properties Fund - Trust Units	6,664.00	6,664.00
03/18/2008	2	First Point Minerals Corp. - Flow-Through Shares	495,000.00	4,500,000.00
02/28/2008	16	Forest Gate Resources Inc. - Common Shares	502,060.00	3,862,000.00
03/20/2008	134	Galena Capital Corp. - Units	3,000,000.00	1,500,000.00
03/27/2008	1	Garrison International Ltd. - Common Shares	700,000.00	7,000,000.00
02/11/2008 to 02/15/2008	32	General Motors Acceptance Corporation of Canada, Limited - Notes	15,919,525.28	159,195.25
02/28/2007 to 10/31/2007	4	Global Net Short Fund - Units	10,964,067.71	1,022,764.46
02/13/2008 to 02/22/2008	8	Global Trader Europe Limited - Units	1,881.60	23,828.00
03/20/2008	3	Grantium Inc. - Common Shares	4,311,223.95	74,056,328.00
03/20/2008	3	Grantium Inc. - Common Shares	4,311,223.95	64,084,078.00
04/05/2007 to 12/27/2007	1	Gryphon International Investment Corporation - Units	16,604,100.00	1,362,792.22
01/12/2007 to 12/19/2007	4	Gryphon International Investment Corporation - Units	141,300,517.13	11,180,069.85
03/13/2008	11	Harry Winston Diamond Corporation - Common Shares	75,000,000.00	3,000,000.00
02/15/2008	1	Hartzel Road Plaza LP - Units	2,240,000.00	8,000.00
03/14/2008	22	High Ridge Resources Inc. - Units	1,142,100.00	3,807,000.00
03/17/2008	1	Homeland Energy Group Ltd. - Common Shares	0.00	1,040,000.00
02/26/2008 to 03/06/2008	71	IGW Real Estate Investment Trust - Trust Units	2,610,626.91	2,446,606.00
03/06/2008 to 03/14/2008	22	IGW Real Estate Investment Trust - Units	610,596.00	573,399.00
01/17/2007 to 12/27/2007	2	International Finance Participation Trust - Units	47,046,203.52	4,410.00
06/01/2007 to 12/03/2007	19	Iron Fund L.P. - Limited Partnership Units	4,250,000.00	423,168.43
02/21/2008	1	IShares CDN S&P/TSX Cap Enrg - Common Shares	59,468.09	700.00
01/31/2008	1	IShares CDN S&P/TSX Cap Enrg - Common Shares	1,637,403.24	16,000.00
02/07/2008	1	iShares DJ US Consumer Goods - Common Shares	5,349,506.69	91,200.00
02/04/2008 to 02/26/2008	3	iShares DJ US Real Estate - Common Shares	2,731,413.58	43,641.00

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
02/26/2008	1	iShares MSCI EMU - Common Shares	137,824.68	1,300.00
02/29/2008	1	iShares MSCI France Index FD - Common Shares	134,728.17	4,000.00
02/29/2008	1	iShares MSCI Germany Index - Common Shares	73,790.94	2,400.00
02/13/2008	1	iShares MSCI Hong Kong Index - Common Shares	1,091,876.58	58,100.00
02/28/2008	2	iShares MSCI Mexico - Common Shares	352,977.77	6,100.00
02/28/2008	1	iShares MSCI Pacific Ex Japan - Common Shares	14,012.87	100.00
02/26/2008	1	iShares MSCI Switzerland Index - Common Shares	4,921.36	200.00
02/26/2008 to 02/29/2008	1	iShares Russell 1000 Index - Common Shares	152,135,965.25	2,095,776.00
01/28/2008 to 02/19/2008	2	iShares Russell 2000 Index - Common Shares	32,688,292.10	471,000.00
02/21/2008 to 02/29/2008	1	iShares Silver Trust - Common Shares	464,907.41	2,600.00
02/15/2008 to 02/22/2008	4	IShares S&P Latin America 40 - Common Shares	9,666,688.71	38,900.00
03/03/2008	1	KBSH Private - Canadian Equity Fund - Common Shares	3,000.00	169.00
03/15/2008	2	Kingwest Avenue Portfolio - Units	137,919.00	5,018.00
03/07/2008	37	LibreStream Technologies Inc. - Common Shares	4,849,998.00	3,233,332.00
03/17/2008	21	LP RRSP Limited Partnership #1 - Limited Partnership Units	449,721.00	440,700.00
03/20/2008	1	MacLeod Resources Limited - Common Shares	22,500.00	15,000.00
03/20/2008	1	MacLeod Resources Limited - Warrants	22,500.00	7,500.00
02/19/2008	1	Materials Select Sector SPDR - Common Shares	10,335,027.99	254,000.00
02/21/2008 to 02/26/2008	45	Max Pacific Power Inc. - Flow-Through Shares	915,000.00	370,000.00
02/21/2008 to 02/26/2008	45	Max Pacific Power Inc. - Units	915,000.00	1,460,000.00
03/20/2008	27	Medoro Resources Ltd. - Common Shares	12,324,000.00	30,810,000.00
03/20/2008	27	Medoro Resources Ltd. - Warrants	12,324,000.00	15,405,000.00
03/20/2008	3	Mistral Pharma Inc. - Debentures	1,000,000.00	1,000,000.00
02/19/2008	1	Newport Canadian Equity Fund - Units	1,526.48	10.59
03/14/2008	2	Newport Canadian Equity Fund - Units	29,700.00	207.00
03/14/2008	21	Newport Fixed Income Fund - Units	613,392.43	5,978.00
03/14/2008	4	Newport Global Equity Fund - Units	25,761.55	346.00

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
02/14/2008 to 02/20/2008	16	Newport Yield Fund - Units	100,275.05	826.54
03/14/2008 to 03/20/2008	17	Newport Yield Fund - Units	123,373.05	1,029.00
03/11/2008	4	Pacific North West Capital Corp. - Common Shares	26,400.00	60,000.00
03/23/2008	2	Pacrim Saint John Hotel L.P. - Limited Partnership Units	137,000.00	137.00
03/20/2008	11	Peregrine Diamonds Ltd. - Common Shares	3,314,640.00	7,106,000.00
01/03/2007 to 12/18/2007	8	PIMCO Canada Canadian CorePLUS Bond Trust - Units	391,838,402.92	37,608,253.64
01/08/2007 to 12/27/2007	2	PIMCO Canada Canadian CorePLUS Long Bond Trust - Units	101,562,381.58	1,604,779.71
03/10/2008	9	PMI Gold Corporation - Units	136,759.00	488,425.00
02/01/2008 to 02/22/2008	4	Powershares QQQ - Common Shares	53,247,545.25	1,236,200.00
03/12/2008	13	PreMD Inc. - Debenture	1,219,545.00	1.00
01/09/2007 to 11/30/2007	7	Presima inc. - Common Shares	22,248,464.00	17,420.00
03/19/2008 to 03/28/2008	1	Propel Energy Corp. - Common Shares	1,500,000.00	937,500.00
03/19/2008 to 03/28/2008	3	Propel Energy Corp. - Flow-Through Shares	127,750.00	219,999.00
03/19/2008 to 03/28/2008	4	Propel Energy Corp. - Flow-Through Shares	509,249.50	124,325.00
03/19/2008	16	Queenston Mining Inc. - Flow-Through Shares	10,000,000.00	2,500,000.00
03/17/2008	84	RediShred Capital Corp. - Common Shares	4,999,999.68	9,615,384.00
01/04/2007 to 12/05/2007	1025	Salida Multi Strategy Hedge Fund - Units	70,291,166.25	2,785,284.62
01/04/2007 to 12/05/2007	221	Salida Multi Strategy Hedge Fund - Units	26,524,433.75	2,069,408.41
03/20/2008	5	Secure Energy Services Inc. - Common Shares	5,447,000.00	2,095,000.00
03/07/2008	9	Sextant Strategic Opportunities Hedge Fund LP - Units	339,300.00	9,328.00
03/14/2008	6	Sextant Strategic Opportunities Hedge Fund LP - Units	288,000.00	7,823.00
03/12/2008 to 03/19/2008	106	SilverCrest Mines Inc. - Units	6,118,435.40	5,562,214.00
02/06/2008 to 02/07/2008	2	SPDR S&P Homebuilders ETF - Common Shares	10,829,853.02	515,700.00
01/31/2008 to 02/29/2008	8	SPDR Trust Series 1 - Common Shares	76,193.76	573,190.00

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
02/19/2007 to 03/05/2008	22	Spirited Investors Corporation - Common Shares	2,627,222.24	4,962,240.00
03/01/2006 to 12/01/2006	33	Stellation Capital Fund Ltd. - Common Shares	67,068,770.00	57,550.00
03/10/2008	39	Strategic Oil & Gas Ltd. - Units	1,012,000.00	2,530,000.00
02/06/2008 to 02/28/2008	2	Streettracks Gold Trust - Common Shares	2,189,864.13	24,500.00
03/07/2008	15	Sunshine Oilsands Ltd. - Common Shares	758,000.00	189,500.00
03/07/2008	16	Sunshine Oilsands Ltd. - Flow-Through Shares	1,014,804.00	225,512.00
03/06/2008	2	Timbercreek Mortgage Investment Fund - Units	550,749.15	54,261.00
03/20/2008	5	Trigence Corp. - Common Shares	4,000,005.99	400,000,199.00
02/06/2008	1	Ultrashort S&P500 Proshare - Common Shares	4,963,171.26	62.77
02/19/2008 to 02/29/2008	3	United States Oil Fund LP - Common Shares	2,638,240.00	34,200.00
03/25/2008	4	UR- Energy Inc. - Common Shares	2,750,000.00	1,000,000.00
03/04/2008	33	Uranium Bay Resources Inc. - Common Shares	640,220.00	5,820,182.00
02/01/2008 to 02/29/2008	1	Vanguard European ETF - Common Shares	882,274.29	13,400.00
12/29/2006	9	Viking Gold Exploration Inc. - Common Shares	157,500.00	7,046,710.00
12/29/2006	9	Viking Gold Exploration Inc. - Warrants	157,500.00	7,046,710.00
03/12/2008	35	Walton AZ Picacho View 2 Investment Corporation - Common Shares	790,910.00	79,091.00
03/20/2008	188	Walton AZ Picacho View 3 Investment Corporation - Common Shares	4,019,340.00	401,934.00
03/20/2008	21	Walton AZ Picacho View Limited Partnership 3 - Units	4,758,307.62	474,881.00
03/10/2008	36	Walton AZ Silver Reef Limited Partnership 2 - Limited Partnership Units	1,660,378.65	166,454.00
03/14/2008	35	Walton AZ Sunland View Investment Corporation - Common Shares	950,070.00	95,007.00
03/14/2008	13	Walton AZ Sunland View Limited Partnership - Limited Partnership Units	1,205,780.80	121,184.00
03/13/2008	3	Walton International Group Inc. - Notes	160,000.00	160,000.00
03/18/2008	3	Walton International Group Inc. - Notes	500,000.00	500,000.00
12/27/2007 to 01/18/2008	7	Wedge Energy International Inc. - Common Shares	1,102,015.00	NA
03/18/2008	66	Wild River Resources Ltd. - Common Shares	8,355,780.00	1,842,300.00
03/18/2008	66	Wild River Resources Ltd. - Flow-Through Shares	8,355,780.00	2,628,100.00

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
03/17/2007	6	Xceed Mortgage Trust - Notes	84,087,629.00	NA
03/20/2008	41	Xemplar Energy Corp. - Units	19,665,000.00	6,555,000.00
02/29/2008	13	Xtra-Gold Resources Corp. - Units	1,559,217.78	1,062,000.00

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
Adaltis Inc.
Principal Regulator - Quebec
Type and Date:
Preliminary Short Form Prospectus dated March 28, 2008
NP 11-202 Receipt dated March 31, 2008
Offering Price and Description:
$14,914,698.00 - 69,912,648 rights to purchase 46,608,432 common shares at a purchase price of $0.32 per share
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1238874

Issuer Name:
AGF Canadian Large Cap Dividend Class
AGF Canadian Stock Class
AGF Emerging Markets Class
AGF Global Dividend Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectuses dated March 20, 2008
NP 11-202 Receipt dated March 26, 2008
Offering Price and Description:
(Mutual Fund Series, Series D, F, O and T Securities)
Underwriter(s) or Distributor(s):
AGF Funds Inc.
Promoter(s):
-
Project #1232639

Issuer Name:
Allied Nevada Gold Corp.
Principal Regulator - Ontario
Type and Date:
Second Amended and Restated Preliminary Prospectus dated March 27, 2008
Mutual Reliance Review System Receipt dated March 28, 2008
Offering Price and Description:
$ * - * Shares of Common Stock Price: $ * per Common Stock
Underwriter(s) or Distributor(s):
Cormark Securities Inc.
GMP Securities L.P.
Promoter(s):
-
Project #1208106

Issuer Name:
Andean Resources Limited
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated April 1, 2008
NP 11-202 Receipt dated April 1, 2008
Offering Price and Description:
$39,990,000.00 - 25,800,000 Common Shares Price:$1.55 per Common Share
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
Haywood Securities Inc.
Paradigm Capital Inc.
RBC Dominion Securities Inc.
Promoter(s):
-
Project #1243097

Issuer Name:
Cargojet Income Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated March 26, 2008
NP 11-202 Receipt dated March 26, 2008
Offering Price and Description:
$31,000,000.00 - 7.5% Convertible Unsecured Subordinated Debentures Price: $1,000 per Debenture
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
Cormark Securities Inc.
Research Capital Corporation
Promoter(s):
-
Project #1234657

Issuer Name:
CI Short-Term Advantage Corporate Class
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated March 28, 2008
NP 11-202 Receipt dated March 31, 2008
Offering Price and Description:
Class A, F and I Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
CI Investments Inc.
Project #1240265

Issuer Name:
CI Short-Term Advantage Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated March 28, 2008
NP 11-202 Receipt dated March 31, 2008
Offering Price and Description:
Class C Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
CI Investments Inc.
Project #1240443

Issuer Name:
Columbus Silver Corporation
Principal Regulator - British Columbia
Type and Date:
Preliminary Prospectus dated March 26, 2008
NP 11-202 Receipt dated March 27, 2008
Offering Price and Description:
Maximum Public Offering: $5,250,000.00 - Minimum Public Offering: $3,000,000.00 up to: 7,000,000 Units - Price: $0.75 per Unit Each Unit consisting of one Common Share and one Common Share Purchase Warrant
Underwriter(s) or Distributor(s):
Union Securities Ltd.
Promoter(s):
Columbus Gold Corporation
Project #1231726

Issuer Name:
Exemplar Canadian Focus Portfolio
Exemplar Global Opportunities Portfolio
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated March 25, 2008
NP 11-202 Receipt dated March 26, 2008
Offering Price and Description:
$ * - * Shares Price: Net Asset Value per Share Minimum Initial Purchase: $5,000
Underwriter(s) or Distributor(s):
-
Promoter(s):
Blumont Capital Corporation
Project #1233984

Issuer Name:
Marathon PGM Corporation
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated March 31, 2008
NP 11-202 Receipt dated April 1, 2008
Offering Price and Description:
$20,010,000.00 - 4,350,000 Units Price: $4.60 per Unit
Underwriter(s) or Distributor(s):
TD Securities
Blackmont Capital Inc.
Promoter(s):
-
Project #1242178

Issuer Name:
Medical Facilities Corporation
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated March 31, 2008
NP 11-202 Receipt dated March 31, 2008
Offering Price and Description:
Cdn $43,000,000.00 - 7.50% Convertible Secured Debentures due April 30, 2013
Price: Cdn $1,000 per Debenture
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
TD Securities Inc.
Blackmont Capital Inc.
Canaccord Capital Corporation
Wellington West Capital Markets Inc.
Promoter(s):
-
Project #1240892

Issuer Name:
Planet Organic Health Corp.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated March 31, 2008
NP 11-202 Receipt dated April 1, 2008
Offering Price and Description:
$ * - * Common Shares Price: $* per Common Share
Underwriter(s) or Distributor(s):
Canaccord Capital Corporation
Thomas Weisel Partners Canada Inc.
CIBC World Markets Inc.
Thinkeqity Partners LLC
PI Financial Corp.
Promoter(s):
Ron Francisco
Darren Krissie
Project #1241505

Issuer Name:
Southeast Asia Mining Corp.
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated March 27, 2008
NP 11-202 Receipt dated March 31, 2008
Offering Price and Description:
$ * - * Units Price: $ * per Unit
Underwriter(s) or Distributor(s):
Jennings Capital Inc.
Fraser MacKenzie Limited
Wellington West Capital Inc.
Promoter(s):
John Cullen
Project #1239991

Issuer Name:
Cen-ta Real Estate Ltd.
Gro-Net Financial Tax & Pension Planners Ltd.
Type and Date:
Final Prospectus dated March 25, 2008
Receipted on March 26, 2008
Offering Price and Description:
CONDOMINIUM INVESTMENT UNITS
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1216526/1216516

Issuer Name:
Chrysalis Capital VI Corporation
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated March 28, 2008
Mutual Reliance Review System Receipt dated April 1, 2008
Offering Price and Description:
MINIMUM OFFERING: $1,000,000.00 or 5,000,000 Common Shares; MAXIMUM OFFERING: $1,500,000.00 or 7,500,000 Common Shares PRICE: $0.20 per Common Share
Underwriter(s) or Distributor(s):
Canaccord Capital Corporation
Promoter(s):
Marc Lavine
Project #1225689

Issuer Name:
Series A, B, F and O of:
Fidelity Focus Consumer Industries Fund
Fidelity Focus Financial Services Fund
Fidelity Focus Health Care Fund
Fidelity Focus Natural Resources Fund
Fidelity Focus Technology Fund and
Fidelity Focus Telecommunications Fund
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated March 14, 2008 to the Simplified Prospectuses and Annual Information Forms dated October 26, 2007
Mutual Reliance Review System Receipt dated March 27, 2008
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Fidelity Investments Canada ULC
Fidelity Investments Canada Limited
Promoter(s):
-
Project #1151911

Issuer Name:
Hilltown Resources Inc.
Principal Regulator - British Columbia
Type and Date:
Final Prospectus dated March 26, 2008
Mutual Reliance Review System Receipt dated March 27, 2008
Offering Price and Description:
$400,000.00 (Maximum): MINIMUM OFFERING OF 2,250,000 COMMON SHARES; MAXIMUM OFFERING OF 2,666,667 COMMON SHARES PRICE: $0.15 PER COMMON SHARE
Underwriter(s) or Distributor(s):
Research Capital Corporation
Promoter(s):
Rudy de Jonge
David Eaton
Project #1114557

Issuer Name:
Kingsmill Capital Ventures II Inc.
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated March 28, 2008
Mutual Reliance Review System Receipt dated April 1, 2008
Offering Price and Description:
Minimum Offering: $750,000.00 or 3,750,000 Common Shares; Maximum Offering: $1,000,000.00 or 5,000,000 Common Shares Price: $0.20 per Common Share
Underwriter(s) or Distributor(s):
Canaccord Capital Corporation
Promoter(s):
David Mitchell
Ilja Troitschanski
Project #1212738

Issuer Name:
Class A Units, Class B Units, Class C Units and Class F Units of :
McLean Budden Balanced Growth Fund
McLean Budden Balanced Value Fund
McLean Budden Canadian Equity Growth Fund
McLean Budden Canadian Equity Fund
McLean Budden Canadian Equity Value Fund
McLean Budden American Equity Fund
McLean Budden Global Equity Fund
Mclean Budden High Income Equity Fund
McLean Budden International Equity Fund
McLean Budden Fixed Income Fund
McLean Budden Money Market Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated March 28, 2008
Mutual Reliance Review System Receipt dated April 1, 2008
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
McLean Budden Limited

Promoter(s):
-
Project #1223671

Issuer Name:
New Flyer Industries Canada ULC
New Flyer Industries Inc.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated March 31, 2008
NP 11-202 Receipt dated March 31, 2008
Offering Price and Description:
C$99,978,000.00 - 8,770,000 Income Deposit Securities
Price: C$11.40 per IDS
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
Cormark Securities Inc.
Scotia Capital Inc.
TD Securities Inc.
Promoter(s):
New Flyer Transit, L.P.
Project #1233917/1233915

Issuer Name:
Penfold Capital Acquisition II Corporation
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated March 27, 2008
Mutual Reliance Review System Receipt dated March 31, 2008
Offering Price and Description:
$300,000.00 or 1,500,000 Common Shares PRICE: $0.20 per Common Share
Underwriter(s) or Distributor(s):
Evergreen Capital Partners Inc.
Promoter(s):
Gary M. Clifford
Project #1219021

Issuer Name:
RBC Investments Focus List Trust
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated March 7, 2008 to the Simplified Prospectus and Annual Information Form dated April 5, 2007
Mutual Reliance Review System Receipt dated April 1, 2008
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
First Defined Portfolio Management Co.
Promoter(s):
First Defined Portfolio Management Co.
Project #1061805

Issuer Name:
Temple Real Estate Investment Trust
Principal Regulator - Manitoba
Type and Date:
Final Short Form Prospectus dated March 25, 2008
Mutual Reliance Review System Receipt dated March 27, 2008
Offering Price and Description:
$30,000,000.00 (Maximum) 5 YEAR 8.5% SERIES B CONVERTIBLE REDEEMABLE DEBENTURES
in the Minimum Aggregate Principal Amount of $18,000,000 (the “Minimum Offering”) and the Maximum Aggregate Principal Amount of $30,000,000 (the “Maximum Offering”) $100.00 per Debenture
Underwriter(s) or Distributor(s):
Blackmont Capital Inc.
Dundee Securities Corporation
National Bank Financial Inc.
Raymond James Ltd.
Wellington West Capital Inc.
HSBC Securities (Canada) Inc.
Thomas Weisel Partners Canada Inc.
Promoter(s):
-
Project #1226388

Issuer Name:
Viacorp Technologies Inc.
Principal Regulator - British Columbia
Type and Date:
Final Prospectus dated March 31, 2008
Mutual Reliance Review System Receipt dated April 1, 2008
Offering Price and Description:
Minimum 8,750,000 Units ($7,000,000.00); Maximum 12,500,000 Units ($10,000,000.00)
$0.80 per Unit
Underwriter(s) or Distributor(s):
Northern Securities Inc.
Promoter(s):
Larry Olson
Project #1206409

Issuer Name:
VMD - McLean Budden LifePlan 2010 Fund
VMD - McLean Budden LifePlan 2020 Fund
VMD - McLean Budden LifePlan 2030 Fund
VMD - McLean Budden LifePlan Retirement Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated March 28, 2008
Mutual Reliance Review System Receipt dated March 31, 2008
Offering Price and Description:
Class A Units
Underwriter(s) or Distributor(s):
Desjardins Securities Inc.
Promoter(s):
-
Project #1223543

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Name Change	From: Fruchet Gestion D'actifs Inc. / Fruchet Asset Management Inc. To: Finlab Capital Inc.	Extra Provincial Limited Market Dealer & Investment Counsel & Portfolio Manager & Commodity Trading Manager	February 27, 2008
New Registration	North Star Capital Management Limited	Limited Market Dealer, Investment Counsel & Portfolio Manager	April 1, 2008
New Registration	Nottingham Consulting Ltd.	Limited Market Dealer	April 1, 2008

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Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 MFDA Issues Notice of Hearing Regarding Brian Somerset Campbell

NEWS RELEASE
For immediate release

MFDA ISSUES NOTICE OF HEARING REGARDING BRIAN SOMERSET CAMPBELL

March 26, 2008 (Toronto, Ontario) – The Mutual Fund Dealers Association of Canada ("MFDA") today announced that it has commenced disciplinary proceedings against Brian Campbell.

MFDA staff alleges in its Notice of Hearing that Mr. Campbell engaged in the following conduct contrary to the By-laws, Rules or Policies of the MFDA:

Allegation #1: Commencing in or about 2002, the Respondent conducted trades in the accounts of clients of the Member without first obtaining instructions from the clients for each trade made, thereby engaging in discretionary trading beyond the terms of his registration as a mutual fund salesperson, contrary to MFDA Rule 2.1.1.

Allegation #2: Commencing in or about 2002, the Respondent collected portfolio management fees from clients of the Member in respect of trades made by the Respondent in the accounts of the clients, thereby accepting remuneration from persons other than the Member in respect of business carried out by the Respondent on behalf of the Member, contrary to MFDA Rule 2.4.1.

Allegation #3: Commencing in or about 2002, the Respondent engaged in discretionary trading in the accounts of clients of the Member and collected portfolio management fees from those clients, thereby engaging in portfolio management activity contrary to the express terms and conditions imposed on his registration as a mutual fund salesperson by the British Columbia Securities Commission, contrary to MFDA Rule 2.1.1.

Allegation #4: On March 13, 2006, the Respondent had in his possession 68 blank pre-signed forms, contrary to MFDA Rule 2.1.1. Specifically:

(i) 63 blank pre-signed trade execution forms which he obtained and maintained for the purpose of conducting discretionary trading in client accounts; and

(ii) 5 blank pre-signed new account application forms which he obtained and maintained for the purpose of altering know-your-client information to suit trades he conducted in client accounts.

Allegation #5: On September 26, 2006 and February 14, 2007, the Respondent made false or misleading statements to the MFDA during the course of an investigation, contrary to MFDA Rule 2.1.1.

Allegation #6: Commencing February 2007, the Respondent failed to produce for inspection and provide copies of documents and other information relevant to matters being investigated by the MFDA, contrary to section 22.1 of MFDA By-law No. 1.

The first appearance in this matter will take place by teleconference before a Hearing Panel of the MFDA Pacific Regional Council in the Hearing Room located at the offices of the MFDA at 650 West Georgia Street, Suite 1220, Vancouver, British Columbia on Tuesday, April 22, 2008 at 10:00 a.m. (Vancouver) or as soon thereafter as can be held.

The purpose of the first appearance is to schedule the date for the commencement of the hearing on its merits and to address any other procedural matters.

The first appearance is open to the public, except as may be required for the protection of confidential matters. Members of the public attending the first appearance will be able to listen to the proceeding by teleconference.

A copy of the Notice of Hearing is available on the MFDA website 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 158 Members and their approximately 75,000 Approved Persons with a mandate to protect investors and the public interest.

For further information, please contact:
Shaun Devlin
Vice-President, Enforcement
(416) 943-4672 or sdevlin@mfda.ca

13.1.2 MFDA Issues Notice of Hearing Regarding Brian Edward Mark Nerdahl

NEWS RELEASE
For immediate release

MFDA ISSUES NOTICE OF HEARING REGARDING BRIAN EDWARD MARK NERDAHL

March 27, 2008 (Toronto, Ontario) – The Mutual Fund Dealers Association of Canada ("MFDA") today announced that it has commenced disciplinary proceedings against Brian Nerdahl.

MFDA staff alleges in its Notice of Hearing that Mr. Nerdahl engaged in the following conduct contrary to the By-laws, Rules or Policies of the MFDA:

> **Allegation #1:** Between February 2002 and July 2004, the Respondent engaged in securities related business outside the Member by recommending and facilitating investments by 17 clients and others in the total amount of approximately $590,000 in Commonwealth Capital Corporation, which investments were not carried on for the account of the Member or through the facilities of the Member, contrary to MFDA Rules 1.1.1 and 2.1.1.
>
> **Allegation #2:** Between February 2002 and July 2004, the Respondent had and continued in an occupation that was not disclosed to and approved by the Member by recommending and facilitating loans by 17 clients and others in the total amount of approximately $590,000 to Commonwealth Capital Corporation, contrary to MFDA Rules. 1.2.1(d) and 2.1.1.
>
> **Allegation #3:** Between January 2006 and May 2006, the Respondent had and continued in an occupation that was not disclosed to and approved by the Member by recommending and facilitating participation by a client and others in the amount of approximately $24,000 in the Canadian Humanitarian Trust, a charitable donation program, contrary to MFDA Rules 1.2.1(d) and 2.1.1.

The first appearance in this matter will take place by teleconference before a Hearing Panel of the MFDA Central Regional Council in the Hearing Room located at the offices of the MFDA, 121 King Street West, Suite 1000, Toronto, Ontario on Tuesday, April 15, 2008 at 10:00 a.m. (Eastern) or as soon thereafter as can be held.

The purpose of the first appearance is to schedule the date for the commencement of the hearing on its merits and to address any other procedural matters.

The first appearance is open to the public, except as may be required for the protection of confidential matters. Members of the public attending the first appearance will be able to listen to the proceeding by teleconference.

A copy of the Notice of Hearing is available on the MFDA website 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 158 Members and their approximately 75,000 Approved Persons with a mandate to protect investors and the public interest.

For further information, please contact:
Shaun Devlin
Vice-President, Enforcement
(416) 943-4672 or sdevlin@mfda.ca

13.1.3 MFDA Sets Date for Joplin Leclair Hearing in Toronto, Ontario

NEWS RELEASE
For immediate release

MFDA SETS DATE FOR
JOPLIN LECLAIR HEARING IN TORONTO, ONTARIO

March 31, 2008 (Toronto, Ontario) – The Mutual Fund Dealers Association of Canada ("MFDA") commenced a disciplinary proceeding in respect of Joplin Leclair by Notice of Hearing dated February 11, 2008.

As specified in the Notice of Hearing, the first appearance in this proceeding took place today at 10:00 a.m. (Eastern) before a 3-member Hearing Panel of the MFDA Central Regional Council.

The commencement of the hearing of this matter on the merits has been scheduled to take place before a Hearing Panel of the Central Regional Council on Tuesday, June 10, 2008 at 10:00 a.m. (Eastern) in the Hearing Room located at the offices of the MFDA at 121 King Street West, Suite 1000, Toronto, Ontario, or as soon thereafter as the hearing can be held.

The hearing will be open to the public, except as may be required for the protection of confidential matters.

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 158 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

13.1.4 MFDA Sets Date for Calogero (Charlie) Arcuri Hearing in Toronto, Ontario

NEWS RELEASE
For immediate release

MFDA SETS DATE FOR
CALOGERO (CHARLIE) ARCURI HEARING
IN TORONTO, ONTARIO

April 1, 2008 (Toronto, Ontario) – The Mutual Fund Dealers Association of Canada ("MFDA") commenced a disciplinary proceeding in respect of Calogero Arcuri by Notice of Hearing dated February 5, 2008.

As specified in the Notice of Hearing, the first appearance in this proceeding took place today at 10:00 a.m. (Eastern) before a three-member Hearing Panel of the MFDA Central Regional Council.

The commencement of the hearing of this matter on the merits has been scheduled to take place before a Hearing Panel of the Central Regional Council on Wednesday, June 18, 2008 at 10:00 a.m. (Eastern) in the Hearing Room located at the offices of the MFDA at 121 King Street West, Suite 1000, Toronto, Ontario, or as soon thereafter as the hearing can be held.

The hearing will be open to the public, except as may be required for the protection of confidential matters.

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 158 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

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Chapter 25

Other Information

25.1 Approvals

25.1.1 Ark Fund Management Ltd. - s. 213(3)(b) of the LTCA

Headnote

Clause 213(3)(b) of the Loan and Trust Corporations Act – application by manager, with no prior track record acting as trustee, for approval to act as trustee of pooled funds and future pooled funds to be established and managed by the applicant and offered pursuant to a prospectus exemption.

Statutes Cited

Loan and Trust Corporations Act, R.S.O. 1990, c. L.25, as am., s. 213(3)(b).

March 28, 2008

Baker & McKenzie LLP
Barristers & Solicitors
BCE Place
181 Bay Street, Suite 2100
P.O. Box 874
Toronto, ON M5J 2T3

Attention: Greg McNab

Dear Sirs/Medames:

Re: Ark Fund Management Ltd. (the "Applicant")
Application pursuant to clause 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario) for approval to act as trustee
Application No. 2008/0010

Further to your application dated January 2, 2008 (the "Application") filed on behalf of the Applicant, and based on the facts set out in the Application and the representation by the Applicant that the assets of Ark Canadian Long/Short Fund, SciVest Conservative Market Neutral Equity Fund, SciVest Market Neutral Equity Fund, SciVest Aggressive Market Neutral Fund, SciVest Net Short Equity Fund, SciVest Oil Sands Index Plus Fund and SciVest Commodity Index Plus Fund (the "Funds") and such other trusts as the Applicant may establish from time to time, will be held in the custody of: (1) a trust company incorporated and licensed or registered under the laws of Canada or a jurisdiction, or a bank listed in Schedule I, II or III of the Bank Act (Canada), or an affiliate of such bank or trust company; or (2) an affiliate of a trust company in the U.S. qualified to act as a sub-custodian under section 6.3 of NI 81-102, the Ontario Securities Commission (the "Commission") makes the following order.

Pursuant to the authority conferred on the Commission in clause 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario), the Commission approves the proposal that the Applicant act as trustee of the Funds and such other trusts which may be established and managed by the Applicant from time to time, the securities of which will be offered pursuant to a prospectus exemption.

Yours truly,

"Carol S. Perry"

"Margot C. Howard"

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